NEW ISSUE **RATINGS: S&P: "AA+"**
BOOK-ENTRY ONLY **Moody's: "Aa1"**
See "RATINGS" herein

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2018 Bonds is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the respective dates of delivery of the 2018 Bonds (the "Tax Code"), and interest on the 2018 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that for taxable years of corporations beginning before January 1, 2018 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."

$100,000,000
Las Vegas Valley Water District, Nevada
General Obligation (Limited Tax)
(Additionally Secured by Pledged Revenues)
Water Bonds, Series 2018A

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

The 2018 Bonds (defined herein) are issued as fully registered bonds in denominations of $5,000, or any integral multiple thereof. The 2018 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 2018 Bonds. Purchases of the 2018 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2018 Bonds. See "THE 2018 BONDS — Book-Entry Only System." The 2018 Bonds bear interest at the rates set forth herein, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2018, to and including the maturity dates shown herein (unless redeemed earlier). Interest on the 2018 Bonds will be paid by check or draft mailed to the registered owner of the 2018 Bonds, initially Cede & Co, as nominee of DTC. The principal of, and premium, if any, on the 2018 Bonds will be payable upon presentation and surrender at the principal operations office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor as the paying agent for the 2018 Bonds. See "THE 2018 BONDS."

The maturity schedule for the 2018 Bonds appears on the inside cover page of this Official Statement.

The 2018 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as described in this Official Statement.

Proceeds of the 2018 Bonds will be used to: (i) finance the acquisition and/or construction of water improvement projects of the District, as more particularly described herein; and (ii) pay the costs of issuing the 2018 Bonds. See "SOURCES AND USES OF FUNDS."

The 2018 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 Nevada constitutional and statutory limitations on the aggregate amount of *ad valorem* taxes. The 2018 Bonds are additionally secured by a pledge of the Net Pledged Revenues of the District. See "SECURITY FOR THE 2018 BONDS — Net Pledged Revenues."

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

The 2018 Bonds are offered when, as, and if issued by the District and accepted by the initial Purchaser, subject to the approval of legality of the 2018 Bonds by Sherman & Howard L.L.C., Las Vegas, Nevada, Bond Counsel, and the satisfaction of certain other conditions. Stradling Yocca Carlson & Rauth, a Professional Corporation, Las Vegas, Nevada, has acted as disclosure counsel to the District in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the District by the District's General Counsel. It is expected that the 2018 Bonds will be available for delivery through the facilities of DTC on or about June 26, 2018.

Dated: May 30, 2018

MATURITY SCHEDULE
(CUSIP© 6-digit issuer number: 517845)

$100,000,000
Las Vegas Valley Water District, Nevada
General Obligation (Limited Tax)
(Additionally Secured by Pledged Revenues)
Water Bonds, Series 2018A

Maturing (June 1)	***Principal Amount***	***Interest Rate***	***Yield***	***Price***	***CUSIP©† Issue No.***
2019	$1,605,000	5.00%	1.69%	103.042	EL3
2020	1,805,000	5.00	1.84	105.965	EM1
2021	1,895,000	5.00	1.94	108.675	EN9
2022	1,990,000	5.00	2.01	111.244	EP4
2023	2,090,000	5.00	2.11	113.464	EQ2
2024	2,195,000	5.00	2.24	115.246	ER0
2025	2,305,000	5.00	2.36	116.785	ES8
2026	2,420,000	5.00	2.41[C]	116.438	ET6
2027	2,540,000	5.00	2.46[C]	116.092	EU3
2028	2,665,000	4.00	2.51[C]	109.422	EV1
2029	2,770,000	4.00	2.74[C]	107.902	EW9
2030	2,885,000	4.00	2.85[C]	107.184	EX7
2031	3,000,000	3.00	3.10	98.939	EY5
2032	3,090,000	3.00	3.15	98.317	EZ2
2033	3,180,000	3.00	3.20	97.639	FA6
2034	3,275,000	3.125	3.25	98.453	FB4
2035	3,380,000	3.125	3.30	97.742	FC2
2036	3,485,000	3.25	3.35	98.658	FD0
2037	3,600,000	3.25	3.40	97.917	FE8
2038	3,715,000	3.375	3.43	99.208	FF5

$20,805,000 4.00% Term Bond due June 1, 2043. Yield: 3.57%[CC] Price: 103.566 CUSIP© Issue No.: FL2

$25,305,000 4.00% Term Bond due June 1, 2048. Yield: 3.62%[CC] Price: 103.144 CUSIP© Issue No.: FR9

[C] *Yield to optional redemption date of June 1, 2025, at par.*
[CC] *Yield to optional redemption date of June 1, 2028, at par.*
† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the District or the Purchaser and are included solely for the convenience of the registered owners of the applicable 2018 Bonds. Neither the District nor the Purchaser is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable 2018 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2018 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2018 Bonds.

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 2018 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 2018 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the Las Vegas Valley Water District, Nevada (the “District”). The District maintains an internet website; however, except as expressly incorporated by reference herein, the information presented in those websites is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2018 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. 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 2018 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 2018 Bonds and may not be reproduced or used in whole or in part for any other purpose.

The 2018 Bonds have not been registered with the Securities and Exchange Commission (the “SEC”) due to an exemption contained in the Securities Act of 1933, as amended. The 2018 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. For purposes of compliance with Rule 15c2-12 of the SEC, as amended, and in effect on the date hereof, this document in the form of a Preliminary Official Statement constitutes an official statement of the District that has been deemed final by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

UNDER CERTAIN CIRCUMSTANCES, THE PURCHASER MAY OFFER AND SELL THE 2018 BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS AND OTHERS AT YIELDS HIGHER THAN THOSE STATED ON THE PAGE IMMEDIATELY FOLLOWING THE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE INITIAL PURCHASER. IN ORDER TO FACILITATE DISTRIBUTION OF THE 2018 BONDS, THE INITIAL PURCHASER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE 2018 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

LAS VEGAS VALLEY WATER DISTRICT, NEVADA

Board of Directors
Marilyn Kirkpatrick, President
Steve Sisolak, Vice President
Susan Brager
Larry Brown
James Gibson
Chris Giunchigliani
Lawrence Weekly

Officers and Staff
John J. Entsminger, General Manager
David L. Johnson, Deputy General Manager, Engineering/Operations
Julie A. Wilcox, Deputy General Manager, Administration
Gregory J. Walch, Esq., General Counsel
Brian G. Thomas, Chief Financial Officer

MUNICIPAL ADVISORS

Hobbs, Ong and Associates, Inc.
Las Vegas, Nevada

PFM Financial Advisors LLC
Seattle, Washington

BOND COUNSEL

Sherman & Howard L.L.C.
Las Vegas, Nevada

DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth, a Professional Corporation
Las Vegas, Nevada

REGISTRAR AND PAYING AGENT

The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

TABLE OF CONTENTS

INDEX OF TABLES

NOTE: Tables marked with one (*) indicate Annual Financial Information to be updated by the District pursuant to SEC Rule 15c2-12, as amended. See APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE FOR THE DISTRICT.

Page

OFFICIAL STATEMENT

$100,000,000
Las Vegas Valley Water District, Nevada
General Obligation (Limited Tax)
(Additionally Secured by Pledged Revenues)
Water Bonds, Series 2018A

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover page and the appendices, is furnished by the Las Vegas Valley Water District, Nevada (the "District"), to provide information about the District and the District's $100,000,000 General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Water Bonds, Series 2018A (the "2018 Bonds"). The 2018 Bonds will be issued pursuant to a resolution adopted by the District's Board of Directors (the "Board") on May 1, 2018 (the "Bond Resolution").

The offering of the 2018 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 2018 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, the inside cover page and the appendices, is unauthorized. Undefined capitalized terms have the meanings given in the Bond Resolution. See APPENDIX B — "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION."

The District

The District was created under a special act of the Nevada State Legislature (the "Legislature") in 1947 as a governmental subdivision of the State of Nevada (the "State") and a quasi-municipal corporation. The District was created for the purpose of obtaining and distributing water primarily in the Las Vegas Valley, which includes the metropolitan area of Clark County, Nevada (the "County") and the City of Las Vegas. The Clark County Board of Commissioners serves as the District's Board and governs the activities of the District. See "LAS VEGAS VALLEY WATER DISTRICT."

The District is a member of the Southern Nevada Water Authority (the "SNWA"), a regional agency created in 1991 by seven governmental agencies in the County to address water issues, develop additional water supplies, and build and operate water treatment and transmission facilities on a regional basis. After its formation, the SNWA assumed assets and liabilities of the Southern Nevada Water System ("SNWS") owned by the Colorado River Commission ("CRC") from the CRC and purchased all SNWS assets formerly owned by the federal government. The District operates and maintains the SNWS, as agent for the SNWA, pursuant to the 2012 Amended Facilities and Operations Agreement, effective September 5, 2012 (the "Operations Agreement"), between the SNWA and four of the Members (City of Boulder City, City of Henderson, City of North Las Vegas and the District). See "LAS VEGAS VALLEY WATER DISTRICT — Intergovernmental Relationships — *Southern Nevada Water Authority*."

The 2018 Bonds; Redemption

The 2018 Bonds are issued solely as fully registered certificates in the denomination of $5,000, or any integral multiple thereof. The 2018 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 2018

Bonds. Purchases of the 2018 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2018 Bonds. See “THE 2018 BONDS — Book-Entry Only System.” The 2018 Bonds will be dated as of the date of delivery and will 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 of this Official Statement. The payment of principal and interest on the 2018 Bonds is described in “THE 2018 BONDS — Payment Provisions.”

The 2018 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as described in this Official Statement as described in “THE 2018 BONDS — Redemption Provisions.”

Authority for Issuance

The 2018 Bonds are being issued pursuant to Chapter 167, Statutes of Nevada, 1947 as amended and supplemented (the “District Act”), Nevada Revised Statutes (“NRS”) Chapter 350.500 through 350.720, designated as the “Local Government Securities Law” (the “Bond Act”), NRS 350.020 and Chapter 348 of NRS and the Bond Resolution.

Purpose

General. Proceeds of the 2018 Bonds are expected to be used to: (i) finance the acquisition and/or construction of water improvement projects of the District, as more particularly described herein; and (ii) pay the costs of issuing the 2018 Bonds. See “SOURCES AND USES OF FUNDS.”

Security for the 2018 Bonds

General Obligation. The 2018 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 due thereon. If necessary, and subject to State constitutional and statutory limitations on the aggregate amount of *ad valorem* taxes, the District will levy *ad valorem* property taxes to pay debt service on the 2018 Bonds. However, pursuant to NRS 350.596, if there are not on hand sufficient funds to pay debt service when due on the 2018 Bonds, such amounts shall be paid out of a general fund of the District or out of any other funds that may be available for such purpose, reimbursement to be made to such general fund in the amounts so advanced when the *ad valorem* property taxes levied to pay such debt service have been collected. See the captions “SECURITY FOR THE 2018 BONDS” and “LAS VEGAS VALLEY WATER DISTRICT DEBT STRUCTURE.”

Generally, the combined overlapping *ad valorem* tax rate is limited by State statute to $3.64 per $100 of assessed valuation. Compliance with such limit excludes $0.02 of the statewide property tax rate of $0.17 per $100 assessed valuation. State statutes provide a priority for taxes levied for the payment of general obligation bonded indebtedness. In any year in which the proposed tax rate to be levied by overlapping units within a county exceeds any rate limitation, State constitutional and statutory provisions require that a reduction must be made by those units for purposes other than the payment of general obligation bonded indebtedness, including interest thereon. The District cannot predict how such provisions would be enforced by the courts if such provision were to be implemented. See “SECURITY FOR THE 2018 BONDS — General Obligation Bonds” and “PROPERTY TAX INFORMATION — Property Tax Limitations.”

Net Pledged Revenues Additionally Secure the 2018 Bonds. The 2018 Bonds are additionally secured pursuant to the Bond Resolution by an irrevocable lien on the Net Pledged Revenues. The term Net Pledged Revenues is defined in the Bond Resolution to mean revenues received by the District from the sale or distribution of water, connection charges, or otherwise derived from the works or property of the District (including works and properties hereafter constructed or acquired) after payment therefrom of the reasonable and necessary costs of the operation and maintenance of the works and properties of the District and the general expenses of the District. See “SECURITY FOR THE 2018 BONDS — Net Pledged Revenues.”

Additional Obligations. The pledge of the Net Pledged Revenues to the payment of the 2018 Bonds to the extent set forth in the Bond Resolution is on a parity with the pledge thereof on certain of the District’s outstanding obligations (the “Parity Lien Obligations”). The District may incur additional Parity Lien Obligations as well as obligations secured by the Net Pledged Revenues on a senior basis to the Parity Lien Obligations (including the 2018 Bonds) (the “Superior Lien Obligations”), in each case subject to the terms and conditions of the Bond Resolution. The District does not currently have any Superior Lien Obligations outstanding. Nothing in the Bond Resolution prevents the District from issuing obligations secured by the Net Pledged Revenues on a subordinate basis to the Parity Lien Obligations (including the 2018 Bonds) (the “Subordinate Lien Obligations”). See “SECURITY FOR THE 2018 BONDS — Additional Securities.” See “LAS VEGAS VALLEY WATER DISTRICT DEBT STRUCTURE — Outstanding Indebtedness” for a description of the District’s outstanding Parity Lien Obligations and Subordinate Lien Obligations.

District Obligations Additionally Secured by SNWA Pledged Revenues

The District has certain obligations which constitute direct and general obligations of the District and are additionally secured by an irrevocable lien on revenues paid to the District by the SNWA pursuant to the SNWA/LVVWD Master Bond Repayment Agreement dated as of July 1, 1996, as amended (as amended, the “MBRA”), between the District and the SNWA. See “LAS VEGAS VALLEY WATER DISTRICT DEBT STRUCTURE — SNWA Revenue Obligations.”

Professionals

Sherman & Howard, L.L.C., Las Vegas, Nevada is serving as Bond Counsel to the District in connection with the issuance of the 2018 Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation, Las Vegas, Nevada is serving as Disclosure Counsel to the District in connection with the preparation of this Official Statement. The District’s municipal advisors in connection with the issuance of the 2018 Bonds are Hobbs, Ong and Associates, Inc., Las Vegas, Nevada, and PFM Financial Advisors LLC, Seattle, Washington (collectively, the “Municipal Advisors”). See “MUNICIPAL ADVISORS.” The fees being paid to Bond Counsel, Disclosure Counsel and the Municipal Advisors are contingent upon the issuance of the 2018 Bonds.

The audited financial statements of the District contained in Appendix A include the reports of Piercy Bowler Taylor & Kern, Las Vegas, Nevada, independent certified public accountants. See “INDEPENDENT AUDITORS.” The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, will act as registrar and paying agent for the 2018 Bonds (the “Registrar” and the “Paying Agent”).

Tax Status

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2018 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 respective dates of delivery of the 2018 Bonds (the “Tax Code”), and interest on the 2018 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that for taxable years of corporations beginning before January 1, 2018, 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.”

The 2018 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 the 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 of the 2018 Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the 2018 Bonds. The District will covenant in the Bond Resolution to comply with the terms of its Disclosure Certificate. The Disclosure Certificate will provide that so long as the 2018 Bonds remain outstanding, the District will annually provide the following information to the Municipal Securities Rulemaking Board ("MSRB"): (i) certain financial information and operating data on an annual basis; and (ii) notice of certain enumerated events. The form of the Disclosure Certificate is attached hereto as Appendix D. The District has not failed to materially comply with any continuing disclosure undertakings entered into pursuant to the Rule in the last five years. In order to ensure compliance with continuing disclosure undertakings the District has implemented disclosure procedures.

Forward-Looking Statements

This Official Statement, particularly (but not limited to) the section entitled "LAS VEGAS VALLEY WATER DISTRICT FINANCIAL INFORMATION," contains descriptions of interim, estimated or other unaudited financial results for certain portions of fiscal year 2017-18, descriptions of budgeted amounts for fiscal year 2017-18, and other descriptions of the future plans, operations and finances of the District, contains statements relating to future events or 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 be realized 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 Net Pledged Revenues to pay debt service on the 2018 Bonds.

Additional Information

This introduction is only a brief summary of the provisions of the 2018 Bonds and the Bond Resolution; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the District, the Project (as defined below), the 2018 Bonds and the Bond Resolution are included in this Official Statement. All references herein to the 2018 Bonds, the Bond Resolution and other documents are qualified in their entirety by reference to such documents. *The 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 Municipal Advisors at the addresses set forth below:

Las Vegas Valley Water District
Attn: Chief Financial Officer
1001 S. Valley View Boulevard
Las Vegas, Nevada 89153
Telephone: (702) 822-8810

Hobbs, Ong and Associates, Inc.	PFM Financial Advisors LLC
3900 Paradise Road, Suite 152	1200 Fifth Avenue, Suite 1200
Las Vegas, Nevada 89169	Seattle, Washington 98101
Telephone: (702) 733-7223	Telephone: (206) 264-8900

Changes Since the Preliminary Official Statement

Changes have been made in this Official Statement since the Preliminary Official Statement dated May 18, 2018: (i) in the table titled "DISTRICT ANNUAL DEBT SERVICE REQUIREMENTS" to the debt service amounts in such table for the fiscal year ending June 30, 2038, which revisions increased the aggregate debt service amount for such fiscal year from $164,104,576 to $165,104,676 and (ii) under the caption "CERTAIN RISK FACTORS — Future Changes in Laws" to provide information with respect to a recent United States Supreme Court decision which relates to the sports gambling industry.

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The proceeds from the sale of the 2018 Bonds are expected to be applied in the following manner.

SOURCES AND USES OF FUNDS

	2018 Bonds
SOURCES:	
Principal Amount	$ 100,000,000.00
Plus: Net Original Issue Premium	4,131,774.10
Total	$ 104,131,774.10
USES:	
Construction Account	$ 103,202,889.10
Costs of Issuance[1]	928,885.00
Total	$ 104,131,774.10

(1) Includes fees for the Paying Agent, Municipal Advisors fees, legal fees, printing costs, rating agencies fees, Purchaser's discount and other costs of delivery.
Source: The Municipal Advisors.

The Improvement Project

A portion of the proceeds of the 2018 Bonds are expected to be used to finance or reimburse the District for the costs of the acquisition and/or construction, including the repair and replacement of, improvements to the District's water system which are included in the District's long-term capital plan (see "LAS VEGAS VALLEY WATER DISTRICT — Water System — *Capital Program*"). Such improvements include costs of upgrades and repairs to existing pumping stations, reservoirs and wells, water pipelines, and other distribution system facilities as well as the construction and acquisition of such facilities (including land acquisition costs) to serve new demands. The projects within the District's capital plan may be re-prioritized, deleted, or added at the District's discretion.

THE 2018 BONDS

General

The 2018 Bonds will be issued as fully registered bonds in denominations of $5,000 and any integral multiple thereof. The 2018 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 2018 Bonds initially will be registered in the name of "Cede & Co.," as nominee for DTC, the securities depository for the 2018 Bonds. Purchases of the 2018 Bonds are to be made in book-entry only form. Purchasers will not receive certificates evidencing their beneficial ownership interest in the 2018 Bonds. See "Book-Entry Only System" below.

Payment Provisions

Interest on the 2018 Bonds is payable on June 1 and December 1 of each year, commencing December 1, 2018. Interest is payable by the Paying Agent on the interest payment date (or if such day is not a business day, on the next succeeding business day) to the person in whose name each 2018 Bond is registered (i.e., to Cede & Co.), on the 15th day of the month preceding the interest payment date in which the interest payment date occurs with respect to the 2018 Bonds (the "Regular Record Date") at the address shown on the registration records kept by the Registrar as of the close of business on the Regular Record Date; but any such interest not so timely paid shall cease to be payable to the registered owner thereof as shown on the registration records of the Registrar as of the close of business on the Regular Record Date and shall be payable to the registered owner thereof at his or her address as shown on the registration records of the Registrar as of the close of business on the Special Record Date. Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the 2018 Bonds not less than ten days prior thereto by first-class mail to each such registered owner as shown on the Registrar's registration records as of a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any 2018 Bonds by such alternative means as may be mutually agreed to between the registered owner of such 2018 Bonds and the Paying Agent. The principal on any 2018 Bonds shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar, upon maturity and upon presentation and surrender at the office of the Paying Agent. If any 2018 Bonds shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by the 2018 Bonds until the principal thereof is paid in full. All payments of principal and interest shall be made in lawful money of the United States without deduction for any service charges of the Paying Agent or Registrar.

Notwithstanding the foregoing, payments of the principal of and interest on the 2018 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 2018 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.

Redemption

Optional Redemption. The 2018 Bonds maturing on or before June 1, 2025 are not subject to optional redemption prior to their maturity dates. The 2018 Bonds, or portions thereof ($5,000 or any integral multiple), maturing on June 1, 2026 through and including June 1, 2032, will be subject to redemption prior to their respective maturities at the option of the District on any date on and after June 1, 2025, in whole or in part, from such maturities as are selected by the District and if less than all the 2018 Bonds of a maturity are to be redeemed, the 2018 Bonds of such maturity are to be selected by lot (giving proportionate weight to 2018

Bonds in denominations larger than $5,000), at a price equal to the principal amount of each 2018 Bond or portion thereof so redeemed plus accrued interest thereon to the redemption date.

The 2018 Bonds, or portions thereof ($5,000 or any integral multiple), maturing on and after June 1, 2033 will be subject to redemption prior to their respective maturities at the option of the District on any date on and after June 1, 2028, in whole or in part, from such maturities as are selected by the District and if less than all the 2018 Bonds of a maturity are to be redeemed, the 2018 Bonds of such maturity are to be selected by lot (giving proportionate weight to 2018 Bonds in denominations larger than $5,000), at a price equal to the principal amount of each 2018 Bond or portion thereof so redeemed plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption. The 2018 Bonds maturing on June 1, 2043 (the "2043 Term Bonds") are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date. The 2043 Term Bonds being redeemed in part will be selected by lot in such a manner as the Registrar may determine. As and for a sinking fund for the redemption of the 2043 Term Bonds, there shall be deposited into the Principal Account on or before the dates shown below, a sum which, together with other moneys available therein, is sufficient to redeem the 2043 Term Bonds on the dates and in the principal amounts shown below:

Term Bonds Maturing June 1, 2043

Redemption Date (June 1)	***Sinking Payments***
2039	$3,840,000
2040	3,995,000
2041	4,155,000
2042	4,320,000
2043*	4,495,000

* Maturity Date.

The 2018 Bonds maturing on June 1, 2048 (the "2048 Term Bonds" and together with the 2043 Term Bonds, the "Term Bonds") are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date. The 2048 Term Bonds being redeemed in part will be selected by lot in such a manner as the Registrar may determine. As and for a sinking fund for the redemption of the 2048 Term Bonds, there shall be deposited into the Principal Account on or before the dates shown below, a sum which, together with other moneys available therein, is sufficient to redeem the 2048 Term Bonds on the dates and in the principal amounts shown below:

Term Bonds Maturing June 1, 2048

Redemption Date (June 1)	***Sinking Payments***
2044	$4,670,000
2045	4,860,000
2046	5,055,000
2047	5,255,000
2048*	5,465,000

* Maturity Date.

At the option of the District to be exercised by delivery of a written certificate to the Registrar not less than sixty days next preceding any sinking fund redemption date, the District may (i) deliver to the Registrar for cancellation Term Bonds or portions thereof (in $5,000 denominations or any integral multiple thereof) in an aggregate principal amount desired by the District or, (ii) specify a principal amount of Term Bonds or portions thereof (in $5,000 denominations or any integral multiple thereof) which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond or portion thereof so delivered or previously redeemed which is a part of the maturity which would be subject to mandatory redemption on the following principal payment date shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Board on the sinking fund redemption dates and any excess shall be so credited against future sinking fund redemption obligations in such manner as the District determines.

Partial Redemption. In the case of 2018 Bonds in a denomination larger than $5,000, a portion of such 2018 Bond (in $5,000 denominations or any integral multiple thereof) may be redeemed, in which case the Registrar shall, without charge to the owner of such 2018 Bond, authenticate and issue a replacement 2018 Bond or 2018 Bonds for the unredeemed portion thereof. In the case of a partial redemption of 2018 Bonds of a single maturity, the Paying Agent shall select the 2018 Bonds to be redeemed by lot at such time as directed by the District (but at least 30 days prior to the redemption date), and if such selection is more than 60 days before a redemption date, shall direct the Registrar to appropriately identify the 2018 Bonds so called for redemption by stamping them at the time any 2018 Bond so selected for redemption is presented to the Registrar for stamping or for transfer or exchange, or by such other method of identification as is deemed adequate by the Registrar, and any 2018 Bond or 2018 Bonds issued in exchange for, or to replace, any 2018 Bond so called for prior redemption shall likewise be stamped or otherwise identified.

Notice of Redemption. Unless waived by any registered owner of a 2018 Bond to be redeemed, notice of prior redemption shall be given by the Registrar electronically, as long as Cede & Co. is registered owner of the 2018 Bonds, and otherwise by first-class mail, at least 30 days but not more than 60 days prior to the redemption date to the MSRB via its EMMA system and to the registered owner of any 2018 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 2018 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 Bond Resolution), and that after such redemption date interest will cease to accrue. After such notice and presentation of said 2018 Bonds, the 2018 Bonds called for redemption will be paid. Actual receipt of the notice by the MSRB or any registered owner of 2018 Bonds shall not be a condition precedent to redemption of such 2018 Bonds. Failure to give such notice to the registered owner of any 2018 Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other 2018 Bond. A certificate by the Registrar that the notice of call and redemption has been given as provided in the Bond Resolution shall be conclusive as against all parties; and no owner whose 2018 Bond is called for redemption or any other owner of any 2018 Bond may object thereto or may object to the cessation of interest on the redemption date on the ground that he failed actually to receive such notice of redemption.

Notwithstanding the provisions described above, 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 2018 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 2018 Bonds called for redemption in the same manner as the original redemption notice was mailed.

Defeasance

When all Bond Requirements (defined in Appendix B) of any 2018 Bond have been duly paid, the pledge, the lien and all obligations under the Bond Resolution as to that 2018 Bond shall thereby be discharged and such 2018 Bond shall no longer be deemed to be outstanding within the meaning of the Bond Resolution. There shall be deemed to be such due payment when the District has placed in escrow or in trust with a trust bank, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities (defined below) in which such amount may be initially invested wholly or in part) to meet all Bond Requirements of the 2018 Bond, as the same become due to the final maturity of the 2018 Bond or upon the redemption date as of which the District has exercised or is obligated to exercise an option of prior redemption. 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 the provisions relating to the defeasance of 2018 Bonds in the Bond Resolution, "Federal Securities" shall include only Federal Securities (as defined in Appendix B) which are not callable for redemption prior to their maturities except at the option of the owner thereof.

Book-Entry Only System

The 2018 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 2018 Bonds. The ownership of one fully registered 2018 Bond for each maturity as set forth on the inside cover page of this Official Statement, 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 2018 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE 2018 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 2018 Bonds as further described in Appendix C to this Official Statement.

Debt Service Requirements

The following table reflects the debt service requirements for the 2018 Bonds. For information on the total debt service payable by the District on its outstanding bonds and obligations (including those subject to the pledge under the MBRA), see "LAS VEGAS VALLEY WATER DISTRICT DEBT STRUCTURE — District Debt Service Requirements."

DEBT SERVICE REQUIREMENTS[1]

Fiscal Year Ending June 30	*Principal*	*Interest*	*Total*
2019	$ 1,605,000	$ 3,686,081.77	$ 5,291,081.77
2020	1,805,000	3,880,912.50	5,685,912.50
2021	1,895,000	3,790,662.50	5,685,662.50
2022	1,990,000	3,695,912.50	5,685,912.50
2023	2,090,000	3,596,412.50	5,686,412.50
2024	2,195,000	3,491,912.50	5,686,912.50
2025	2,305,000	3,382,162.50	5,687,162.50
2026	2,420,000	3,266,912.50	5,686,912.50
2027	2,540,000	3,145,912.50	5,685,912.50
2028	2,665,000	3,018,912.50	5,683,912.50
2029	2,770,000	2,912,312.50	5,682,312.50
2030	2,885,000	2,801,512.50	5,686,512.50
2031	3,000,000	2,686,112.50	5,686,112.50
2032	3,090,000	2,596,112.50	5,686,112.50
2033	3,180,000	2,503,412.50	5,683,412.50
2034	3,275,000	2,408,012.50	5,683,012.50
2035	3,380,000	2,305,668.76	5,685,668.76
2036	3,485,000	2,200,043.76	5,685,043.76
2037	3,600,000	2,086,781.26	5,686,781.26
2038	3,715,000	1,969,781.26	5,684,781.26
2039	3,840,000	1,844,400.00	5,684,400.00
2040	3,995,000	1,690,800.00	5,685,800.00
2041	4,155,000	1,531,000.00	5,686,000.00
2042	4,320,000	1,364,800.00	5,684,800.00
2043	4,495,000	1,192,000.00	5,687,000.00
2044	4,670,000	1,012,200.00	5,682,200.00
2045	4,860,000	825,400.00	5,685,400.00
2046	5,055,000	631,000.00	5,686,000.00
2047	5,255,000	428,800.00	5,683,800.00
2048	5,465,000	218,600.00	5,683,600.00
Total	$100,000,000	$70,164,544.31	$170,164,544.31

(1) Totals may not add due to rounding.
Source: The Municipal Advisors.

SECURITY FOR THE 2018 BONDS

General Obligation Bonds

The 2018 Bonds are 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 due thereon. If necessary, and subject to State constitutional and statutory limitations on the aggregate amount of *ad valorem* taxes, the District will levy *ad valorem* property taxes to pay debt service on the 2018 Bonds. However, pursuant to NRS 350.596, if there are not on hand sufficient funds to pay debt service when due on the 2018 Bonds, such amounts shall be paid out of a general fund of the District or out of any other funds that may be available for such purpose, reimbursement to be made to such general fund in the amounts so advanced when the *ad valorem* property taxes levied to pay such debt service have been collected.

Generally, the combined overlapping tax rate is limited by statute to $3.64 per $100 of assessed valuation. Compliance with such limit excludes $0.02 of the statewide property tax rate of $0.17 per $100 assessed valuation. State statutes provide a priority for taxes levied for the payment of general obligation bonded indebtedness. 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. The District cannot predict how such provisions would be enforced by the courts if such provision were to be implemented. See "PROPERTY TAX INFORMATION — Property Tax Limitations." The 2018 Bonds are payable from general *ad valorem* taxes on all taxable property in the District. Pursuant to statute, the District's boundaries include all of the property within the County, except for the property included within the boundaries of the Virgin Valley Water District ("VVWD").

The District has never levied an *ad valorem* tax because revenues pledged for debt service on the District's various bond issues (including the SNWA Revenue Obligations (as defined below under "LAS VEGAS VALLEY WATER DISTRICT DEBT STRUCTURE — SNWA Revenue Obligations")) have always been sufficient to pay debt service on all of the District's bonds and obligations; however, in any year in which those pledged revenues are insufficient to pay debt service, and other District funds are insufficient therefor, 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 2018 Bonds. See "PROPERTY TAX INFORMATION — County Property Tax Collections."

NRS 350.596 provides, "Any sums coming due on any general obligation municipal securities at any time when there are not on hand from such tax levy or levies sufficient funds to pay the same shall be promptly paid when due from the general fund of the municipality, reimbursement to be made to such general fund in the sums thus advanced when the taxes herein provided for have been collected." (Under this provision of NRS, the 2018 Bonds are "general obligation municipal securities", and the District is a "municipality.") In addition, the Bond Resolution provides as follows: "Use of General Fund and Other Funds. Any sums becoming due on the 2018 Bonds at any time when there are on hand from such General Taxes (and any other available moneys) insufficient funds to pay the same shall be promptly paid when due from the general fund on hand belonging to the District, reimbursement to be made to the general fund in the amounts so advanced when the General Taxes herein provided for have been collected, pursuant to NRS 350.596. Nothing in the Bond Resolution prevents the District from applying any funds (other than General Taxes) that may be available for that purpose to the payment of the Bond Requirements as the same, respectively, mature, and upon such payments, the levy or levies herein provided may thereupon to that extent be diminished, pursuant to NRS 350.598."

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. The District cannot predict how such provisions would be enforced by the courts if such provision were to be implemented. In addition, State law requires the abatement of property taxes in certain circumstances. See "PROPERTY TAX INFORMATION — Property Tax Limitations" and "Required Property Tax Abatements."

Other Security Matters

No Repealer. Nevada statutes provide that no act concerning the 2018 Bonds or their security may be repealed, amended, or modified in such a manner as to impair adversely the 2018 Bonds or their security until all of the 2018 Bonds have been discharged in full.

No Pledge of Property. The payment of the 2018 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District and no property of the District, except as expressly set forth in the Bond Resolution, shall be liable to be forfeited or taken in payment of the 2018 Bonds; provided that the payment of the 2018 Bonds is secured by the proceeds of general (*ad valorem*) taxes and the Net Pledged Revenues pledged for the payment of the 2018 Bonds.

No Recourse. No recourse shall be had for the payment of the principal of, any interest on any 2018 Bonds, or for any claim based thereon or otherwise upon the Bond Resolution authorizing their issuance, against any individual member, officer, or other agent of the District, past, present or future, either directly or indirectly by virtue of any statute or rule of law.

Net Pledged Revenues

General. The 2018 Bonds and all Outstanding Parity Lien Obligations are equitably and ratably secured by a lien on the Net Pledged Revenues. The term Net Pledged Revenues is defined in the Bond Resolution to mean revenues received by the District from the sale or distribution of water, connection charges, or otherwise derived from the works or property of the District (including works and properties hereafter constructed or acquired) after payment therefrom of the reasonable and necessary costs of the operation and maintenance of the works and properties of the District and the general expenses of the District. All moneys received by the District from the sale or distribution of water, connection charges or otherwise derived from the works or property of the District shall be paid into the Revenue Fund, and no disbursements shall be made from the Revenue Fund except as provided in the Bond Resolution. Superior Lien Obligations, if any are issued in the future in compliance with the terms of the Bond Resolution, whether a bond or note payable solely from Net Pledged Revenues, will have priority with respect to payment out of the Net Pledged Revenues of the District over the 2018 Bonds and any future Parity Lien Obligations. See "—Flow of Funds" in Appendix B hereto.

Rates and Charges. Subject to the limitation that the rates and charges shall be reasonable, the Board shall from time to time fix and collect from all users thereof, rates and charges for the connection, service, facilities and water of the District which will be sufficient, after making allowances for contingencies and error in the estimates, to pay the following items of cost and expense in the following order: (i) costs of operating and maintaining the works and properties of the District; (ii) the general expenses of the District; (iii) the principal and interest on all Superior Lien Obligations of the District as the same fall due, including any future obligations issued on a parity with such Superior Lien Obligations; (iii) the principal and interest on all other bonds and other obligations of the District payable from the Net Pledged Revenues, including the 2018 Bonds and the payments required to be made into the Bond Fund.

Such rates and charges shall be so fixed that annually, after payment from revenues of the costs of operation and maintenance and the general expenses of the District, the remaining revenue before depreciation, amortization and interest chargeable to the income account, as shown by the records of the District for the latest prior fiscal year with respect to which such records have been examined and reported upon by an independent accountant employed by the District shall be at least one (1) times the combined average annual debt service on all outstanding bonds, notes and other indebtedness payable out of Net Pledged Revenues.

Additional Securities

Issuance of Superior Lien Obligations and Parity Lien Obligations. Nothing in the Bond Resolution prevents the issuance of additional obligations that have a lien on the Net Pledged Revenues superior to or on a parity with the lien of the 2018 Bonds subject to the following conditions:

(a) At the time of the adoption of the resolution authorizing the issuance of the additional Parity Lien Obligations, the District shall not be in default in making any payments required to be made into the debt service, sinking or reserve funds for any outstanding obligations payable from the Net Pledged Revenues; and

(b) The Net Pledged Revenues (subject to adjustments as described below) projected by the General Manager, the Chief Financial Officer of the District 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 Parity Lien Obligations are projected to be completed or (ii) the first fiscal year for which no interest has been capitalized for the payment of any Parity Lien Obligations, including the Parity Lien Obligations 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 the Superior Lien Obligations, the outstanding Parity Lien Obligations, the 2018 Bonds, any other additional outstanding Parity Lien Obligations of the District and the Parity Lien Obligations proposed to be issued (excluding any reserves therefor).

(c) In any determination of whether or not additional Parity Lien Obligations 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 Parity Lien Obligations.

(d) In any determination of whether or not additional Parity Lien Obligations 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 of the District 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.

(e) For the purposes of paragraph (b) above, if any Superior Lien Obligation or Parity Lien Obligation bears or is proposed to bear 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 Lien Obligations or Parity Lien Obligations 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 Lien Obligations or Parity Lien Obligations 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.

(f) Termination payments due under a Qualified Swap Agreement must be subordinate to the payments of the Bond Requirements of any 2018 Bonds, unless all of the outstanding 2018 Bonds are insured by a bond insurer whose rating issued by Standard & Poor's Financial Services LLC ("S&P") and Moody's Investors Service, Inc. ("Moody's") or both (whichever has a rating in effect for the outstanding 2018 Bonds) is equal to or better than the rating the 2018 Bonds would have without such insurance, and the insurer of the outstanding 2018 Bonds consents to the lien position of such termination payment prior to the execution of such Qualified Swap Agreement.

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 in the Bond Resolution and no such covenant or agreement may be materially adverse to the interests of the holders of the 2018 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 Bond Resolution.

Superior Lien Obligations. Superior Lien Obligations may be issued if the provisions for the issuance of the Parity Lien Obligations set forth above are met, meets the applicable earnings test required by the resolutions authorizing the issuance of the then outstanding Superior Lien Obligations, if any, and are issued as special obligations of the District.

Subordinate Lien Obligations. Nothing in the Bond Resolution prevents the District from issuing additional bonds or other additional securities payable from the Net Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the 2018 Bonds.

CERTAIN RISK FACTORS

General

The purchase of the 2018 Bonds involves certain investment risks that are discussed throughout this Official Statement. Such risks include, but are not limited to, the factors described below, as well as risks related to the availability of sufficient water supplies due to growth, drought or other factors. See "LAS VEGAS VALLEY WATER DISTRICT." Accordingly, each prospective purchaser of the 2018 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 2018 Bonds are general obligations of the District, the District may only levy property taxes to pay debt service on the 2018 Bonds in accordance with State law. For a description of the State laws regulating the collection of property taxes, see "PROPERTY TAX INFORMATION — County Property Tax Collections." As described under the caption "— *Other Risks Related to Property Taxes*" below, to the extent Net Pledged Revenues are insufficient to pay debt service on the 2018 Bonds, the District shall pay from available moneys debt service on the 2018 Bonds. The District shall be reimbursed from the *ad valorem* property tax when such amounts are received. As a result, there may be a default in the payment of debt service on the 2018 Bonds when due in the event District funds are not available therefor and the levy of the *ad valorem* property tax is necessary.

In addition, 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 and time may elapse before the District receives property taxes levied to cover any insufficiency of Net Pledged Revenues.

Property Tax Limitation. The State constitution limits the total *ad valorem* property taxes levied by all overlapping governmental units within the boundaries of any county. The District can make no assurances that such caps on the overlapping tax rates will in the future result in an *ad valorem* property taxes levy sufficient to pay debt service on the 2018 Bonds. See the caption "PROPERTY TAX INFORMATION — Property Tax Limitations" below.

Other 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 2018 BONDS — General Obligation Bonds" and "PROPERTY TAX INFORMATION — Property Tax Base and Tax Roll," "—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.

Real estate values in the County experienced overall increases in recent years after steep declines during the severe recession beginning in the late 2000s. There can be no assurance that property values will not be adversely affected by future deterioration of the real estate market and economic conditions or future local, State and federal governmental policies, or the national economy. It cannot be predicted at this time the extent of the impact such deterioration would have on District property tax collections should the District be required to levy an *ad valorem* tax in the future.

Certain Risks Associated With the Net Pledged Revenues

General. The generation of sufficient District revenues is important to the timely payment on the 2018 Bonds. If the District's water system becomes inoperable due to damage, destruction, environmental restriction or for any other reason, or if the District should lack adequate water supply to serve existing customers because of drought 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, there may not be sufficient District revenues to pay debt service on the 2018 Bonds. See the caption "SECURITY FOR THE 2018 BONDS — General Obligation Bonds" and "LAS VEGAS VALLEY WATER DISTRICT DEBT STRUCTURE — Outstanding Indebtedness."

Reliance on Colorado River. Approximately 90% of Southern Nevada's water supply comes from the Colorado River. According to a study released by the U.S. Bureau of Reclamation in 2012, the Colorado River Basin is projected to have significant water shortages in the coming years due to many factors, including population growth in the Colorado River Basin, droughts and climate change. Any shortages of Colorado River water under the current operational guidelines could impact the District's ability to access, through the SNWA, the State's full allotment of Colorado River water. It is not possible at this time to know when or if such shortages will occur or what impact they would have on the District, but the U.S. Bureau of Reclamation publishes Projected Future Conditions generally twice a year that discusses modeled probabilities for shortage which can be accessed on the U.S. Bureau of Reclamation's website. According to the U.S. Bureau of Reclamation, there is a 17% chance a shortage will be declared in 2019, increasing to 63% over the next five years. It should be noted that projections of water resources availability and water demands are subject to uncertainty resulting from numerous variables and that actual results may differ, possibly materially, from those contemplated in the projections. See "LAS VEGAS VALLEY WATER DISTRICT — Intergovernmental Relationships — *Southern Nevada Water Authority*."

Regulatory Risks. The District's water 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 District's water system to be unavailable. Although highly unlikely, any disruption of service could negatively impact Net Pledged Revenues.

The most significant law governing public drinking water systems is the federal Safe Drinking Water Act. Primary enforcement authority for this act in Nevada has been delegated by the U.S. Environmental Protection Agency (the "EPA") to the Nevada Division of Environmental Protection ("NDEP"). The EPA sets standards for ensuring safe drinking water and administers programs to protect drinking water sources. The NDEP's Bureau of Safe Drinking Water and the Clark County Health Department work together with the District to assure that all drinking water standards have been and will continue to be met. The District is in full compliance with all current regulatory requirements and currently is not aware of any forthcoming regulatory requirements that would significantly impact compliance costs.

Southern Nevada Water Authority. The District purchases approximately 90% of its water supply from the SNWA. The SNWA faces various challenges in continuing to supply water to its respective member agencies. Any disruption in the operation of any portion of the SNWS could adversely impact the District's water supply and in turn, the amount of Net Pledged Revenues available to repay the 2018 Bonds. In addition, while the District and the SNWA have not historically experienced any material disputes under the Operations Agreement, any such dispute could have an adverse impact on Net Pledged Revenues. See "LAS VEGAS VALLEY WATER DISTRICT — Intergovernmental Relationships — *Southern Nevada Water Authority*."

Limitation of Remedies

Judicial Remedies. Upon the occurrence of an Event of Default under the Bond Resolution, each owner of the 2018 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 Bond Resolution (including General Taxes, if any) and not against any other fund or properties of the District.

The enforceability of the 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 Bond Resolution, to the extent enforceable, could result in delays in any payment of principal of and interest on the 2018 Bonds.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the 2018 Bonds and the obligations incurred by the District in issuing the 2018 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 2018 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. The 2018 Bonds are not subject to acceleration in the event of a default in the payment of principal of or interest on the 2018 Bonds. Consequently, remedies available to the owners of the 2018 Bonds would have to be enforced from year to year.

Future Changes in Laws

Various State laws apply to the imposition, collection, and expenditure of *ad valorem* property taxes as well as the operation and finances of the District. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the District and the imposition, collection, and expenditure of its revenues, including *ad valorem* property taxes, if the District collects them at some time in the future. For example, State law currently requires abatements of property taxes under certain circumstances; the levy of taxes to pay debt service on some bond issues is not exempt from the abatement provisions. See "PROPERTY TAX INFORMATION — Property Tax Limitations" and "— Required Property Tax Abatements." While the District does not currently impose a property tax, if it does so in the future the receipts of that tax may be impacted to an extent that cannot be determined at this time.

In addition, from time to time, amendments to federal or state laws or regulations may be enacted that could result in negative consequences to owners of the 2018 Bonds. See "TAX MATTERS."

On May 14, 2018, the United Supreme Court published a decision finding that the Professional and Amateur Sports Protection Act ("PASPA") is unconstitutional. PASPA made it unlawful for states or their subdivisions to authorize sports gambling operations, but contained "grandfather" provisions allowing such operations to continue in four states, including Nevada. As a result of this decision, other states may avail themselves of the right to authorize sports gambling operations, creating more competition in this industry for those operating in the State. The District cannot predict the impact, if any, that such decision may have on gaming operations or the overall economy in the State or the County. The 2018 Bonds are general obligations of the District and are additionally secured by Net Pledged Revenues to the extent set forth in the Bond Resolution, which does not include any revenues from gaming or gambling activities within the State.

Secondary Market

No guarantee can be made that a secondary market for the 2018 Bonds will develop or be maintained by the Purchaser of the 2018 Bonds or others. Thus, prospective investors should be prepared to hold their 2018 Bonds to maturity.

Ratings

There is no assurance that any credit rating given to the 2018 Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely, if, in the judgment of S&P and Moody's, as applicable, circumstances so warrant. Any downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2018 Bonds.

PROPERTY TAX INFORMATION

The 2018 Bonds are 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 due thereon, subject to State constitutional and statutory limitations on the aggregate amount of *ad valorem* taxes. See "— Property Tax Limitations" below. The 2018 Bonds are payable from general *ad valorem* taxes on all taxable property in the District in the event that Net Pledged Revenues and District revenues required to be applied thereto are insufficient therefor. Pursuant to statute, the District's boundaries include all of the property within the County, except for the property included within the boundaries of the VVWD.

Property Tax Base and Tax Roll

General. The assessed valuation of property within the District for the fiscal year ending June 30, 2017, is calculated to be approximately $73.9 billion (excluding the assessed valuation attributable to the various redevelopment agencies located within the District (together, the "Redevelopment Agencies").

State law requires that county assessors reappraise, at least once every 5 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 State 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 current policy of the Clark County Assessor to reappraise all real and secured personal property in the County each year. State law currently requires that property be assessed at 35% of taxable value; that percentage may be adjusted upward or downward by the Legislature. Based upon the assessed valuation for fiscal year 2017-18, the taxable value of all taxable property within the District is approximately $223 billion. *Ad valorem* property taxes are levied based on the assessed valuation of property and not the taxable value of property. See "—*History of Assessed Valuation*" and "—Property Tax Limitations" below.

"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 made which is valued at 10% or more of the replacement cost after the 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 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 railroads, airlines, and utility companies.

History of Assessed Valuation. Because the District has never levied an *ad valorem* property tax, neither the State nor the County Assessor prepares or maintains an official assessed valuation for the District. The District's boundaries encompass all of the County, excluding the property within the VVWD. Accordingly, the District has calculated its assessed valuation by deducting the assessed valuation of the VVWD from the County's assessed valuation. The following table illustrates a history of the assessed valuation in the District using this calculation. However, due to property tax abatement laws enacted in 2005 (described in "—Required Property Tax Abatements" below) the taxes collected by taxing entities within the County are capped and likely will not change at the same rate as the assessed value.

HISTORY OF ASSESSED VALUATION - LAS VEGAS VALLEY WATER DISTRICT, NEVADA

Fiscal Year Ended June 30	*Clark County*[1]	*Virgin Valley Water District*	*Las Vegas Valley Water District*	*District % Change*
2015	$62,904,942,089	$597,761,396	$62,307,180,693	--
2016	69,266,468,466	657,935,991	68,608,532,475	10.1%
2017	74,597,622,262	698,894,176	73,898,728,086	7.7
2018	78,890,801,494	736,597,040	78,154,204,454	5.8
2019[2]	84,428,728,091	789,165,019	83,639,563,072	7.0

(1) Excludes assessed valuation of the Boulder City Redevelopment Agency, the Las Vegas Redevelopment Agency, the North Las Vegas Redevelopment Agency, the Henderson Redevelopment Agency, the Mesquite Redevelopment Agency and the Clark County Redevelopment Agency (collectively, the "Redevelopment Agencies") in the following amounts: 2015 - $1,347,691,561, 2016 - $1,788,784,767, 2017 - $2,035,576,833, 2018 - $2,415,329,758 and 2019 - $3,004,128,483.

(2) Preliminary amount; subject to revision until July 1, 2018.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation, 2013-14 through 2017-18.

County Property Tax Collections

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

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.

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 2018 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. Numerous factors over which the District has no control may impact the timely receipt of *ad valorem* property tax revenues in the future. See "CERTAIN RISK FACTORS."

PROPERTY TAX LEVIES, COLLECTIONS AND DELINQUENCIES - CLARK COUNTY, NEVADA[1]

Fiscal Year Ending June 30	*Net Secured Roll Tax Levy*[2]	*Current Tax Collections*	*% of Levy (Current) Collected*	*Delinquent Tax Collections*	*Total Tax Collections*	*Total Tax Collections as % of Current Levy*[3]
2013	$1,460,273,292	$1,446,106,236	99.03%	$13,896,727	$1,460,002,963	99.98%
2014	1,467,839,647	1,453,556,514	99.03	13,982,325	1,467,538,839	99.98
2015	1,515,617,509	1,506,108,484	99.37	9,022,535	1,515,131,019	99.97
2016	1,582,391,278	1,572,448,659	99.37	8,205,296	1,580,653,955	99.89
2017	1,630,067,051	1,620,819,654	99.43	4,805,714	1,625,625,368	99.73
2018	1,717,774,996	1,393,961,251[4]	81.15	N/A[5]	1,393,961,251	81.15

(1) Represents the real property tax roll levies and collections. Subject to revision.
(2) Adjusted County tax levied for the fiscal year.
(3) Percentage of total taxes collected to date (calculated on the Net Secured Roll Tax Levy).
(4) Collections as of February 28, 2018 (unaudited).
(5) Fiscal year 2017-18 delinquent collections in progress.
Source: Clark County Treasurer's Office.

Principal Taxpayers in the District

The following table represents the ten largest property-owning taxpayers in the County and the District based on fiscal year 2017-18 assessed valuations. The fiscal year 2017-18 assessed valuations in this table represent both the secured tax roll (real property) and the unsecured tax roll. 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 District. Further, because the assessed values set forth below include all of the property within the County owned by each taxpayer, certain of the property owned by any particular taxpayer may be located in VVWD and not included within the boundaries of the District.

TEN LARGEST TAXPAYERS IN THE COUNTY AND THE DISTRICT[1]
SECURED AND UNSECURED TAX ROLL
FISCAL YEAR 2017-18

Taxpayer	***Type of Business***	***Assessed Value***	***% of Total Assessed Value[1]***
MGM Resorts International	Hotels/Casinos	$ 3,729,884,054	4.63%
Caesars Entertainment Corporation[2]	Hotels/Casinos	1,980,576,639	2.46
NV Energy	Utility	1,814,717,852	2.25
Las Vegas Sands Corporation	Hotels/Casinos	963,349,099	1.20
Wynn Resorts Limited	Hotels/Casinos	935,228,090	1.16
Station Casinos Incorporated	Hotels/Casinos	738,555,229	0.92
Boyd Gaming Corporation	Hotels/Casinos	484,665,011	0.60
Howard Hughes Corporation	Developer	435,626,875	0.54
Eldorado Energy LLC	Solar Energy	417,745,527	0.52
Nevada Property 1 LLC	Hotels/Casinos	379,172,394	0.47
Total		**$ 11,879,520,770**	**14.75%**

(1) Based on the District's fiscal year 2017-18 assessed valuation of $80,569,534,212 (which includes the assessed valuation attributable to the Redevelopment Agencies).

(2) Caesars Entertainment Corporation ("CEC") owns, directly or indirectly, numerous properties within the boundaries of the County. In 2015, Caesars Palace Realty Corp., which is an entity related to CEC, filed a voluntary bankruptcy petition under Chapter 11 of Title 11 of the United States Code. On October 6, 2017, CEC exited from bankruptcy when its court-approved bankruptcy plan went into effect.

Source: County Assessor's website (report dated October 31, 2017).

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 (or require a combined overlapping tax rate of $5.00 per $100 of assessed valuation in certain circumstances of severe financial emergency); 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 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. The District can make no assurances that such caps on the overlapping tax rates will not in the future prevent the District from levying an *ad valorem* property tax in sufficient amounts should revenues for general obligations (such as the 2018 Bonds) of overlapping entities become insufficient to pay debt service. See the caption "— Overlapping Tax Rates and Estimated Overlapping General Obligation Indebtedness" below.

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 2018 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 cities within the County levy various tax overrides as allowed or required by State statutes.

State statutes limit the revenues school districts may receive from *ad valorem* property taxes for operating purposes. Pursuant to NRS 387.195, each board of county commissioners shall levy a tax of $0.75 per $100 of assessed valuation for the support of the public schools within the county school district. School districts are also allowed additional levies for voter-approved debt service and voter-approved tax overrides for capital projects.

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

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. For residential properties, an abatement generally is required to reduce the amount of property taxes owed to not more than 3% more than the amount levied in the immediately preceding fiscal year. That same formula applies (as a charitable exemption) to commercial property that qualifies as low-income rental housing. Finally, for all properties, an abatement from *ad valorem* taxation is required to reduce the amount of property taxes owed to no more than an amount determined pursuant to a formula. The first part of the formula requires a determination of the greater of: (1) the average percentage change in the assessed valuation of all taxable property in the County, as determined by the Department of Taxation, over the fiscal year in which the levy is made and the 9 immediately preceding fiscal years; (2) the percentage equal to twice the increase in the Consumer Price Index for all Urban Consumers, U.S. City Average (All Items) for the immediately preceding calendar year or (3) zero. The second part of the formula requires determination of the lesser of: (1) 8% and (2) the percentage determined in the previous sentence. After making both determinations, whatever part of the formula yields the lowest percentage is used to establish the maximum percentage of increase (over the prior year) in tax liability for each property. This abatement formula also must be applied to residential properties and low-income rental properties if it yields a greater reduction in property taxes than the 3% test described above. The Abatement Act limits do not apply to new construction. The Abatement Act formulas are applied on a parcel-by-parcel basis each year. For example, in the County for fiscal year 2016-17, the Abatement Act formula results in a maximum percentage increase of tax liability for each parcel of 0.2% over the prior year for all types of properties, including residential properties and low-income rental properties.

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. Based on a resolution passed by the County Debt Management Commission on November 16, 2017, *ad valorem* tax rate increases to pay debt service on the 2018 Bonds would 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 County, 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 Estimated Overlapping General Obligation Indebtedness

Overlapping Tax Rates. The following table presents a history of State-wide average tax rates and a representative overlapping tax rate for several taxing districts located in the City of Las Vegas, the County seat and the most populous city in the County. The overlapping rates for incorporated and unincorporated areas within the District vary depending on the rates imposed by applicable taxing jurisdictions. The highest overlapping tax rate in the District currently is $3.4030 in Mt. Charleston Town.

HISTORY OF STATEWIDE AVERAGE AND SAMPLE OVERLAPPING PROPERTY TAX RATES(1)

Fiscal Year Ended June 30	***2014***	***2015***	***2016***	***2017***	***2018***
Average Statewide rate	$ 3.1212	$ 3.1232	$ 3.1360	$ 3.1500	$ 3.1615
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
City of Las Vegas	0.7715	0.7715	0.7715	0.7715	0.7715
Las Vegas-Clark County Library District	0.0942	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	$ 3.2782	$ 3.2782	$ 3.2782	$ 3.2782	$ 3.2782

(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: Property Tax Rates for Nevada Local Governments — State of Nevada, Department of Taxation, 2013-14 through 2017-18.

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 table sets forth the estimated overlapping general obligation debt chargeable to property owners within the District as of May 1, 2018.

ESTIMATED OVERLAPPING NET GENERAL OBLIGATION INDEBTEDNESS
AS OF MAY 1, 2018

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 Nevada	$3,431,774,172	$3,427,273,000	$ 4,501,172	99.07%	$ 4,459,311
Clark County School District	2,656,530,000	639,635,000	2,016,895,000	99.07	1,998,137,877
Henderson	200,527,183	175,292,183	25,235,000	100.00	25,235,000
Las Vegas	475,870,000	417,515,000	58,355,000	100.00	58,355,000
Mesquite	20,519,189	14,134,189	6,385,000	100.00	6,385,000
North Las Vegas	420,562,958	413,087,958	7,475,000	100.00	7,475,000
Clark County Water Reclamation District	449,814,449	449,814,449	0	100.00	0
Las Vegas-Clark County Library District	7,265,000	0	7,265,000	100.00	7,265,000
Boulder City Library District	655,000	0	655,000	100.00	655,000
Big Bend Water District	3,124,406	3,124,406	0	100.00	0
Virgin Valley Water District	18,609,000	13,831,000	4,778,000	100.00	4,778,000
State of Nevada	1,419,780,000	298,110,000	1,121,670,000	69.92	784,271,664
TOTAL	$9,105,031,357	$5,851,817,185	$3,253,214,172		$2,897,016,852

(1) Other taxing entities overlap the County and may issue general obligation debt in the future.
(2) Based on fiscal year 2017-18 assessed valuations in the respective jurisdictions. The percent applicable is derived by dividing the assessed valuation of the governmental entity into the assessed valuation of the County.
(3) Overlapping Net General Obligation Indebtedness equals total existing general obligation indebtedness less presently self-supporting general obligation indebtedness times the percent applicable.

Source: Clark County Department of Finance; 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 May 1, 2018. The District can make no assurances that State constitutional caps on overlapping tax rates will not in the future prevent the District from levying the *ad valorem* property tax in sufficient amounts should revenues for general obligations (such as the 2018 Bonds) of overlapping entities become insufficient to pay debt service.

NET DIRECT & OVERLAPPING GENERAL OBLIGATION INDEBTEDNESS

Total General Obligation Indebtedness	$3,135,057,114
Less: Self-supporting General Obligation Indebtedness	3,135,057,114
Net Direct General Obligation Indebtedness	0
Plus: Overlapping Net General Obligation Indebtedness	2,897,016,852
Net Direct & Overlapping Net General Obligation Indebtedness	2,897,016,852

Source: Compiled by Hobbs, Ong and Associates, Inc.

Selected Debt Ratios

The following table sets forth selected District debt ratios for the periods shown.

SELECTED DIRECT GENERAL OBLIGATION DEBT RATIOS

Fiscal Year Ended June 30	***2014***	***2015***	***2016***	***2017***	***2018***
Population[(1)]	2,069,450	2,118,353	2,166,181	2,193,818	2,193,818
Assessed Value[(2)]	$ 54,667,789,800	$ 62,307,180,693	$ 68,608,532,475	$ 73,898,728,086	$ 78,154,204,454
Taxable Value[(2)]	$ 156,193,685,143	$ 178,020,516,266	$ 196,024,378,500	$ 211,139,223,103	$ 223,297,727,011
Gross Direct G.O. Debt[(3)]	$ 2,675,690,000	$ 2,674,900,000	$ 2,852,886,000	$ 3,164,495,000	$ 3,135,057,114
RATIO TO:					
Per Capita	$ 1,292.95	$ 1,262.73	$ 1,317.01	$ 1,442.46	$ 1,429.04
Percent of Assessed Value	4.89%	4.29%	4.16%	4.28%	4.01%
Percent of Taxable Value	1.71%	1.50%	1.46%	1.50%	1.40%
Net Overlapping G.O. Debt[(3)]	$ 3,280,677,423	$ 3,219,357,065	$ 3,030,602,041	$ 2,681,707,036	2,897,016,852
RATIO TO:					
Per Capita	$ 1,585.29	$ 1,519.75	$ 1,399.05	$ 1,222.39	$ 1,320.54
Percent of Assessed Value	6.00%	5.17%	4.42%	3.63%	3.71%
Percent of Taxable Value	2.10%	1.81%	1.55%	1.27%	1.30%

(1) Reflects State Demographer estimates for the County as of July 1 of each year shown. The population figure for 2017-18 is the same as the estimated figure for fiscal year 2016-17 because no population estimates yet exist.

(2) See “Property Tax Base and Tax Roll” for an explanation of Assessed Value and Taxable Value. The assessed valuations of the Redevelopment Agencies were not included in calculating debt ratios.

(3) As of June 30 in each year except fiscal year 2017-18. Fiscal year 2017-18 debt information is as of May 1, 2018. (Does not include the issuance of the 2018 Bonds).

Sources: Municipal Advisors for debt information only.

LAS VEGAS VALLEY WATER DISTRICT

General

The District was created under the District Act for the purpose of obtaining and distributing potable water within its service area, consisting primarily of the Las Vegas Valley and the communities of Blue Diamond, Jean and Searchlight, Nevada. The District manages the Kyle Canyon Water District and the Coyote Springs Water Resources General Improvement District under contract with the County. The District also manages the Big Bend Water District pursuant to a contract with its board of trustees. The District is the largest purveyor of potable water for municipal and industrial use in southern Nevada.

The District’s boundaries originally consisted primarily of the Las Vegas Valley. In July 1989, the Legislature extended the boundaries of the District to be coterminous with the County’s boundaries. In July 1993, the Legislature excluded the VVWD from the District’s boundaries. Nellis Air Force Base and the cities of Boulder City, Henderson, Mesquite and North Las Vegas are included within the District’s boundaries, but have their own municipal water systems. As of June 30, 2017, the District had 387,829 active customer accounts.

The District is the largest member of the SNWA, which is responsible for, among other things, developing additional water supplies for the District, providing water treatment services for the District, and providing some pumping and distribution facilities to the District. See “Intergovernmental Relationships — *Southern Nevada Water Authority*” below. The District also operates the SNWS on behalf of the SNWA. The District Act grants the District the responsibility to construct, maintain and operate the SNWA’s regional treatment and transmission system, the right of eminent domain, the power to cause taxes to be levied, the power to create assessment districts for the purpose of acquiring water projects, and the power to incur indebtedness.

Governing Body

The District is governed by a seven-member Board; the Board members are the elected Clark County Commissioners and serve four-year terms. The Board has the sole power to set rates and charges for water. Water charges cannot be put into effect until after a public hearing.

The present members of the Board are as follows:

Name	***Expiration of Term***
Marilyn Kirkpatrick, President	2021
Steve Sisolak, Vice President	2021
Susan Brager, Member	2019
Larry Brown, Member	2021
James Gibson, Member	2019
Chris Giunchigliani, Member	2019
Lawrence Weekly, Member	2021

Administration

The General Manager and officers of the District are appointed by the Board. All other staff members are appointed by the General Manager. The following are brief biographies of the District's General Manager and other staff members.

John J. Entsminger, General Manager. Mr. Entsminger was appointed General Manager of the District and the SNWA in February 2014, after serving as Senior Deputy General Manager since 2011. He joined the organization in 1999 as Deputy Counsel. Mr. Entsminger earned a Bachelor of Arts degree in history and legal studies from the University of Northern Colorado and a Juris Doctor from the University of Colorado School of Law.

Brian G. Thomas, Chief Financial Officer. Mr. Thomas serves as the Chief Financial Officer of the District and the SNWA. Mr. Thomas was previously a managing director with PFM and has over 30 years of senior management experience in the public sector, including 10½ years as the Assistant General Manager and Chief Financial Officer for the Metropolitan Water District of Southern California. Mr. Thomas is responsible for financial planning, financial reporting, purchasing, rates and charges, and all other aspects of financial management. Mr. Thomas earned Bachelor of Science degrees in Biology and Economics from California State Polytechnic University, Pomona, and has a Master's Degree and Doctorate Degree in Economics from the University of California, Riverside.

David L. Johnson, Deputy General Manager, Engineering/Operations. Mr. Johnson was named Deputy General Manager of Engineering and Operations for the District and the SNWA in 2014, after serving as Director of SNWA Water Quality & Treatment. He previously worked in chemical manufacturing management in both New York and Nevada before joining the SNWA in 2004. He earned a Bachelor of Science degree in chemical engineering from Purdue University.

Julie A. Wilcox, Deputy General Manager, Administration. Ms. Wilcox was named Deputy General Manager of Administration for the District and the SNWA in 2014, after serving as Director of Public Services and Executive Director of the Springs Preserve. She also serves as Chief Lobbyist, and has worked in the organization since 1993 as well as in various capacities at state and local government since 1984. She earned a Bachelor of Arts degree from UNLV, as well as a Master's degree in political science.

Gregory J. Walch, Esq., General Counsel. Mr. Walch was named General Counsel of the District and the SNWA in May 2012. Prior to joining the organization, he practiced law in the areas of environmental, administrative, water, land use, mining and eminent domain in southern Nevada and co-founded the law firm now known as Holley, Driggs, Walch, Puzey & Thompson. He earned a Bachelor of Science degree in Agricultural Engineering from Iowa State University and a Juris Doctor from Lewis & Clark Northwestern School of Law.

Employees, Employee Relations and Pension Benefits

General. The District considers employee relations to be very good. As of April 1, 2018, the District had approximately 1,246, full-time equivalent positions. There are four bargaining units represented by three associations and Teamster's Local Union No. 14. The main office field employees (largely consisting of repairmen, meter readers, and inspectors) are represented by the Water Employees Association. The front-line supervisors are represented by the Water Supervisors Association of Nevada. The Las Vegas Valley Public Employees Association represents the office technical staff. These employee associations are independent and are not affiliated with any national labor organization or any other public employees association. Teamster's Local Union No. 14 represents the trade, crafts and related positions at the District. The remaining positions, including exempt positions, are not represented by any group, association or union. The working rules concerning their employment are adopted by the Board. All collective bargaining agreements were successfully renegotiated in 2015 and expire on June 30, 2020. The District has not experienced any work stoppages as a result of a disagreement with its employee associations.

Recent Events. In July 2016, a former District employee was indicted in a scheme to steal from the District and then sell more than $6.7 million worth of ink and toner cartridges over multiple years. The District has instituted additional internal controls to minimize the likelihood of similar incidences in the future.

Pension Plan. The District contributes to the Las Vegas Valley Water District Pension Plan (the "Plan"), a single-employer pension trust fund, which was established by the District to provide pension benefits solely for the employees of the District.

All District employees are eligible to participate in the Plan after attaining age 20 and completing six months of employment, with vesting after five years of employment. The District contributes amounts it determines are necessary on an actuarial basis to fund the Plan in order to pay benefits when due. Such contributions cannot revert to or be recoverable by the District or be used for any other purpose than the exclusive benefit of the participants. The District pays 100% of the Plan's annual required contributions (determined as part of actuarial valuations at July 1 of each plan year) when due. The District's contributions to the Plan were $29.4 million and $31.1 million for the fiscal years ended June 30, 2016 and 2017, respectively.

A more detailed description of the Plan, including additional details regarding benefits, calculation of average monthly compensation, the vesting schedule for benefits, the valuation date, actuarial cost method, asset valuation method (including the use of smoothing techniques) and other significant actuarial and other assumptions for the fiscal year ended June 30, 2017, can be found in Note 15 and in the Required Supplementary Information in the audited financial statements attached hereto as Appendix A.

The components of net pension liability of the Plan are:

	As of June 30, 2017	*As of June 30, 2016*
Total Pension Liability	$ 583,905,760	$ 534,426,915
Fiduciary Net Position	396,658,965	330,934,926
Net Pension Liability	$ 187,246,795	$ 203,491,989
Fiduciary Net Position as a Percentage of Total Pension Liability	67.93%	61.92%
Covered Payroll	$ 118,090,682	$ 110,683,142
Net Pension Liability as a Percentage of Covered Payroll	158.56%	183.85%

Through December 31, 2013, benefit obligations were recognized and paid when due by purchasing annuity contracts from a life insurance company. Beginning January 1, 2014, benefit obligations are paid by the Plan through Wells Fargo Bank, N.A. Cost of living adjustments for benefit obligations that were initially paid by purchasing annuity contracts from a life insurance company continue to be paid by purchasing additional annuity contracts from a life insurance company. The obligation for the payment of benefits covered by these annuity contracts has been transferred to a life insurance company and are excluded from the Plan assets.

If the assets and liabilities for retirees or their beneficiaries whose benefits were purchased with annuity contracts from a life insurance company were included with the Plan assets, the Fiduciary Net Position would increase as follows:

	As of June 30, 2017	*As of June 30, 2016*
Fiduciary Net Position as a Percent of Total Pension Liability	75.26%	71.17%

The District adopted GASB Statement No. 68 ("GASB 68") effective for fiscal year 2014-15. The cumulative effect of applying GASB 68 is reported as a restatement of the beginning net position as of the beginning of the initial period of implementation and is set forth below.

Beginning net position as previously reported at June 30, 2014	$ 1,047,961,519
Prior period adjustment – implementation of GASB 68 – net pension liability	(103,832,297)
Net position as restated, July 1, 2014	$ 944,129,222

Other Post-Employment Benefits. The District provides life insurance and group health insurance in accordance with its working rules and labor agreements to all full-time employees who retire from the District with 30 years of service or after attaining age 60 with at least 10 years of service ("Retirees"). The payment of the premiums for such insurance coverage constitutes other post-employment benefits ("OPEB") for purposes of Governmental Accounting Standards Board Statement No. 45 ("GASB 45"). For Retirees who retire with pension benefits unreduced by early retirement, the District pays 100% of life insurance and group health insurance premiums (through a group plan offered by the County as generally described below) for the retirees and 85% of the group health insurance premiums for their dependents, until such Retirees become eligible for Medicare benefits. Retirees who retire early with reduced pension benefits must pay the full premium to the County as the District's insurance provider. The County offers two types of health insurance, a self-funded preferred provider organization plan ("PPO") and a health maintenance organization ("HMO") plan. Retirees can elect to continue coverage under either of these plans upon payment of the required premium for themselves and their dependents. The premium is based on the number of persons covered (i.e., the premium is greater for a Retiree who elects to also have dependents covered). However, since the County charges the District the same premiums for Retirees as for active employees, the retiree premium rates are being subsidized by the District through the premiums paid on behalf of active members. As of July 1, 2016, the most recent actuarial valuation date, there were 143 Retirees receiving OPEB benefits, which are funded on a pay-as-you-go basis. OPEB benefits are vested benefits.

The annual OPEB cost reported in the District's financial statements is equal to the annual required contributions ("ARC") of the District, which are calculated using an actuarial valuation based upon the methods and assumptions applied in determining the plan's funding requirements, plus one year's interest on the beginning-of-the-year net OPEB obligations and plus or minus other adjustments. The OPEB obligation at June 30, 2017, is determined by adding the annual OPEB cost to the OPEB obligation at the beginning of the fiscal year and deducting any contributions to the plan during the year. The pay-as-you-go basis currently requires lower contributions than the ARC. Detailed information about the District's OPEB obligations as of June 30, 2017, including eligibility requirements, the funding policy, actuarial methods and significant assumptions (which are not certain to be realized), funding status and funding progress, insured benefit information and information about ARC and unfunded actuarial accrued liability can be found in Note 14 and in the Required Supplementary Information in the audited financial statements attached hereto as Appendix A.

For fiscal year 2016-17, the District obtained an updated actuarial study of the District's OPEB obligations as of July 1, 2016. According to that study, which among other significant assumptions, assumed a discount rate of 4.0%, the District's Actuarial Accrued Liability ("AAL") was $41.3 million (as compared to $28.4 million as of July 1, 2014). The District has not funded a trust with respect to its OPEB liabilities; as a result, the liabilities are 0% funded and the District's Unfunded Actuarial Accrued Liability ("UAAL") also was $41.3 million as of July 1, 2016. The normal cost for fiscal year 2016-17 was $4,928,062 and the ARC was $5,431,809 (as compared to a normal cost of $2,940,260 and ARC of $3,176,606 for fiscal year 2015-16). The District funds its OPEB costs on a pay-as-you-go basis ($2,005,883 in fiscal year 2016-17); as a result, its UAAL and its ARC are expected to increase in each year. The District expects to fund a trust for its OPEB obligations, but has not made any definitive plans to do so. The District does not expect the funding of a trust for its UAAL and ARC to have a material adverse effect on its financial operations.

Risk Management

The District employs a multi-faceted approach to risk management, which includes prevention, reduction, transfer, avoidance, and/or elimination of risk of loss. The District purchases insurance from the commercial insurance market on real and personal property, including coverage for terrorism, earthquake and flood insurance with standard policy restrictions. The District's insurance covers direct physical loss or damage to buildings, fixtures, equipment, boilers, machinery and supplies. The blanket limit of liability under the property insurance program (including industrial equipment) is $500 million with a deductible of $1 million for all locations except earthquake and flood insurance, which has limits of $100 million and $50 million respectively, and a deductible of $100,000. This program also provides terrorism insurance for all locations with a blanket limit of $500 million for all terrorist acts. The District self-insures the first $1 million for automobile and general liability exposure and purchases excess liability insurance in the amount of $30 million over the $1 million self-insured retention. In addition, the District purchases employee fidelity insurance in the amount of $3 million and other miscellaneous coverage. It also self-insures its workers' compensation exposure for $500,000 per claim and purchases excess workers' compensation insurance with statutory limits.

In construction contracts, the District obtains indemnification and hold-harmless agreements. These agreements usually require that contractors name the District as an additional insured under the indemnitor's insurance coverage. The District provides builders risk insurance for construction projects with a blanket limit of $500 million per occurrence, based on the value reported for the project, subject to a $50,000 deductible per claim, except earthquake and flood, which has a deductible of $500,000 per claim.

Litigation

The District's legal counsel is of the opinion that there is no litigation, either pending or threatened, which may materially affect the District's financial condition or its ability to perform its obligations to the owners of the 2018 Bonds.

Intergovernmental Relationships

General. The District serves potable water to customers in the City of Las Vegas and the unincorporated urban areas of the County. As the largest water purveyor in the County, the District has taken a leadership role in conservation and regional water issues. The District plays a vital role in the management and provision of water resources in southern Nevada. To fulfill this role, the District must work effectively and cooperate with State and federal governments, numerous local jurisdictions and other local water purveyors. The following describes these intergovernmental relationships.

Major Water Purveyors. The major water purveyors and the percentages of Colorado River water distributed in the Las Vegas area for the twelve months ended June 30, 2017 are as follows: the City of Boulder City (2.4%), the City of Henderson (16.1%), the City of North Las Vegas (12.0%) and the District (69.2%).

Wastewater Treatment Agencies. The wastewater treatment agencies within the County are as follows: the City of Boulder City, the City of Henderson, the City of Las Vegas, the City of North Las Vegas and the Clark County Water Reclamation District. The wastewater treatment agencies also are members of the SNWA. Return flow credits (provided primarily by returning treated wastewater to Lake Mead) allow the diversion of water in excess of the consumptive use allotment; accordingly, the wastewater treatment agencies are an important component of the SNWA.

Southern Nevada Water Authority. In 1991, the cities of Boulder City, Henderson, Las Vegas and North Las Vegas, the Big Bend Water District, the Clark County Water Reclamation District and the District formed the SNWA to develop additional water supplies for its members and to address water issues on a regional basis. The SNWA board consists of one member selected from each of its member agencies. The District operates the SNWS on behalf of the SNWA, including providing the operating staff for the SNWA. Each year, the SNWA Board considers and renews the appointment of the General Manager of the District as the General Manager of the SNWA. The General Manager of the District has been appointed the General Manager of the SNWA each year since 1993. All SNWA staff is provided by the District. During the annual budgeting process, the District allocates projected costs of staff time to the SNWA.

As described in "Major Water Purveyors" above, the District is the largest customer of the SNWA and purchases the largest allotment of Colorado River water from the SNWA. The District purchases nearly 90% of its water from the SNWA.

The SNWA faces various challenges in continuing to supply water to its respective member agencies. The ability of the District to sell water to its customers is significantly dependent upon its receipt of water from the SNWA. No assurance can be given that additional water supplies will be secured. A description of the challenges the SNWA faces in continuing to supply imported water as well as a variety of other operating information with respect to the SNWA is included in detail under the captions "SOUTHERN NEVADA WATER AUTHORITY," "SOUTHERN NEVADA WATER SYSTEM" and "SNWA FINANCIAL INFORMATION" in the District's Official Statement dated February 13, 2018, relating to its General Obligation (Limited Tax) (Additionally Secured by SNWA Pledged Revenues) Water Refunding Bonds, Series 2018B (the "SNWA Disclosure"). The District incorporates the SNWA Disclosure by specific reference in this Official Statement. The SNWA Disclosure is the disclosure of the SNWA and, accordingly, the District does not make any representations as to the accuracy or completeness of the SNWA Disclosure or as to the absence of material adverse changes in the SNWA Disclosure after the date hereof.

The SNWA has entered into certain continuing disclosure agreements pursuant to which it is contractually obligated for the benefit of owners of certain outstanding obligations to file with certain information repositories annual reports, notices of certain material events as defined under Rule 15c2-12 of the Exchange Act ("Rule 15c2-12") and annual audited financial statements (the "SNWA Information"). This information is to be filed by the SNWA with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at http://emma.msrb.org/. The SNWA disclosure documents and annual reports should be reviewed for information pertaining to water supply matters. *The SNWA has not entered into any contractual commitment with the District or the Owners of the 2018 Bonds to provide SNWA Information to the District or the Owners of the 2018 Bonds. The District has not incorporated by reference the information filed by the SNWA described above and the District does not assume any responsibility for the accuracy of SNWA Information.*

Southern Nevada Water System. The SNWS is the regional system consisting of water treatment plant, pumping and distribution facilities that supply water to the retail water purveyors in southern Nevada. Prior to 1996, portions of the SNWS were owned by the CRC and the federal government. In accordance with legislation passed during 1995 by the Nevada Legislature, the portions of the SNWS owned by the CRC were transferred to the SNWA in January 1996. In addition, in July 2001, the SNWA purchased the portions of the SNWS owned by the United States Bureau of Reclamation (the "Robert B. Griffith Water Project") by prepaying certain federal loans used to finance construction of those portions of the SNWS. As a result, the SNWA now owns all of the assets comprising the SNWS.

Colorado River Commission. The CRC is a State agency created in the mid-1930's to acquire and protect Nevada's right to water and power resources from the Colorado River. Colorado River water is apportioned among the seven Colorado River basin states and Mexico. The CRC also is responsible for the negotiation and execution of contracts, leases or agreements with respect to electric power in the State. The seven-member CRC is made up of four members appointed by the governor (including the chairperson) and three SNWA Board members.

U.S. Bureau of Reclamation. The U.S. Bureau of Reclamation, Department of the Interior, is responsible for managing the Colorado River for the benefit of the users with rights to Colorado River water. Any changes to the laws governing the Colorado River that would benefit the State will require the cooperation and approval of the federal government and all seven of the basin states.

Water System

Water Treatment. Other than chlorinating water produced by its groundwater wells, the District does not own water treatment facilities (the SNWA provides treated water to the District). Water produced from the District's wells is subject to water quality standards established by the federal Safe Drinking Water Act. Due to the District's chlorination system and monitoring of groundwater sources, the District currently meets, or exceeds, existing standards for water quality as established by the Safe Drinking Water Act. However, water quality standards could become more stringent in the future, possibly necessitating additional capital and/or operation and maintenance costs. The District continually monitors the development of regulations that are being promulgated by the United States Environmental Protection Agency to satisfy the requirements of the Safe Drinking Water Act and plans for and takes appropriate action to position itself to satisfy the requirements of new regulations. Although these actions and future necessary steps likely will increase the cost of operation of the District's water system (and the SNWS), the District believes that these cost increases will not have a significant adverse effect on the overall cost of operating the District's water system.

Water Distribution. Due to differences in ground elevations across the Las Vegas Valley, the distribution system is divided into 24 principal pressure zones with elevations ranging from 1,845 to 3,665 feet above sea level. The District's water system includes reservoir storage with over 900 million gallons ("MG") of storage capacity, approximately 53 pumping stations, 64 wells capable of producing slightly more than 188 MG per day, and over 4,600 miles of pipeline ranging in size from 4" to 96" in diameter. In calendar year 2017, the District produced approximately 110,605 MG of water for distribution. Of that amount, approximately 12,795 MG was pumped from wells (the maximum day production was 103 MG); the remainder was purchased from the SNWA. The average daily water production from the SNWS to the purveyors in 2017 was 387 MG. The peak daily usage for 2017 was 543 MG from the SNWS to the purveyors.

Electrical Power. State law allows local governments to opt out of the private purchase of power for water/wastewater functions if alternative sources of power are available. The District has an interlocal agreement with the SNWA for the purchase of approximately half of its electrical power, while the other half is provided by the investor-owned and publicly-regulated local utility, NV Energy. See Note 13 in the audited financial statements attached hereto as Appendix A for a further discussion of the District's power contracts. To a limited extent, the District also utilizes natural gas provided by Southwest Gas Corporation, which is also an investor-owned and publicly-regulated utility. Since October 2017, the District has been receiving approximately 10% of its supply needs from federal hydropower from Hoover Dam.

Pursuant to State law and a Cooperative Agreement (the "SSEA Cooperative Agreement") among the SNWA, the City of Boulder City, the CRC, the Lincoln County Power District No. 1 and the Overton Power District No. 5, the Silver State Energy Association (the "SSEA") was formed in 2007 to manage power resources and own, finance, construct and operate electrical power facilities for the benefit of its members. Each member appoints a representative to SSEA's board of directors. The CRC and the SNWA provide all necessary staff to the SSEA and staff time is charged by such entities to the SSEA. Beginning in 2013, the SNWA has purchased over 95% of its annual power requirements from the SSEA. SNWA also receives a small amount of its energy needs from federal hydropower from Hoover and Parker Davis Dams.

Capital Program. The District maintains a long-range facility planning process to determine the type, size and location of water distribution capital facilities needed to meet the water services demands within its service area. The focus of the capital projects has moved from system expansion due to significant growth over the last several decades to greater emphasis on system reliability as growth levels off. As much of the overall distribution system is relatively new, the District has implemented a proactive asset management program to ensure that facilities are replaced or improved before they become aged or obsolete. This asset management effort has been incorporated into the District's long range financial planning effort.

The current ongoing capital plan includes new and replacement pumping stations, reservoirs and wells, land acquisition, new water pipelines, and other distribution system facilities. Some of these projects will become operational in fiscal year 2017-18, while other projects will be completed in subsequent fiscal years. Maintenance of District facilities are on-going and are generally included within the District's yearly operations budgets. The District's projects are currently funded with a combination of loans from the State of Nevada through the State Revolving Drinking Water funds and pay-as-you-go funding sources. The District expects to spend approximately $300 million on capital improvement projects in the next five fiscal years and expects to finance a portion of such costs from proceeds of the 2018 Bonds and existing loan authorization from the State of Nevada through the State Revolving Drinking Water funds and pay for the balance with unrestricted funds and pay-as-you-go funding sources.

Competition. Certain areas within the District's boundaries receive service from privately-owned water companies or individually-owned wells. The private companies are few and declining in number and most of them are regulated directly by the State through the Public Utilities Commission. District officials estimate the population so served to be an insignificant portion of the District's total population.

Effects of Environmental Regulations. Various environmental laws, regulations, and legal proceedings at both the state and federal levels could affect future operations of the District's water system. Generally, the environmental requirements relate to environmental impact, land use, appropriation of water, and water quality. The District's and the SNWA's ability to use and develop water rights in the future, and the associated costs, may be adversely affected by such environmental requirements.

Drought Planning. Over the last seventeen years, southern Nevada and the Colorado River Basin have been experiencing one of the worst droughts on record. As part of its response to these drought conditions, the District, the SNWA and the SNWA's other member agencies use a scenario planning approach in the SNWA's Water Resource Plan. See "Intergovernmental Relationships — *Southern Nevada Water Authority*" above. It should be noted that projections of water resources availability and water demands are subject to uncertainty resulting from numerous variables and that actual results may differ, possibly materially, from those contemplated in the projections.

Customer Information

Accounts. The following table shows the number of the District's accounts in the last five fiscal years.

HISTORIC DISTRICT ACCOUNTS

As of June 30,	***Number of Active Customer Accounts***	***Percentage Increase***
2013	360,125	N/A
2014	367,482	2.0%
2015	373,080	1.5
2016	380,791	2.1
2017	387,829	1.8

Source: Las Vegas Valley Water District.

The following table is a description of the District's accounts, the number of gallons of water consumed per billing and the revenue produced for the fiscal year ended June 30, 2017.

DISTRICT ACCOUNTS AND CONSUMPTION INFORMATION[1]

Description	*Number of Active Accounts as of June 30, 2017*	*Annual Consumption Per Billing (1,000 gal.)*	*Annual Revenue Produced*[2]
Residential, Single Service	350,777	46,816,937	$ 222,794,232
Residential, Duplex/Triplex/Fourplex	2,821	699,597	3,115,520
Apartment, Condominium and Townhouse	4,356	16,321,023	64,068,319
Residential, other	205	1,054,444	3,171,759
Hotels	238	9,748,887	38,582,909
Motels	252	1,204,671	5,085,992
Community Facilities	1,037	2,222,950	9,928,354
Schools	680	1,786,227	7,817,456
Fireline	5,150	499,253	25,466,084
Irrigation	6,760	15,177,585	55,826,054
Commercial/Business	8,475	8,878,970	43,299,656
Recreational	70	223,266	951,024
Industrial	1,268	1,366,087	6,729,171
Construction Water	5,417	1,594,122	7,894,206
Other	323	613,752	2,459,640
TOTAL	387,829	108,207,771	$ 497,190,376

(1) As of June 30, 2017. Totals may not add due to rounding.
(2) Includes SNWA regional revenues, charges and delinquent fees and other charges.
Source: Las Vegas Valley Water District.

Largest Ratepayers. The following table represents the top ten principal ratepayers for calendar year 2017. No independent investigation has been made of, and consequently there can be no representation as to, the financial conditions of the ratepayers listed, or that any such ratepayer will continue to maintain its status as a top ten ratepayer in the future.

TOP TEN PRINCIPAL RATEPAYERS - CALENDAR YEAR 2017

Ratepayer	*Revenue*[1]	*Rank*	*Percentage of Total Revenue*
Clark County School District	$ 10,198,335	1	1.98
City of Las Vegas	5,945,922	2	1.16
Clark County	5,179,571	3	1.01
Venetian Casino and Resort LLC	2,351,050	4	0.46
Mandalay Bay Resort and Casino	2,139,222	5	0.42
Clark County Aviation	2,023,759	6	0.39
Wynn Las Vegas	1,957,528	7	0.38
Bellagio LLC	1,867,158	8	0.36
MGM Grand Hotel and Casino	1,514,743	9	0.29
Southern Highlands Golf Club LLC	1,486,250	10	0.29
Total	$ 34,663,539		6.74%

(1) Based on total water revenue of $514,583,351 for calendar year 2017, including SNWA revenues.
Source: The District.

Water Rates and Charges

The District Act authorizes the District to (a) establish reasonable rates and charges pertaining to the services furnished by the District's water system, (b) to pledge such revenues for the payment of its securities and (c) to enforce the collection of such revenues by civil action foreclosure of lien against the property served, the collection of penalty charges, the discontinuance of utility services, or by any other means provided by law. See "SECURITY FOR THE 2018 BONDS."

In February 2016, the Board convened a new advisory committee, the Rates and Rules Citizens Advisory Committee ("CAC"), to evaluate organizational initiatives and make recommendations regarding the District's Service Rules and water rates. The CAC met nine times between February 17, 2016 and October 20, 2016, completing a process that consisted of education on the District's Service Rules, asset management and backflow prevention; evaluation of rate structure scenarios; and formulation of recommendations.

After evaluation of the issues and options, the CAC developed 11 recommendations for consideration by the District's Board. On January 3, 2017, the District Board approved the recommendations. Two of the Board approved recommendations will significantly affect the District's water rates in a positive manner from a revenue perspective. Water rates are largely comprised of two components: a consumption charge per thousand gallons used and a daily service charge. One of the approved recommendations was to increase water rates by 3.0% on February 1, 2017, and another 3.0% on January 1, 2018. The other recommendation affecting water rates states that on January 1, 2019 and each January 1 thereafter, water rates will increase annually in accordance with the Consumer Price Index (CPI), with the increase not exceeding 4.5% or falling below 1.5%.

Consumption Charges. The water consumption (usage) charges are based on a four-tier system to promote conservation (i.e., as more water is used, the rate per 1,000 gallons increases). Rate tiers determine the rate charged to the customer and are based on how much water is used. Thresholds (determined by gallons used) mark the level of usage where one rate tier ends and another begins. Under the current rate structure, the rate for each tier increases. The cost per 1,000 gallons ranges from $1.23 to $4.86, depending on the amount used. Water rates for construction purchases are set at $3.28 per 1,000 gallons for all meter sizes. Non-potable water rates, including recycled water for golf courses, are set at $2.33 per 1,000 gallons. Mobile home parks are billed pursuant to a formula based upon meter size and the number of spaces.

Service Charges. Daily service charges for all rate classes increase with meter size. The daily service charge for a 5/8" residential meter is set at $0.3560 per day (approximately $10.68 per month), while the charge for a larger meter can range up to $18.5895 per day (approximately $557.69 per month) for a 12" commercial/industrial meter.

SNWA Charges. In accordance with the Operations Agreement, the SNWA charges the District and the other purveyor members a Regional Commodity Charge, a Regional Reliability Surcharge, and a Regional Infrastructure Charge. The District currently passes such charges onto its retail customers. The Regional Commodity Charge is $0.48/1,000 gallons for all billed consumption (except in Jean, Nevada). This charge was last increased by four cents, from $0.44 to $0.48/1,000 gallons on January 1, 2017. The District bills the Regional Reliability Surcharge (excise tax) on all residential customers at 0.25% of the total water bill, less the Regional Infrastructure Charge, and at 2.5% of the total water bill, less the Regional Infrastructure Charge for all other customer classes. As of January 1, 2018, the Regional Infrastructure Charge is a fixed monthly charge, based on meter size. For residential customers, the monthly charge ranges from $12.92 per month for 5/8" and 3/4" meters to $1,221.99 for meters that are 10" and larger. The monthly charge for non-residential customers ranges from $26.96 for 5/8" and 3/4" meters to $2,349.59 for meters that are 10" and larger. Non-residential fire meters pay a monthly charge ranging from $3.34 per month to $290.43 per month.

Under the Operations Agreement, delinquencies by a purveyor member in payments due thereunder may be apportioned by the SNWA to the District and other purveyor members proportionate to the liability of such purveyor members under the Operations Agreement in the preceding month. In no event, however, shall the delinquency apportioned for any period of delinquency be greater than 100% of the amount of such charge the District and the other purveyor members are otherwise required to pay with respect to such period.

Connection Charges. The District charges service connection installation charges, frontage connection charges (a service connection or main extension connecting to an existing main), a Regional Connection Charge to fund SNWA improvements, and over-sizing charges. The District also charges various application and inspection fees. The District Facilities Connection Charge is based on meter size (beginning at $1,664 for a 5/8” meter and ranging to $282,897 for a 12” meter, effective January 1, 2018). The Facilities Connection Charge will increase annually by 7.5% each January 1 through 2020. Beginning January 1, 2021 and each January 1 thereafter, the Facilities Connection Charge will be adjusted annually in accordance with the Engineering News Record’s Construction Cost Index.

Billing and Collection. The District reads meters or estimates service and bills for service monthly. Current bills not paid by the date of the next regular monthly bill are subject to assessment of late charges of 4% of all amounts in arrears. Service may be disconnected if not paid within 14 calendar days after the billing date shown on that bill. If service is shut off, the customer must pay all past due charges plus a delinquent processing fee of $20, plus a service turn-on fee of $10. In addition, the District may place a lien against any property which is not exempt.

Water Rates Comparison. The following table contains a comparison of the average monthly bill of other water service providers within the vicinity of the District, based on calendar year 2017 water rates, average monthly consumption of 11,200 gallons and a 5/8” or 3/4” meter.

COMPARISON OF AVERAGE MONTHLY BILLS

Purveyor	***Average Monthly Water Bill***
Las Vegas Valley Water District	$49.14
City of Henderson	50.15
City of North Las Vegas	52.39
City of Boulder City	55.34

Source: District

LAS VEGAS VALLEY WATER DISTRICT FINANCIAL INFORMATION

Annual 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. The CAFR is the official financial report of the District. The latest completed report is for the fiscal year ended June 30, 2017. The District’s CAFR, which includes the audited financial statements (prepared in accordance with GAAP) for the fiscal year ended June 30, 2017, are attached hereto as Appendix A.

Certain prior period adjustments were made in the District’s audited financial statements within the last five fiscal years to comply with revised accounting rules, however, such prior period adjustments related to certain non-cash items and would have had no effect on coverage calculations for the District’s outstanding bonds.

Certificate of Achievement. The Government Finance Officer's Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its CAFR for the fiscal year ended June 30, 2017. This is the 39^{th} consecutive year that the District has received this recognition.

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 principles and applicable legal requirements.

Budgeting

General. Prior to April 15 of each year, the District submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year which commences on July 1. The tentative budget contains the proposed expenditures and means of financing them. After reviewing the tentative budget, the State Department of Taxation is required to notify the District upon its acceptance of the budget.

Following acceptance of the proposed budget by the Nevada State Department of Taxation, the Board is required to conduct public hearings on the third Monday in May. The Board normally is required to adopt the final budget on or before June 1.

With the exception of monies appropriated for specific capital projects or Federal and State grant expenditures, all uncommitted funds lapse at the end of the fiscal year.

Factors Affecting the District's Budget for Fiscal Year 2017-18. The District's fiscal year 2017-18 budget includes total uses of funds of $633,032,177, including SNWA charges, reflecting a 7.4% increase compared to the District's 2016-17 adopted budget. The District's 2017-18 budget includes projected increases in consumption charge revenues of approximately 5% and service charge revenues of approximately 4%. The District's fiscal year 2017-18 budget also projects a 1.5% growth in the number of active services.

Including the consumption-based water revenues, anticipated total sources of funds, excluding SNWA charges, were projected to increase over $16.9 million or 5.0%, compared to the 2016-17 adopted budget.

Excluding SNWA related charges, which are passed on to the District's customers and thereby offset with an equal amount of revenue, the District's fiscal year 2017-18 total uses of funds will increase by 12.0% as compared to the fiscal year 2016-17 adopted budget. The primary component driving this increase is higher budgeted capital expenditures due to the necessity to perform a number of production and distribution system asset management projects.

The District's sources of funds were projected to exceed uses by $75.5 million. Projected sources and uses of funds assumed the District will experience a normal weather pattern in fiscal year 2017-18 and will continue to be affected by water resource conditions in the Colorado River Basin, mandatory watering restrictions, and continued conservation measures. If drought conditions worsen and stricter watering restrictions are implemented, the District's revenue stream could be significantly affected.

Historical and Projected Operating Results

Historical Operating Results. The following table is a summary of the District's historic operating results for fiscal years 2012-13 through 2016-17. This table should be read in conjunction with the District's most recent audited financial statements, which are attached hereto as Appendix A. *There is no assurance that the District's water system will generate revenues or incur expenses at the levels indicated in this table in the future.*

DISTRICT HISTORICAL OPERATING RESULTS
For Fiscal Years Ended June 30, 2013 to 2017

	2013 (Actual)	***2014 (Actual)***	***2015 (Actual)***	***2016 (Actual)***	***2017 (Actual)***
Revenues					
Total Operating Revenues[1]	$ 336,432,153	$ 338,947,519	$ 337,790,425	$ 339,986,389	$ 354,888,515
Facilities Connection Charges	6,867,660	11,049,850	17,657,015	13,239,500	12,241,154
Investment Earnings	256,072	1,094,644	1,265,650	2,577,164	1,042,888
Total Revenues	**$ 343,555,885**	**$ 351,092,013**	**$ 356,713,090**	**$ 355,803,053**	**$ 368,172,557**
Operating Expenses[2]	**$ 246,358,474**	**$ 252,968,239**	**$ 245,997,419**	**$ 243,312,822**	**$ 250,732,755**
Net Revenues	**$ 97,197,411**	**$ 98,123,774**	**$ 110,715,671**	**$ 112,490,231**	**$ 117,439,802**
Parity Lien Obligations and Subordinate Lien Obligations Debt Service[3]	**$ 65,794,403**	**$ 63,155,932**	**$ 63,164,124**	**$ 58,809,008**	**$ 62,150,502**
Parity Lien Obligations and Subordinate Lien Obligations Debt Service Coverage	**1.48**	**1.55**	**1.75**	**1.91**	**1.89**

(1) Excludes the SNWA Regional Commodity Charge, the Regional Reliability Surcharge, and the Regional Infrastructure Charge. The District excludes SNWA charges and operating expenses from its financial statements. See the captions "LAS VEGAS VALLEY WATER DISTRICT — Water Rates and Charges — *SNWA Charges.*"

(2) Excludes depreciation expense.

(3) The District does not have any Superior Lien Obligations outstanding.

Source: District's audited financial statements for fiscal years 2012-13 through 2016-17.

As illustrated in "LAS VEGAS VALLEY WATER DISTRICT DEBT STRUCTURE — District Annual Debt Service Requirements," the combined maximum annual debt service on the Parity Lien Obligations and Subordinate Lien Obligations is $66,442,027 in fiscal year 2026 (which does not include debt service on the 2018 Bonds). The amounts referenced above exclude the District's Water Commercial Paper Notes (the "Notes") which are currently outstanding in the amount of $400,000,000, which are payable from SNWA Pledged Revenues (as defined below). See "LAS VEGAS VALLEY WATER DISTRICT DEBT STRUCTURE — Outstanding Indebtedness."

The debt service coverage ratios shown in the table above do not account for the District's unrestricted fund balances available at the beginning of each fiscal year. Such amounts are not included in Net Pledged Revenues but may, at the District's election, be made available to pay debt service. The following table shows the District's historical debt service coverage on Parity Lien Obligations and Subordinate Lien Obligations when such unrestricted fund balances are included.

DISTRICT HISTORICAL DEBT SERVICE COVERAGE
(including unrestricted fund balances)
For Fiscal Years Ended June 30, 2013 to 2017

	2013 (Actual)	*2014 (Actual)*	*2015 (Actual)*	*2016 (Actual)*	*2017 (Actual)*
Net Revenues	**$ 97,197,411**	**$ 98,123,774**	**$ 110,715,671**	**$ 112,490,231**	**$ 117,439,802**
Add Beginning Unrestricted Fund Balances	$ 127,635,747	$ 145,692,020	$ 175,900,688	$ 217,438,786	$ 225,452,811
Amounts Available for Debt Service	**$ 224,833,158**	**$ 243,815,794**	**$ 286,616,359**	**$ 329,929,017**	**$ 342,892,613**
Parity Lien Obligations and Subordinate Lien Obligations Debt Service[(1)]	**$ 65,794,403**	**$ 63,155,932**	**$ 63,164,124**	**$ 58,809,008**	**$ 62,150,502**
Parity Lien Obligations and Subordinate Lien Obligations Debt Service Coverage	**3.42**	**3.86**	**4.54**	**5.61**	**5.52**

(1) The District does not have any Superior Lien Obligations outstanding.
Source: District's audited financial statements for fiscal years 2012-13 through 2016-17.

Projected Operating Results. The following table projects the District's operating results for the current and next four fiscal years. The financial forecast represents the District's estimate of projected financial results based on the assumptions set forth in the footnotes to the chart set forth below. Such assumptions are material in the development of the District's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast and such variations may be material.

DISTRICT PROJECTED OPERATING RESULTS
For Fiscal Years Ended June 30, 2018 to 2022

	2018	***2019***	***2020***	***2021***	***2022***
Revenues					
Total Operating Revenues[1]	$ 372,571,347	$ 388,292,528	$ 401,882,766	$ 415,948,663	$ 430,506,866
Facilities Connection Charges[2]	15,446,068	15,457,665	16,616,990	17,132,117	17,663,213
Investment Earnings	3,028,428	3,331,271	5,034,308	4,963,565	4,883,318
Total Revenues	**$ 391,045,843**	**$ 407,081,464**	**$ 423,534,064**	**$ 438,044,345**	**$ 453,053,397**
Operating Expenses[3]	**$ 263,558,028**	**$ 295,865,590**	**$ 309,179,542**	**$ 323,092,621**	**$ 337,631,789**
Net Revenues	**$ 127,487,815**	**$ 111,215,874**	**$ 114,354,522**	**$ 114,951,724**	**$ 115,421,608**
Parity Lien Obligations and Subordinate Lien Obligations Debt Service[4]	**$ 60,735,992**	**$ 68,016,639**	**$ 69,070,743**	**$ 70,301,540**	**$ 70,433,856**
Parity Lien Obligations and Subordinate Lien Obligations Debt Service Coverage	**2.10**	**1.64**	**1.66**	**1.64**	**1.64**

(1) Excludes projected amounts of the SNWA Regional Commodity Charge, the Regional Reliability Surcharge, and the Regional Infrastructure Charge. The District excludes SNWA charges and operating expenses from its financial statements. See the captions "LAS VEGAS VALLEY WATER DISTRICT — Water Rates and Charges — *SNWA Charges*." Includes the Board adopted adjustments to water rates and water charges, which are estimated to increase annually by 2.5% beginning on January 1, 2019. Includes revenue generated from the Springs Preserve, from application and inspection fees, and other revenues.

(2) Includes the facilities connection charge rate adjustments of 7.5% on January 1, 2019 and January 1, 2020, followed by rate increases estimated at 3.1% beginning January 1, 2021 and annually thereafter.

(3) Excludes any projected depreciation expense.

(4) Assumes that the maximum borrowing authority of $50,000,000 under the State Revolving Fund has been drawn upon. As of December 31, 2017, the District had $31,678,931 aggregate principal amount of loans outstanding under the State Revolving Fund. See "LAS VEGAS VALLEY WATER DISTRICT DEBT STRUCTURE — Additional Contemplated Indebtedness" below.

Source: The District.

The debt service coverage ratios shown in the table above do not account for the District's projected unrestricted fund balances. Such amounts are not included in Net Pledged Revenues but may, at the District's election, be made available to pay debt service. The following table shows the District's projected debt service coverage on Parity Lien Obligations and Subordinate Lien Obligations when such projected unrestricted fund balances are included.

DISTRICT PROJECTED DEBT SERVICE COVERAGE
(including unrestricted fund balances)
For Fiscal Years Ended June 30, 2018 to 2022

	2018	*2019*	*2020*	*2021*	*2022*
Net Revenues	**$ 127,487,815**	**$ 111,215,874**	**$ 114,354,522**	**$ 114,951,724**	**$ 115,421,608**
Add Projected Beginning Unrestricted Fund Balances	$ 276,864,411	$ 337,598,470	$ 335,620,546	$ 330,904,325	$ 325,554,509
Amounts Available for Debt Service	**$ 404,352,226**	**$ 448,814,344**	**$ 449,975,068**	**$ 445,856,049**	**$ 440,976,117**
Parity Lien Obligations and Subordinate Lien Obligations Debt Service[(1)]	**$ 60,735,992**	**$ 68,016,639**	**$ 69,070,743**	**$ 70,301,540**	**$ 70,433,856**
Parity Lien Obligations and Subordinate Lien Obligations Debt Service Coverage	**6.66**	**6.60**	**6.51**	**6.34**	**6.26**

(1) Assumes that the maximum borrowing authority of $50,000,000 under the State Revolving Fund has been drawn upon. As of December 31, 2017, the District had $31,678,931 aggregate principal amount of loans outstanding under the State Revolving Fund. See "LAS VEGAS VALLEY WATER DISTRICT DEBT STRUCTURE — Additional Contemplated Indebtedness" below.

Source: The District.

District Reserve Policy

On January 5, 2016, the Board approved a policy for maintaining reserves of cash and investments, consisting of four components in the following order of priority: 180 days of operating and maintenance expenses, one year of maximum annual debt service, one year average of future capital needs and one percent of assets subject to depreciation to mitigate one-time unforeseen infrastructure or major capital equipment failures. As part of the advisory process described above under "LAS VEGAS VALLEY WATER DISTRICT — Water Rates and Charges," the CAC recommended, and the Board subsequently approved, a plan to set the water rates and charges with the objective of achieving these reserve targets within the 10-year planning horizon. As of June 30, 2017, the reserve target based on the reserve policy was $301.8 million, with the actual reserves at $276.8 million.

LAS VEGAS VALLEY WATER DISTRICT DEBT STRUCTURE

Debt Limitation

The District has no statutory or constitutional debt limitation. As a planning matter, the District's policy is to pay debt service on its bonds from revenue sources rather than property taxes. Accordingly, the District's ability to issue and pay debt service on bonds issued for the benefit of the District is a function of its capital needs and revenues generated from District facilities. The term "bonds issued for the benefit of the District" does not include the SNWA Revenue Obligations issued by the District on behalf of the SNWA in accordance with the MBRA.

Outstanding Indebtedness

The following table illustrates the District's outstanding indebtedness as of April 1, 2018 and the 2018 Bonds.

DISTRICT OUTSTANDING INDEBTEDNESS
AS OF APRIL 1, 2018

	Issue Date	*Original Amount*	*Amount Outstanding*
GENERAL OBLIGATION DISTRICT REVENUE SUPPORTED BONDS[(1)]			
Parity Lien Obligations			
Water Bonds (Taxable BABS), Series 2010A	06/15/10	$ 75,995,000	$ 75,995,000
Water Refunding Bonds, Series 2010B	06/15/10	31,075,000	27,040,000
Tax-Exempt Refunding Bonds, Series 2011D	10/19/11	78,680,000	58,010,000
Water Refunding Bonds, Series 2012A	09/05/12	39,310,000	39,310,000
Water Bond, Series 2014[(2)]	12/01/14	20,000,000	19,452,114
Water Refunding Bonds, Series 2015A	06/01/15	172,430,000	148,620,000
Water Refunding Bonds, Series 2016B	04/06/16	108,220,000	105,530,000
Water Bonds, Series 2016C[(2)]	09/15/16	15,000,000	9,716,934
Water Bonds, Series 2017[(2)]	05/03/17	15,000,000	3,925,315
Water Refunding Bonds, Series 2017A	03/14/17	130,105,000	129,510,000
Water Bonds, Series 2018A	06/26/18	100,000,000	100,000,000
Total Parity Lien Obligations			$ 717,109,363
Subordinate Lien Obligations			
Adjustable Rate Water Refunding Bonds, Series 2016D	07/18/16	125,650,000	$ 121,830,000
Total Subordinate Lien Obligations			$ 121,830,000
Total District Revenue Supported Bonds			$ 838,939,363
GENERAL OBLIGATION SNWA REVENUE SUPPORTED BONDS[(3)]			
MBRA Parity Lien Obligations			
Refunding Bonds, Series2008B	02/19/08	$ 171,720,000	$ 8,835,000
Water Bonds, Series 2009A (Taxable BABS)	08/05/09	90,000,000	90,000,000
Water Bonds, Series 2009B	08/05/09	10,000,000	835,000
Tax Exempt, Series 2009D	12/23/09	71,965,000	40,990,000
Taxable Refunding Bonds, Series 2011A	05/26/11	58,110,000	49,355,000
Refunding Bonds, Series 2011B	10/19/11	129,650,000	110,955,000
Refunding Bonds, Series 2011C	10/19/11	267,815,000	220,825,000
Water Bonds, Series 2012B	07/31/12	360,000,000	339,555,000
Refunding Bonds, Series 2015	01/13/15	332,405,000	332,405,000
Refunding Bonds, Series 2015B	06/01/15	177,635,000	155,795,000
Refunding Bonds, Series 2015C	06/18/15	42,125,000	36,755,000
Water Refunding Bonds, Series 2016A	04/06/16	497,785,000	492,255,000
Water Refunding Bonds, Series 2017B	03/14/17	22,115,000	22,115,000
Water Refunding Bonds, Series 2018B	03/06/18	79,085,000	79,085,000
Total SNWA Parity Lien Obligations			$ 1,979,760,000
MBRA Subordinate Lien Obligations			
Water Commercial Paper Notes[(4)]	03/10/04	$ 400,000,000	$ 400,000,000
Total SNWA Revenue Supported Bonds			2,379,760,000
TOTAL OUTSTANDING GENERAL OBLIGATION BONDS			$ 3,218,699,363
Clean Renewable Energy Bond[(5)]			
Clean Renewable Energy Bond, Series 2008	07/15/08	$ 2,520,000	$ 840,000
GRAND TOTAL			$ 3,219,539,363

(1) District general obligation bonds additionally secured by net 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.

(2) "Original Amount" reflects maximum principal amount authorized to be drawn under the respective State Revolving Fund loan and "Amount Outstanding" reflects amount drawn and outstanding under the respective loan.

(Footnotes continued on following page)

(Continued from previous page)

(3) District general obligation bonds additionally secured by SNWA Pledged Revenues (as defined below under "— SNWA Revenue Obligations"). 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 Notes are payable from the SNWA Pledged Revenues, but are payable after the other bonds in this category.

(4) The Notes are secured by existing credit facilities which provide that amounts owed to a credit facility provider (a "Provider") to reimburse advances made to pay maturing principal of a Note can, subject to certain conditions, be converted to a term loan. However, the existing facilities provide that upon the occurrence of certain events, term loans will no longer be available and all amounts owed to a Provider are immediately due and payable, but at the same lien priority as debt service on the Notes. Such events include, but are not limited to, failure to pay amounts due to a Provider by the applicable grace period, payment defaults with respect to obligations senior to or on a parity with the Notes, certain rating downgrades and certain litigation, bankruptcy and insolvency related events.

(5) In July 2008, the District issued the Subordinate Lien Revenue Bonds (Clean Renewable Energy), Series 2008 (the "CREBS") to finance the cost of constructing and equipping a solar energy project. The CREBS are payable from District revenues; the lien of the CREBS is subordinate to all of the obligations listed under "General Obligation/District Revenue Supported Bonds" in the table above.

Source: The District; compiled by the Municipal Advisors.

Other Outstanding Bonds and Obligations

The District is a party to various other agreements and has other obligations outstanding. Certain of those obligations are discussed in Notes 12 and 13 in the audited financial statements attached hereto as Appendix A.

Additional Contemplated Indebtedness

The District may issue general obligation bonds by means of authority granted to it by its electorate or the Legislature or, under certain circumstances, without an election as provided in existing statutes. State law currently provides that 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 unless a petition signed by 5% of the registered voters is filed within a 90-day petition period. The District reserves the privilege of issuing general obligation bonds or other securities, for itself or on behalf of the SNWA, at any time legal requirements are satisfied.

Other than the 2018 Bonds, the District does not expect to issue any additional obligations payable from Net Pledged Revenues in fiscal year 2017-18. The District has obtained approval of $50,000,000 of borrowing authority from the State Revolving Fund and as of December 31, 2017, the District had $31,678,931 aggregate principal amount of loans outstanding under the State Revolving Fund.

The District also may issue additional bonds on behalf of the SNWA as described in "—SNWA Revenue Obligations" below.

SNWA Revenue Obligations

Under the MBRA, upon a request of the SNWA, the District may issue District general obligation bonds and loan the proceeds thereof to the SNWA for the purpose of financing or refinancing capital additions and expansions to the SNWS. Such obligations (the "SNWA Revenue Obligations") are secured by a lien on revenues received by the District from the SNWA pursuant to the MBRA (the "SNWA Pledged Revenues"). As described under "— Outstanding Indebtedness" above, as of April 1, 2018, the lien of the MBRA secures $1,979,760,000 aggregate outstanding principal amount of bonds which have been issued by the District on behalf of the SNWA (excluding the $400 million of outstanding commercial paper notes). The District and other entities (including the SNWA) may issue obligations on behalf of the SNWA in the future that have a lien on revenues of the SNWA superior to or on a parity with the lien of the MBRA.

The MBRA requires the SNWA to pay the District an amount sufficient to pay all debt service on the SNWA Revenue Obligations. The District currently expects that if revenues received by the District pursuant to the MBRA were insufficient to pay debt service on SNWA Revenue Obligations, the District would apply District reserves to pay such debt service. If such reserves were insufficient to pay debt service on SNWA Revenue Obligations, the District currently expects to apply Net Pledged Revenues remaining after the payment of debt service on Parity Lien Obligations (including the 2018 Bonds) and Subordinate Lien Obligations to pay SNWA Revenue Obligations debt service. The District may reimburse any District funds advanced to pay such debt service with the proceeds of *ad valorem* property taxes levied and collected pursuant to the Bond Resolution and NRS 350.592. Pursuant to the MBRA, the SNWA is obligated to make payments thereunder to the District no later than two business days prior to the date on which the District is obligated to make debt service payments on bonds or other obligations which are issued pursuant to the SNWA's requested under the MBRA.

District Debt Service Requirements

The following table illustrates the annual debt service requirements for the District's outstanding general obligation bonds, all of which are revenue supported, as of April 1, 2018 (without taking the issuance of the 2018 Bonds into account). This table does not include debt service attributable to the Notes or the District's CREBS.

As indicated in the footnotes to the following table, certain of the District's bonds were issued as "Build America Bonds" or "BABs." Prior to the 8.7% reduction in the payment of BAB subsidies that went into effect on March 1, 2013 (7.2% as of October 1, 2013, 7.3% as of October 1, 2014, 6.8% as of October 1, 2015, 6.9% as of October 1, 2016 and 6.6% as of October 1, 2017) as a result of federal budget cuts known as "sequestration," the District expected to receive a BAB Credit in an amount equal to 35% of the interest due on those bonds. The District does not expect the current sequester will have a material adverse effect on their ability to pay debt service on the BABs. However, there is no assurance that the BAB Credit will be received in the future; accordingly, amounts shown in the table below reflect total interest; the amounts are not reduced to reflect applicable BAB Credit amounts. If the BAB Credit is received, the interest payable will be lower.

DISTRICT ANNUAL DEBT SERVICE REQUIREMENTS(1)

Fiscal Year Ending June 30	*General Obligation – District Revenue-Supported Bonds(2)(3)*		*General Obligation – SNWA Revenue-Supported Bonds(4)*		*Grand Total*
	Principal	*Interest*	*Principal*	*Interest*	
2018	$24,795,000	$9,831,725	$56,140,000	$47,200,608	$137,967,333
2019	31,625,146	32,407,869	72,605,000	95,614,332	232,252,347
2020	33,164,980	31,102,293	75,795,000	92,345,159	232,407,432
2021	36,146,848	29,603,866	81,440,000	88,819,467	236,010,181
2022	37,929,195	27,955,769	85,660,000	85,023,588	236,568,552
2023	39,765,753	26,238,811	90,125,000	80,830,035	236,959,599
2024	41,713,643	24,430,422	94,565,000	76,392,107	237,101,172
2025	43,752,896	22,531,718	89,740,000	71,717,485	227,742,099
2026	45,848,547	20,593,480	94,350,000	67,018,068	227,810,095
2027	38,985,627	18,486,012	89,600,000	62,280,109	209,351,748
2028	32,309,172	16,727,311	56,170,000	58,220,588	163,427,071
2029	33,859,217	15,309,799	45,670,000	55,732,563	150,571,579
2030	35,480,798	13,821,688	46,965,000	53,497,563	149,765,049
2031	37,183,951	12,259,481	38,140,000	51,188,350	138,771,782
2032	38,973,714	10,618,473	56,510,000	49,303,250	155,405,437
2033	31,785,127	8,894,840	73,165,000	46,488,250	160,333,217
2034	33,223,228	7,617,786	76,815,000	42,795,980	160,451,994
2035	34,016,091	6,279,026	80,605,000	38,958,480	159,858,597
2036	34,837,580	4,905,225	84,550,000	34,977,055	159,269,860
2037	17,707,662	3,473,757	88,675,000	30,800,900	140,657,319
2038	18,477,940	2,705,626	117,500,000	26,421,110	165,104,676
2039	16,390,000	1,921,755	144,500,000	20,095,840	182,907,595
2040	17,325,000	987,525	42,160,000	11,836,350	72,308,875
2041	0	0	44,205,000	9,788,000	53,993,000
2042	0	0	46,355,000	7,640,150	53,995,150
2043	0	0	25,000,000	5,387,750	30,387,750
2044	0	0	26,250,000	4,137,750	30,387,750
2045	0	0	27,565,000	2,825,250	30,390,250
2046	0	0	28,940,000	1,447,000	30,387,000
Total	$ 755,297,115	$ 348,704,257	$ 1,979,760,000	$ 1,318,783,137	$ 4,402,544,509

(1) Totals may not add due to rounding. Does not include debt service on the Notes or the CREBS.

(2) District general obligation bonds additionally secured by District Net 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 District's 2010A Bonds were issued as BABs; the amounts shown are not reduced to reflect applicable BAB Credit amounts.

(3) Includes estimated debt service on the District's subordinate lien 2016D Bonds in the aggregate principal amount of $121,830,000, with an assumed sinking fund schedule and interest estimated at 2% for fiscal year 2017-18 and 3% for fiscal years 2018-19 through 2035-36. However, the interest rate on the 2016D Bonds will vary and if the average annual rate of interest exceeds the interest rates indicated above in any one year, the interest paid will be higher than the amounts shown. Also includes the estimated debt service on the Water State Revolving Fund Bonds, Series 2014 in the amount of $20,000,000 with an estimated interest rate of 2.57%; the Series 2016 Bonds and the Series 2017 Bonds, each in the amount of $15,000,000 with an estimated interest rate of 1.78% and 2.41%, respectively. Does not include the issuance of the 2018 Bonds.

(4) District general obligation bonds which are additionally secured by SNWA Pledged Revenues. See "INTRODUCTION — District Obligations Additionally Secured by SNWA Pledged Revenues." If SNWA Pledged 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 District's 2009A Bonds were issued as BABs; the amounts shown are not reduced to reflect applicable BAB Credit amounts.

Source: Compiled by the Municipal Advisors.

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the 2018 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and interest on the 2018 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that for taxable years of corporations beginning before January 1, 2018, 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 2018 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 2018 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 2018 Bonds. These requirements include: (a) limitations as to the use of proceeds of the 2018 Bonds; (b) limitations on the extent to which proceeds of the 2018 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 2018 Bonds above the yield on the 2018 Bonds to be paid to the United States Treasury. The District will covenant and represent in the 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 2018 Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations) under federal income tax laws in effect when the 2018 Bonds are delivered. Bond Counsel's opinion as to the exclusion of interest on the 2018 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 2018 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 2018 Bonds. The alternative minimum tax on corporations described in this paragraph has been repealed effective for taxable years beginning after December 31, 2017, but continues to apply for taxable years of corporations that begin before January 1, 2018. Corporations with taxable years that do not coincide with the calendar year should consult their tax advisors about inclusion of interest on the 2018 Bonds in alternative minimum taxable income of the corporation as described in this paragraph during the corporation's taxable year that begins during calendar year 2017.

With respect to the 2018 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 June 1 and December 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 2018 Bonds. Owners of the 2018 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 2018 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 2018 Bonds were sold at a premium, representing a difference between the original offering price of the 2018 Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such 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 2018 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 2018 Bonds. Owners of the 2018 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 applicable delivery date of the 2018 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 2018 Bonds, the exclusion of interest (and, to the extent described above for the Discount Bonds, original issue discount) on the 2018 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2018 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 2018 Bonds. Owners of the 2018 Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue 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 2018 Bonds. If an audit is commenced, the market value of the 2018 Bonds may be adversely affected. Under current audit procedures the Service will treat the District as the taxpayer and the 2018 Bonds owners may have no right to participate in such procedures. The District has covenanted in the Bond Resolution not to take any action that would cause the interest on the 2018 Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the owners thereof for federal income tax purposes. None of the District, the SNWA, the Municipal Advisors, the Purchaser, Bond Counsel or Disclosure Counsel is responsible for paying or reimbursing any 2018 Bonds holder with respect to any audit or litigation costs relating to the 2018 Bonds.

State Tax Exemption

The 2018 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

In the opinion of the District's General Counsel, there is no litigation or controversy of any nature now pending, or to the knowledge of the General Counsel threatened, (i) restraining or enjoining the issuance, sale or delivery of the 2018 Bonds or (ii) in any way contesting or affecting the validity of the 2018 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof, the pledge or application of any moneys or security provided for the payment of the 2018 Bonds. Further, the General Counsel is of the opinion that current litigation facing the District will not materially affect the District's ability to perform its obligations to the owners of the 2018 Bonds.

Bond Counsel and Disclosure Counsel have advised the District on certain matters relating to the issuance of the 2018 Bonds. Payment of the fees of Bond Counsel and Disclosure Counsel is contingent upon issuance of the 2018 Bonds.

Bond Counsel and Disclosure Counsel may represent the Purchaser (as defined below) from time-to-time on other financings and matters unrelated to the District or the 2018 Bonds. Bond Counsel and Disclosure Counsel do not represent the Purchaser or any other party with respect to the issuance of the 2018 Bonds other than the District.

Approval of Certain Legal Proceedings

The approving opinion of Sherman & Howard L.L.C., as Bond Counsel, will be delivered with the 2018 Bonds on the delivery date of the 2018 Bonds. The form of 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. Stradling Yocca Carlson & Rauth, a Professional Corporation, Las Vegas, Nevada has acted as Disclosure Counsel to the District in connection with this Official Statement. Certain matters will be passed upon for the District by its General Counsel.

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 and may not apply to actions in other states.

MUNICIPAL ADVISORS

Hobbs, Ong and Associates, Inc. and PFM Financial Advisors LLC, are serving as municipal advisors to the District in connection with the 2018 Bonds. Contact information for the Municipal Advisors can be found in "INTRODUCTION — Additional Information." The Municipal Advisors have not audited, authenticated or otherwise verified the information set forth in this 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 Municipal Advisors respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

PURCHASE AND REOFFERING

The 2018 Bonds were purchased at a competitive sale on May 30, 2018 by UBS Financial Services Inc. (the "Purchaser"), for an aggregate purchase price of $103,511,774.10 (representing the aggregate principal amount of the 2018 Bonds plus a net original issue premium of $4,131,774.10 and less a Purchaser's discount of $620,000.00). The Notice of Sale provides that the Purchaser will purchase all of the 2018 Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions in the Notice of Sale, the approval of certain legal matters by counsel and certain other conditions.

Under certain circumstances, the initial public offering yields stated on the page immediately following the cover of this Official Statement may be changed from time to time by the Purchaser. The Purchaser may offer and sell the 2018 Bonds to certain dealers (including dealers depositing the 2018 Bonds into investment trusts), dealer banks, banks acting as agent and others at yields higher than said public offering yields.

INDEPENDENT AUDITORS

The audited financial statements of the District as of and for the years ended June 30, 2017 and June 30, 2016, and the reports rendered thereon by Piercy Bowler Taylor & Kern, Las Vegas, Nevada, independent certified public accountants, Las Vegas, Nevada have been included in this Official Statement as Appendix A.

The audited financial statements of the District, including the auditors reports thereon, are public documents and pursuant to State law, no consent from the auditors is required to be obtained prior to inclusion of the audited financial statements in this Official Statement. Since the date of its reports, Piercy Bowler Taylor & Kern has not been engaged to perform and has not performed any procedures on the basic financial statements addressed in those reports and also has not performed any procedures relating to this Official Statement.

RATINGS

S&P and Moody's will assign the 2018 Bonds the rating of "AA+" and "Aa1," respectively. 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 the ratings given by Moody's may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. Other than the District's obligations under the Disclosure Certificate, neither the District nor any of the Municipal Advisors has undertaken any responsibility either to bring to the attention of the owners of the 2018 Bonds any proposed change in or withdrawal of such ratings or to oppose any such proposed revision. Any such change or withdrawal of such ratings could have an adverse effect on the marketability and market price of the 2018 Bonds.

In providing a rating on the 2018 Bonds, certain rating agencies may have performed independent calculations of coverage ratios using their own internal formulas and methodology which may not reflect the provisions of the Bond Resolution. The District makes no representations as to any such calculations, and such calculations should not be construed as a representation by the District as to past or future compliance with any bond covenants, the availability of particular revenues for the payment of debt service on the 2018 Bonds or for any other purpose.

The District has covenanted in the Disclosure Certificate to file on EMMA, notices of any ratings changes on the 2018 Bonds. See the caption "INTRODUCTION — Continuing Disclosure Undertaking" above and Appendix D hereto. Notwithstanding such covenants, information relating to ratings changes on the 2018 Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date notice of such rating change is obligated to be filed on EMMA. Purchasers of the 2018 Bonds are directed to the ratings agencies and their respective websites and official media outlets for the most current ratings changes with respect to the 2018 Bonds after the initial issuance of the 2018 Bonds.

OFFICIAL STATEMENT CERTIFICATION

The undersigned official of the District confirms and certifies that the execution and delivery of this Official Statement and its use in connection with the offering and sale of the 2018 Bonds have been duly authorized by the Board.

LAS VEGAS VALLEY WATER DISTRICT, NEVADA

By: /s/ Brian G. Thomas
Chief Financial Officer

APPENDIX A

COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE LAS VEGAS VALLEY WATER DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

LAS VEGAS VALLEY WATER DISTRICT™

LAS VEGAS VALLEY WATER DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

A DISCRETELY PRESENTED COMPONENT UNIT OF CLARK COUNTY, NEVADA FOR FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

The Las Vegas Valley Water District maintains more than 6,500 miles of water transmission and distribution pipes; more than 394,000 water meters; water pumping stations with the capacity to move more than 1 million gallons of water per minute; and drinking water reservoirs that can hold nearly a billion gallons. Visit **lvvwd.com** for more information.

Las Vegas Valley Water District

Comprehensive Annual Financial Report
A Discretely Presented Component Unit of Clark County, Nevada

Fiscal Years Ended June 30, 2017 and 2016

LAS VEGAS VALLEY WATER DISTRICT™

John J. Entsminger
General Manager

Brian G. Thomas
Chief Financial Officer

Prepared by the Accounting Division of the Finance Department
Robert Smith, Accounting Manager
1001 South Valley View Boulevard, Las Vegas, Nevada 89153
(702) 258-3119 www.lvvwd.com

INTRODUCTORY SECTION

- **Table of Contents**
- **Transmittal Letter**
- **Certificate of Achievement for Excellence in Financial Reporting**
- **Organization Chart**
- **Principal Officials**

LAS VEGAS VALLEY
WATER DISTRICT ™

Las Vegas Valley Water District

Comprehensive Annual Financial Report
Table of Contents

Beginning on Page No.

Las Vegas Valley Water District

Comprehensive Annual Financial Report
Table of Contents

Beginning on
Page No.

LAS VEGAS VALLEY
WATER DISTRICT
1001 South Valley View Boulevard
Las Vegas, NV 89153
(702) 870-2011 • lvvwd.com

November 1, 2017

Board of Directors
Las Vegas Valley Water District
1001 S. Valley View Boulevard
Las Vegas, NV 89153

We are pleased to present the Las Vegas Valley Water District's (District) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. The CAFR was prepared in conformance with accounting principles generally accepted in the United States (GAAP).

District management is responsible for the completeness and reliability of the financial information presented in this report. To provide reasonable assurance of the proper recording of transactions, management has established and maintains a system of internal accounting and other controls. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits derived. Where necessary, the basic financial statements include amounts based upon management's best estimates and judgments.

Nevada Revised Statute 354.624 and bond covenants require an annual audit of the basic financial statements of the District. Piercy Bowler Taylor & Kern, a firm of licensed certified public accountants, has audited the District's basic financial statements as of and for the fiscal years ended June 30, 2017 and 2016. The objective of the independent audit was to provide reasonable assurance that the basic financial statements of the District for the fiscal years ended June 30, 2017 and 2016 are free of material misstatement. An independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based on the audit, the independent auditor concluded there was a reasonable basis for rendering an unmodified ("clean") opinion that the District's basic financial statements for the fiscal years ended June 30, 2017 and 2016 are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

THE REPORTING ENTITY AND ITS SERVICES

The District is a governmental subdivision of the State of Nevada and a quasi-municipal corporation created by a special act of the Nevada Legislature in 1947. The District was established to acquire and distribute water primarily in the Las Vegas Valley, which includes the unincorporated metropolitan area of Clark County and the City of Las Vegas. The District commenced operations on July 1, 1954.

The District is governed by a seven-member Board of Directors (Board) comprised of the elected Clark County Commissioners. The Board has the sole authority to set rates and charges for water. Such rates and charges must be reasonable and cannot be applied until after a public hearing and subsequent Board approval. The enabling legislation that created the District, in conjunction with various bond covenants, require that rates and charges be sufficient to provide for operation and maintenance costs, general expenses of the District and debt service payments. Day-to-day operations of the District are directed by a general manager appointed by the Board and two deputy general managers. The District's vision is "To be a global leader in service, innovation and stewardship" and its mission is to "Provide world class water service in a sustainable, adaptive and responsible manner to our customers through reliable, cost effective systems." The Board has adopted a series of strategic goals to support the District's vision and mission.

Beginning in September 2008, the District was appointed to be the operating agent for the Big Bend Water District (BBWD). Prior to the appointment, BBWD's operating agent was the Clark County Water Reclamation District. The BBWD was established in 1983 under the provisions of Nevada Revised Statutes 318 for the purpose of obtaining and distributing water in Laughlin, Nevada. The Clark County Board of Commissioners serves as the BBWD Board of Trustees.

The District also functions as the operating agent for the Southern Nevada Water Authority (SNWA). The SNWA is a joint powers authority created in 1991 to address Southern Nevada's unique water needs on a regional basis. The SNWA is charged with acquiring and managing current and future resources, constructing and managing regional water facilities and promoting water conservation. The District is one of the SNWA's seven member agencies. In 1996, the SNWA assumed all assets and liabilities of the Southern Nevada Water System (SNWS) from the Colorado River Commission of Nevada (CRC). Originally financed and constructed by the State of Nevada with assistance from the federal government, the SNWS treats and conveys Colorado River water from Lake Mead to the Las Vegas Valley. The District operates the SNWS on behalf of the SNWA as it did previously for the CRC. Additional information on the District's relationship to the SNWS and the SNWA can be found in the notes to the basic financial statements (Notes 7, 8 and 12).

As required by Nevada law, the District's budget is approved annually by its Board following a public hearing, and a copy of the budget is submitted to the Nevada Department of Taxation. Budgetary controls are established at the levels of total estimated operating and non-operating expenditures, including capital expenditures.

The budget provides the fiscal plan for District expenditures at various levels. These levels always include departments and divisions, and in some instances, sections. Most disbursements are made through the issuance of purchase orders. Purchases of new furniture and vehicles are administered by the District's Resources and Facilities Department and Fleet Division, respectively; communication and computer equipment purchases are administered under the authority of the Information Technology Department; and new positions are controlled by the Human Resources Department. Financial Services prepares variance reports by division, and division managers are accountable for expenditures over and under budget.

The District's financial report is included as a discretely (separately) presented component unit within Clark County's CAFR. The District does not function as an integral part of Clark County's government, but the exclusion of the District's financial statements would render the financial statements of Clark County incomplete.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy. According to a report from the University of Nevada, Las Vegas' Center for Business and Economic Research (CBER) issued on June 14, 2017, the Southern Nevada economy will continue to see improvement through 2017 and 2018 but with some indicators showing slower growth in 2018 as compared to 2017. The 2017 Midyear Economic Outlook publication states that employment growth continues to outpace the national average; taxable sales continue to exhibit a strong upward movement; and visitor volume continues to grow to new records. Southern Nevada continues to get help from real estate and construction. A wide range of industries are also growing. CBER expects population, total personal income, employment and gross gaming revenue to continue to grow in 2018 but at a lesser rate than in 2017. Because the Southern Nevada economy is heavily dependent on tourism, its outlook is tied to the growth of the U.S. and western states' economies.

The Southern Nevada unemployment rate continues to show improvement. The Nevada Department of Employment, Training and Rehabilitation (DETR) reported that the unemployment rate for the Las Vegas Metropolitan Statistical Area (MSA) for June 2017 was 5.1%. This compares to an unemployment rate of 6.1% for June 2016. The seasonally adjusted unemployment rate for the State of Nevada was 4.7% for June 2017 compared to 5.7% for June 2016. Nevada's unemployment rate is slightly above the national average.

The average seasonally adjusted unemployment rate for the United States was 4.4% for June 2017 and 4.9% for June 2016. June 2017 was the 78th straight month of year-to-year job gains across Nevada. Additionally, annualized employment growth in Nevada has exceeded national job gains for the 59th consecutive month. The number of Nevadans working in June 2017 was at a record high, reaching 1.4 million. Total employment for the Las Vegas MSA was 1.0 million in June 2017 compared to 983.1 thousand in June 2016, an increase of 2.7%.

Organizational Structure. Over the past four years, the District's organizational structure has evolved to meet the demands of a refocused emphasis on infrastructure management, conservation, customer service initiatives and other projects. The organization's departments and divisions are positioned to provide more cost efficiencies, operational maintenance and an enhanced customer care experience.

System Profile. For over a half-century, the District's customers have enjoyed one of the nation's most reliable municipal water systems. During that time, the District has developed from a system serving a population of approximately 25,000 exclusively with groundwater to a 300 square mile water delivery network providing Colorado River water to the vast majority of its more than 387,000 customer accounts.

The District operates and maintains a complex water distribution system consisting of:

- 6,500 miles of pipeline
- 38 reservoirs
- 52 pumping stations
- 921 million gallons of storage capacity
- 64 production wells
- 26 artificial recharge wells
- More than 394,000 water meters
- Solar-electric facilities with the capacity to generate 3.1 megawatts of power

Each of these components is critical to ensuring that District customers have reliable access to water at all times.

Capital Improvements and Asset Management. Despite the relative youth of the District's water system, various components of it are more than 50 years old and reaching the end of their useful lives. Capital improvements are necessary to continue reliable operation of the water distribution system as well as addressing state mandated water quality issues and new development needs. To continue meeting customer needs and conservation goals, water infrastructure requires consistent monitoring, maintenance, rehabilitation and eventual replacement. Under the District's asset management plan, the condition of existing water infrastructure is assessed to forecast short and long-term capital replacement needs. These assessments allow staff to determine costs and timelines associated with major capital projects while ensuring the availability of adequate financial resources to replace infrastructure reaching the end of its useful life. The proactive monitoring and maintenance of District assets helps to prevent costly emergency repairs, avoid unanticipated service interruptions, reduce maintenance deferrals and provide a more reliable water system for customers.

In January 2017, the District's Board adopted a $616 million (in 2016 dollars) 10-year Capital Improvement Plan (CIP) that will guide decisions related to asset management, necessary water system expansion and water quality compliance activities. The CIP represents a significant investment over a 10-year planning horizon to facilitate improvements to the following key system components:

- Reservoirs
- Pumping stations
- Pipelines and service laterals
- Valves and vaults
- Meters
- Water quality systems
- Groundwater wells
- Facilities and building improvements

- Electrical systems
- Communication systems
- New facilities

Projections indicate that an investment of approximately $390 million will be required over the 10-year planning horizon to maintain system infrastructure in a manner that meets current service levels and water quality standards. Key projects include: reservoir and pumping station maintenance and rehabilitation; replacement and renewal of vaults and valves; pipeline and service lateral replacement; cyclical water meter replacement; and upgrades to the Supervisory Control and Data Acquisition (SCADA) control system.

In addition to rigorous and regular testing, the District must comply with various state and federal mandates to protect water quality throughout the system. One of these mandates is backflow protection, a mechanism that prevents the reintroduction of water from private properties into the municipal water system. Approximately 32,000 meters within the District's service area do not currently have backflow protection. While a portion of these meters will be retrofitted as needed in the years to come, the District has identified more than 11,000 meters to be included in the backflow retrofit program over the next decade at an annual cost of approximately $10 million.

The District projects approximately $126 million will be spent on the construction of a total of four reservoirs, four pumping stations and associated appurtenances in the northwest, southwest and far west parts of the valley. These projects will benefit existing customers and facilitate access to the municipal water supply for planned developments.

Financial Policy. The District's financial policy is to charge reasonable rates, fees and other charges sufficient to pay for water service, the costs of operation and maintenance of its facilities, the general expenses of the District, necessary capital expenditures, and principal and interest on all bonds and other obligations of the District. It is also District policy to establish rates and charges sufficient to maintain a debt service coverage ratio in accordance with its bond covenants. The District deposits all monies received from the sale or distribution of water or otherwise derived from the works or property of the District into the Revenue Fund. Further, the District keeps proper books of record and account in accordance with sound accounting practice; complete and correct entries are made of its works, properties, and the revenues received.

Long-Term Financial Planning. The District is consistently engaged in proactive, long-term financial planning to identify future infrastructure needs and ensure rates are predictable and increases controlled. The District's long-term financing plan includes utilizing a combination of the District's unrestricted cash funds and debt financing to fund capital expenditures.

The District regards its cash reserves as a critical component of its fiscal health and one of the most important metrics supporting an above average bond rating. Cash reserves are monitored regularly and revenue shortfalls are managed through a combination of methods. Departments are required to practice careful management of financial resources. User fees and charges are adjusted to maintain required revenue bond coverage and sufficient working capital. Financial reserves are used sparingly. When used, the reserves are compared to long-range projections of reserve levels, and modifications to revenue and expense streams are made as needed.

In January 2016, the District's Board approved a reserve policy to provide guidance for maintaining adequate cash and investment reserves. Maintaining adequate reserves is an important tool in mitigating the risks of significant and unexpected decreases in sources of funds and/or increases in the uses of funds. Maintaining adequate reserves helps to ensure stable services and fees and allows the District to better respond to unforeseen negative changes in the local economy while providing a continuous and reliable water supply. In addition, prudent reserves along with a formal reserve policy are a key factor rating agencies consider in their evaluation of creditworthiness.

In February 2016, the Board appointed a nine-member citizen's advisory committee to evaluate organizational initiatives and make recommendations to the Board. Specifically, the committee was tasked with evaluating funding options for the proposed 10-year CIP and changes to the District's Service Rules. The committee met nine times between February and October 2016 and evaluated equity within the Service Rules, the need to invest in infrastructure maintenance, maintain revenue stability and other water-related issues. After careful deliberation, the committee presented 11 recommendations to the Board. In January 2017, the Board approved the recommendations which included, among other things, tier consumption rate and service charge increases of 3% each in 2017 and 2018 and annual increases tied to the Consumer Price Index in the years following. The initial rate increases became effective in February 2017 and were the first District water rate increase since retail water rates were increased in 2008. The recommendations adopted by the Board will fund the District's operating and capital needs over the next 10 years and meet the reserve targets set forth in the Board adopted Reserve Policy.

The District also collects from District customers and remits to the SNWA several fees and charges. In December 2013, the District's Board approved a series of increases to the SNWA Infrastructure Charge and SNWA Commodity Charge. Increases to these SNWA charges were effective on January 1, 2014 and increased annually on January 1 through 2017. Revenues generated from these SNWA charges will help to fund debt service on SNWA bond obligations and future regional infrastructure.

In March 2015, the District's Board approved additional increases to the SNWA Infrastructure Charge (no increases to infrastructure fireline charges). Increases to these SNWA charges were effective on January 1, 2016 and will increase annually on January 1 through 2018. Revenues generated from these SNWA charges will help fund debt service on SNWA bond obligations associated with a new low lake level pumping station that is needed to maintain Southern Nevada's access to Colorado River water even in severe drought conditions. Revenue from the SNWA Infrastructure Charge, as well as revenue from other SNWA fees and charges, is remitted to the SNWA (see Note 7 - Southern Nevada Water Authority (SNWA)).

Debt Issuances. Significant investment in the community water system is critical to its operational reliability. The District is sensitive to the financial impacts that projects can have on customers and stakeholders. To help mitigate these costs, the District monitors the availability of Nevada State Revolving Fund money to support asset management projects. The District also remains vigilant in seeking savings through refunding opportunities on its outstanding debt. District refundings of outstanding debt during fiscal year 2017 resulted in $18.1 million in net present value savings and a reduction in debt service payments through fiscal year 2038 of $24.7 million.

On July 18, 2016, the District issued $125.6 million par value general obligation adjustable rate bonds that refunded and/or defeased $125.4 million in principal payments on prior issued adjustable rate bonds (see Note 4 – Long-Term Debt).

On September 15, 2016, the District entered into an agreement with the State of Nevada Department of Conservation and Natural Resources to receive a loan from the State Revolving Fund (SRF) for an amount not to exceed $15 million. Disbursement of loan amounts is based upon submittal of proper and acceptable costs that have been incurred. As of June 30, 2017, $6.8 million is outstanding (see Note 4 – Long-Term Debt).

On April 6, 2016, the District issued $130.1 million par value general obligation bonds that refunded and/or defeased $138.6 million in principal payments on prior issued bonds (see Note 4 – Long-Term Debt).

On April 6, 2016, the District issued $22.1 million par value general obligation bonds additionally secured by SNWA pledged revenues that refunded and/or defeased $23.3 million in principal payments on prior issued SNWA bonds (see Note 4 – Long-Term Debt).

On May 3, 2017, the District entered into an agreement with the State of Nevada Department of Conservation and Natural Resources to receive a loan from the State Revolving Fund (SRF) for an amount not to exceed $15 million. Disbursement of loan amounts is based upon submittal of proper and acceptable costs that have been incurred. As of June 30, 2017, $0.1 million is outstanding (see Note 4 – Long-Term Debt).

Major Initiatives. The District evaluates on an ongoing basis opportunities to improve efficiencies and performance through major initiatives. The District has made significant efforts during the past year to increase its ability to respond to changes in the economy, environment and customer base through the efficient use of existing assets, the optimization of available resources and greater focus on customer experience. Major initiatives for fiscal year 2017 include:

- To continue meeting customer needs and conservation goals, water infrastructure requires constant monitoring, maintenance, rehabilitation and eventual replacement. Under the District's Asset Management Plan, the condition of existing water infrastructure is assessed to forecast short and long-term capital replacement needs. These assessments allow staff to determine costs and timelines associated with major capital projects while ensuring the availability of adequate financial resources to replace infrastructure reaching the end of its service life. The proactive monitoring and maintenance of the District's assets help to prevent costly emergency repairs, avoid unanticipated service interruptions, reduce maintenance deferrals and provide a more reliable water supply for its customers.

- The District recently deployed a pipeline monitoring technology known as PipeMinder which monitors underground pipelines and provides real-time hydraulic data about the behavioral flow of water within the pipelines. The PipeMinder system provides high-resolution views of pressure, flows and stresses that water distribution network experiences on a daily basis and utilizes cloud-based reporting that provides simple access to real-time data. This technology allows the District to monitor critical areas of the water system and ensure swift response if issues arise. Before this technology existed, water managers either excavated and replaced pipelines before they failed or waited for failures and leaks to occur and made the appropriate repairs. The District's overall asset management efforts are now bolstered with PipeMinder's data allowing for more effective prioritization of capital projects and ensuring ratepayers' dollars are maximized and managed responsibly.

- Efforts to increase customer care efficiency continue to yield positive results and staff perpetually evaluate opportunities to streamline operations and reduce costs. Customer Care and Field Services staff currently initiate between 4,000 – 5,000 phone calls per month to notify customers of abnormal meter reads potentially stemming from on-property leaks. With the recently installed use of Itron Analytics software, staff can now conduct hourly meter reads and advise customers of possible leaks in an even shorter timeframe. In addition to increased responsiveness and customer interaction, this also results in decreased water waste and reduced service demands for onsite monitoring.

- The District launched a mobile website in October 2015 which became a popular tool for customers throughout the following year. In 2016, 25% of all visits to the District website came from mobile devices, a trend expected to increase as more customers shift to mobile devices as a primary means of internet access. The District's online and mobile experience is continually improving to bring customers the best service possible. For that reason, a brand new, fully-responsive and mobile-friendly http://www.lvvwd.com was launched in 2017.

- To ensure water supplies remain available, the District, the SNWA and its other member agencies have implemented a number of initiatives. These efforts include water conservation programs, securing additional water resources and when appropriate, banking unused water resources. The District's award winning conservation efforts have been particularly effective. Over the last 10 years, the District's average monthly use for residential single-service declined by 19 percent, from approximately 13,800 gallons in fiscal year 2007 to approximately 11,100 gallons in fiscal year 2017.

Springs Preserve. The Springs Preserve, located on District property, is a 180-acre cultural and historical attraction designed to commemorate Las Vegas' dynamic history and provide a vision for a sustainable future.

In 2017, the Springs Preserve celebrates its 10th birthday. It continues to serve as a hub for sustainable education and initiatives in the community. In conjunction with its milestone anniversary, a number of permanent exhibits are opening to the public in 2017.

In February 2017, "Boomtown 1905" opened. Re-creating a historical streetscape, this exhibit transports visitors to Las Vegas' humble beginnings between 1905 and 1920. The streetscape was funded primarily through the Southern Nevada Public Lands Management Act.

The WaterWorks exhibit opened in September 2017 and offers visitors an in-depth look at the treatment and delivery process that takes place before water comes out of the tap. This exhibit was funded primarily by the One Drop Foundation, with support from the Royal Bank of Canada.

The children's playground underwent a redesign with help from students at UNLV and conceptual input from a large group of children ranging from five to ten years old. The redesigned playground opened in October 2017.

Development of a teaching garden for local students, teachers, and visitors is currently underway. The garden will provide an opportunity to receive hands-on gardening tips as well as lessons in Science, Technology, Engineering and Math (STEM). The Roger's Foundation has generously donated $100,000 to the Springs Preserve to develop and equip the garden.

Due to new and changing exhibits such as these, exciting programming and engaging community events, membership and admission to the Springs Preserve continue to increase. The Springs Preserve welcomed approximately 290,000 visitors in fiscal year 2017, a 13% increase over fiscal year 2016. Approximately 25,000 students visited the Springs Preserve through the field trip program in fiscal year 2017. Operating revenues totaled $2.7 million in fiscal year 2017, a 5% increase over fiscal year 2016. Facility staff is continuing efforts to add even more value with many new permanent exhibits coming online thanks to successful fundraising efforts.

Additionally, a Springs Preserve mobile app was launched in August 2016, offering guests tools to help them navigate the property, purchase tickets or memberships and receive information about current and upcoming events, exhibits and classes.

CONTINUING DISCLOSURE

On November 10, 1994, the U.S. Securities and Exchange Commission (SEC) amended the Securities Exchange Act of 1934, Rule 15c2-12, regarding continuing disclosure by issuers of municipal securities for the benefit of holders of such securities. Along with other requirements, the amendments require that certain annual financial information be provided to various information repositories for bond issues sold on or after July 3, 1995. The annual financial information must include an update of the same historical financial statements that are included in the final official statement issued at the time of the bond sale. The required annual financial information for the District is incorporated in the Statements of Revenues, Expenses, and Changes in Net Position, page 25, and in Note 4, Long-Term Debt, pages 38 to 45, inclusive. Additional required information can be found in the Statistical Section on pages 74 to 100, inclusive. The District posts its CAFR to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website to comply with the District's ongoing disclosure requirements.

AWARDS AND ACKNOWLEDGMENTS

CAFR - The Government Finance Officers Association (GFOA) of the United States and Canada awarded a "Certificate of Achievement for Excellence in Financial Reporting" to the District for its CAFR for the fiscal year ended June 30, 2016. This is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

To receive this award, a governmental unit must publish an easily readable and efficiently organized financial report that conforms to program standards. Such reports must satisfy both accounting principles generally accepted in the United States (GAAP) as well as other applicable legal requirements. The District has received this award for the last 38 consecutive years.

We believe this report continues to conform to certificate requirements and plan to submit it to the GFOA after approval from the Board.

Budget - In addition, the District has also received the GFOA's "Distinguished Budget Presentation Award" for its budget documents for the previous 22 consecutive years. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as an operations guide, a financial plan and a policy and communication document.

The Distinguished Budget Presentation Award is awarded on an annual basis. We believe the current budget continues to conform to program requirements and we have submitted it for award consideration.

Public Services – The District's Public Services department earned three awards in the Public Relations Society of America Pinnacle Awards program. The District received the Pinnacle, Springs Preserve social media; Pinnacle Springs Preserve television program; and Award of Excellence, employee videos. The Las Vegas Valley's 20th annual awards recognized public relations strategies and tactics employed by communicators throughout the metropolitan area.

Springs Preserve – The Springs Preserve earned the title of "Best Nature Park in Las Vegas" from the Las Vegas Review-Journal's Best of Las Vegas poll 2016. The Springs Preserve and the DesertSol solar house received honorable mentions from the American Alliance of Museums in their Sustainable Excellence Awards competition. The Sustainable Excellence Award honors museums that educate, facilitate and encourage green practices. MSN Lifestyle named the Springs Preserve the "Best Wedding Venue in Nevada". The Springs Preserve earned the TripExpert Expert Choice Award which reflects the views of journalists and professional travel writers and is bestowed upon the best attractions around the world. The Springs Preserve was also the recipient of a Best of Las Vegas award from Las Vegas Weekly Magazine for the Best Instagram Feed for the third consecutive year.

Fleet – The District's Fleet division was named 15th of the top 50 fleets in North America by Green Fleet Awards. This award recognizes fleet operations that went above and beyond in the utilization of green fuels and green technologies with a focus on sustainability. The District's Fleet division was also named 46th of the top 100 fleets in North America by 100 Best Fleets. This award recognizes fleet operations that embrace and utilize cutting edge technologies and/or practices in the management and operation of the fleet, including vehicles/equipment, personnel, facilities and operating systems.

Other Acknowledgements - We express our appreciation to the District's accounting staff for their dedication in the preparation of this report, the staff members of other departments for their assistance, and the auditing firm of Piercy Bowler Taylor & Kern for their professional services. We also acknowledge the members of the Board of Directors for their continued support and sound governance.

Sincerely,

Julie A Wilcox for

John J. Entsminger
General Manager

Brian G. Thomas

Brian G. Thomas
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Las Vegas Valley Water District

Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

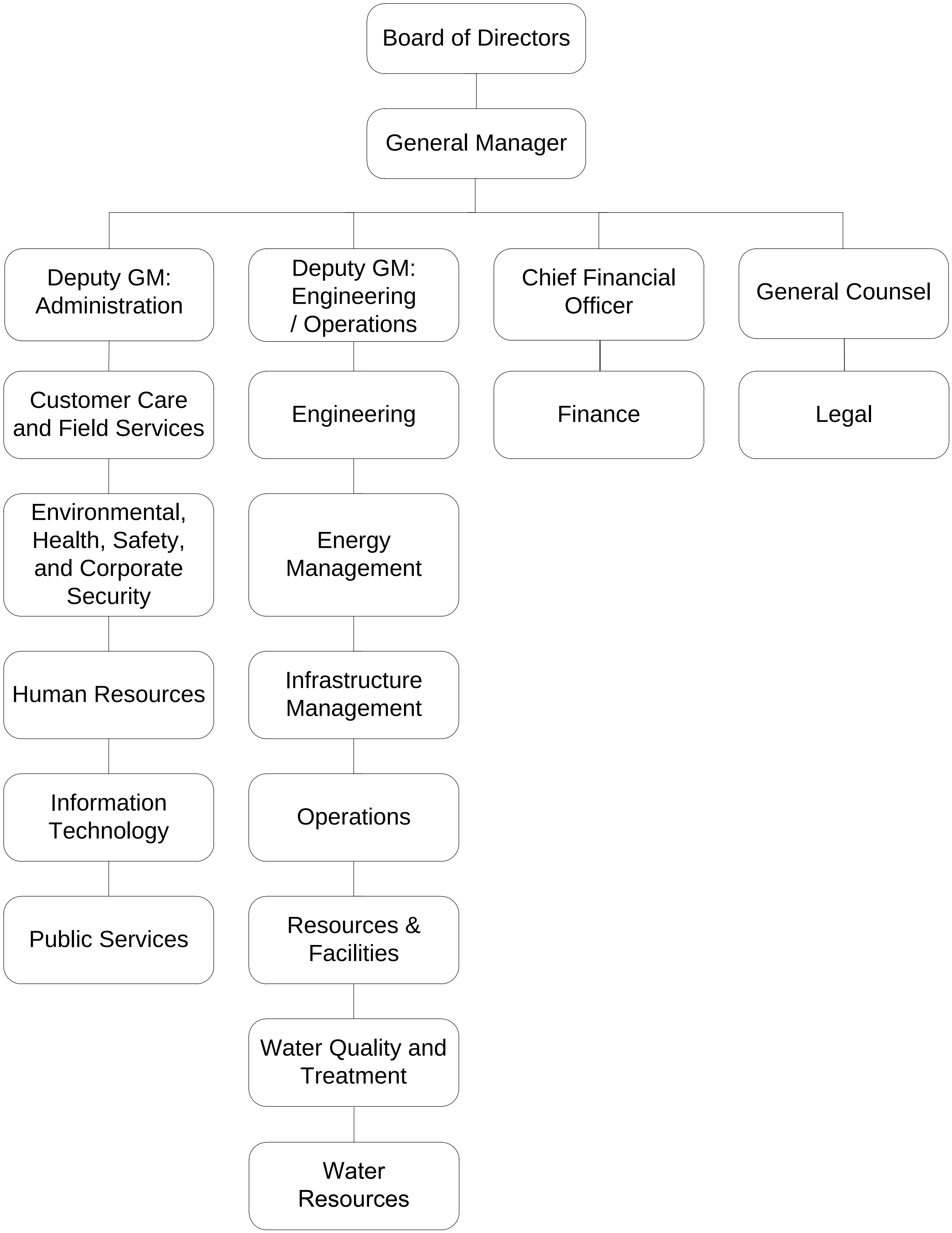
June 30, 2016

Executive Director/CEO

Las Vegas Valley Water District

Organization Chart

As of June 30, 2017



Las Vegas Valley Water District

1001 South Valley View Boulevard, Las Vegas, Nevada 89153

THIS PAGE LEFT

INTENTIONALLY BLANK

FINANCIAL SECTION

- **Independent Auditors' Report on Financial Statements and Supplementary Information**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Other Supplementary Information**

LAS VEGAS VALLEY WATER DISTRICT ™

PBTK
PIERCY BOWLER
TAYLOR & KERN
Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Board of Directors
Las Vegas Valley Water District,
Las Vegas, Nevada

We have audited the accompanying financial statements of the Las Vegas Valley Water District (the District), a discretely presented component unit of Clark County, Nevada, as of and for the years ended June 30, 2017 and 2016, 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 June 30, 2017 and 2016, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability, schedule of defined benefit plan contributions, schedule of defined benefit plan investment returns and schedule of funding progress

6100 Elton Avenue, Ste. 1000 • Las Vegas, Nevada 89107 • 702-384-1120 • fax 702-870-2474 • pbtk.com

postemployment benefits other than pensions on pages 15-22 and 69-73 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 November 1, 2017, 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
November 1, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the Las Vegas Valley Water District's (District) financial performance provides an overview of the financial activities for the fiscal years ended June 30, 2017 and 2016. This discussion and analysis should be read in conjunction with the basic financial statements and accompanying notes, which follow this section.

Fiscal Year 2017 Financial Highlights

- Operating income before depreciation expense in fiscal year 2017 increased to $104.2 million from $96.7 million in fiscal year 2016, an increase of $7.5 million or 7.7%. Change in net position improved from $25.6 million in fiscal year 2016 to $33.2 million in fiscal year 2017, an improvement of $7.6 million or 29.7%. A more detailed explanation of the changes in operating income before depreciation expense and change in net position can be found in the Fiscal Year 2017 Summary included in this Management's Discussion and Analysis.

- Unrestricted net position increased $50.1 million or 53.6% to $143.5 million in fiscal year 2017 from $93.4 million in fiscal year 2016 offset by a $16.1 million decrease in net position on net investment in capital assets and a $0.8 million decrease in net position restricted for debt service, resulting in the $33.2 million change in net position.

- Net capital assets decreased $20.9 million or 1.2% to $1,670.4 million in fiscal year 2017 from $1,691.3 million in fiscal year 2016 because net increase in accumulated depreciation ($78.9 million) exceeded net increase in acquisition and construction of capital assets ($58.0 million).

- Unrestricted cash/investments increased $51.4 million or 22.8% to $276.9 million in fiscal year 2017 from $225.5 million in fiscal year 2016. Net cash flow from operations, investment earnings, and capital contributions continue to exceed disbursements for acquisition and construction of capital assets and debt service.

Overview of financial statements. This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) a proprietary (enterprise) fund, 2) a fiduciary pension trust fund, and 3) notes to the basic financial statements. This report also contains supplementary and statistical information in addition to the basic financial statements.

Fund financial statements. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for specific activities or objectives. The District maintains two types of funds: a proprietary fund and a fiduciary pension trust fund.

Proprietary fund. The proprietary fund reports all of the District's operations, except pension activity. The operations are reported similar to a private-sector business enterprise. There are three components presented in the basic financial statements: 1) comparative statements of net position, 2) comparative statements of revenues, expenses and changes in net position, and 3) comparative statements of cash flows. These can be found on pages 23 to 26 of this report.

The comparative statements of net position present the District's assets and liabilities, with the difference reported as "net position." Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The comparative statements of revenues, expenses and changes in net position outline how the District's net position has changed over time. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

The statements of cash flows are the third basic financial statement for the proprietary fund. The primary purpose of the statements of cash flows is to provide relevant information about the District's cash receipts and cash payments; these are segregated among operating, capital and related financing, and investing activities.

Fiduciary pension trust fund. The fiduciary pension trust fund accounts for the assets, liabilities and changes in net assets of the District's defined benefit pension plan. The fiduciary fund is not reflected in the proprietary fund financial statement because fiduciary fund resources are not available to support District operations. The fiduciary pension trust fund is accounted for in essentially the same manner as the proprietary fund. The fiduciary pension trust fund financial statements can be found on pages 27 to 28 of this report.

A more detailed description of the plan, including additional details regarding benefits, calculations of average monthly compensation, the vesting schedule for benefits, the valuation date, actuarial cost method, asset valuation method (including the use of smoothing techniques) and other significant assumptions for the fiscal year ended June 30, 2017 can be found in Note 15 and in the Required Supplementary Information in the audited financial statements.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the District's basic financial statements. The notes to the basic financial statements can be found on pages 29 to 68 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report includes required supplementary information describing the District's contributions to, and funding progress of, the pension plan for District employees. Also included is a schedule of funding progress for the District's postemployment benefits other than pensions. Required supplementary information can be found on pages 69 to 72 of this report.

Other supplementary information. In compliance with Nevada Revised Statute 354, the actual and budget statements of revenues, expenses and changes in net position are presented. Other supplementary information can be found on page 73 of this report.

Financial position. As noted earlier, the value remaining after the subtraction of the liabilities from the assets is net position that over time may serve as a useful indicator of financial condition. The following schedule provides an overview of the District's financial position for the fiscal years ended June 30, 2017, 2016 and 2015.

CONDENSED COMPARATIVE STATEMENTS OF NET POSITION
PROPRIETARY (ENTERPRISE) FUND
(IN THOUSANDS)

	June 30,		
	2017	2016	2015
ASSETS			
Current and Other Assets	$ 2,929,305	$ 2,947,090	$ 2,457,842
Capital Assets, Net	1,670,395	1,691,301	1,698,484
Total Assets	4,599,700	4,638,391	4,156,326
DEFERRED OUTFLOW OF RESOURCES	16,217	30,760	7,082
Total Assets and Deferred Outflow of Resources	$ 4,615,917	$ 4,669,151	$ 4,163,408
LIABILITIES			
Current Liabilities	$ 669,573	$ 656,705	$ 626,671
Noncurrent Liabilities	2,913,537	3,011,856	2,574,340
Total Liabilities	3,583,110	3,668,561	3,201,011
DEFERRED INFLOW OF RESOURCES	19,348	20,320	7,723
NET POSITION			
Net Investment in Capital Assets	860,076	876,206	853,977
Restricted for Debt Service/Capital Projects	9,914	10,687	10,127
Unrestricted	143,469	93,377	90,570
Total Net Position	1,013,459	980,270	954,674
Total Liabilities, Deferred Inflow of Resources and Net Position	$ 4,615,917	$ 4,669,151	$ 4,163,408

Most of the District's net position is in capital assets. Capital assets are extended and improved as needed to provide continuous and reliable water service while meeting the demands of growth. The District's net investment in capital assets was 85% of total net position as of June 30, 2017 and was 89% as of June 30, 2016 and 2015. The current fiscal year decrease is due to depreciation expense exceeding capital contributions and capital expenditures. The prior fiscal year is flat due to depreciation expense approximately equaling capital contributions and capital expenditures.

As of June 30, 2017, $9.9 million of the District's net position was restricted for bond debt service and capital projects. As of June 30, 2016, $10.7 million of the District's net position was restricted for bond debt service and capital projects. Bond debt service funds are restricted by bond covenants while sales tax revenue is restricted by enabling legislation for use related to capital projects. The remaining balance of net position is unrestricted and may be used for asset addition and replacement, debt retirement and other obligations.

The District maintains positive balances in all three components of net position and remains in a healthy financial condition.

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY (ENTERPRISE) FUND (IN THOUSANDS)

	Years Ended June 30,		
	2017	2016	2015
Operating Revenues:			
Water Sales	$ 349,946	$ 334,838	$ 331,654
Inspection / Application Fees	2,098	2,444	3,612
Springs Preserve	2,785	2,643	2,443
Other	60	61	81
Total Operating Revenues	354,889	339,986	337,790
Non-Operating Revenues			
Interest and Investment Revenue	1,312	2,779	1,514
Total Revenues Excluding Capital Contributions	356,201	342,765	339,304
Operating Expenses:			
Purchased Water	90,346	87,093	84,918
Purchased Energy	9,020	9,762	11,328
Operation and Maintenance	151,367	146,458	149,751
Total Operating Expenses	250,733	243,313	245,997
Non-Operating Expenses/(Revenues)			
Interest Expense	27,777	28,545	34,632
Other	(2,386)	(703)	1,906
Total Non-Operating Expenses/(Revenues)	25,391	27,842	36,538
Depreciation Expense	83,928	81,861	80,750
Total Expenses	360,052	353,016	363,285
Loss Before Contributions	(3,851)	(10,251)	(23,981)
Capital Contributions	37,040	35,847	34,526
Change in Net Position	33,189	25,596	10,545
Net Position, Beginning of the Year	980,270	954,674	1,047,962
Prior Period Adjustment of Net Pension Liability	-	-	(103,833)
Net Position, Beginning of the Year as Adjusted	-	-	944,129
Net Position, End of the Year	$ 1,013,459	$ 980,270	$ 954,674

Results of operations

Fiscal Year 2017 Summary

Total operating revenues increased to $354.9 million in fiscal year 2017 from $340.0 million in fiscal year 2016, an increase of $14.9 million or 4.4%. Water sales revenue increased to $349.9 million in fiscal year 2017 from $334.8 million in fiscal year 2016, an increase of $15.1 million or 4.5%. In January 2017, the District's Board approved tier consumption rate and service charge increases of 3%, which became effective in February 2017 and contributed to the increase in water sales revenue. Water consumption was 108.2 million gallons in fiscal year 2017 compared to 103.9 million gallons in fiscal year 2016, an increase of 4.3 million gallons or 4.1%. The number of active accounts increased to 388 thousand at June 30, 2017 from 381 thousand at June 30, 2016, an increase of 7 thousand active accounts or 1.8%. Since water rates are based upon usage and because of the emphasis placed upon conservation, it is possible for active accounts, usage and revenues to increase or decrease at different rates. Inspection/application fees decreased to $2.1 million in fiscal year 2017 from $2.4 million in fiscal year 2016, a decrease of $0.3 million or 14.2%. Operating revenues at the Springs Preserve were the highest since opening in 2007, increasing to $2.8 million in fiscal year 2017 from $2.7 million in fiscal year 2016, an increase of $0.1 million or 5.4%.

Total operating expenses increased to $250.7 million in fiscal year 2017 from $243.3 million in fiscal year 2016, an increase of $7.4 million or 3.0%. Purchased water expense increased to $90.4 million in fiscal year 2017 from $87.1 million in fiscal year 2016, an increase of $3.3 million or 3.7%. This increase was primarily due to increased water consumption by customers. Purchased energy expense decreased to $9.0 million in fiscal year 2017 from $9.7 million in fiscal year 2016, a decrease of $0.7 million or 7.6%. This decrease was primarily due to a decrease in both electricity expense and natural gas expense. Operations and maintenance expense increased to $151.4 million in fiscal year 2017 from $146.5 million in fiscal year 2016, an increase of $4.9 million or 3.4%. This increase resulted primarily from an increase in payroll and payroll related expenses of approximately $2.6 million, an increase in materials and supplies expense of approximately $1.9 million and an increase in professional services expense of approximately $1.0 million.

Depreciation expense increased by $2.1 million or 2.5% to $83.9 million in fiscal year 2017 from $81.8 million in fiscal year 2016.

Interest expense decreased by $0.7 million or 2.7% to $27.8 million in fiscal year 2017 from $28.5 million in fiscal year 2016. This decrease is primarily due to the refinancing at lower interest rates of the District's Series 2008A general obligation water improvement and refunding bonds and because principal payments reduced long-term debt in fiscal year 2017 compared to fiscal year 2016.

Interest income decreased by $1.5 million or 52.8% to $1.3 million in fiscal year 2017 from $2.8 million in fiscal year 2016. This decrease is primarily due to the net decrease in the fair value of investments. The District typically holds investments to maturity so no actual loss is anticipated.

Other non-operating revenues (expenses) improved by $1.7 million to $2.4 million in fiscal year 2017 from $0.7 million in fiscal year 2016. This is primarily due to a decrease in the loss on retirement of capital assets due to replacement of water meters and automatic meter reader devices.

Capital contributions increased by $1.2 million or 3.3% to $37.0 million in fiscal year 2016 from $35.8 million in fiscal year 2016. This reflects a decrease in facilities connection fees, which decreased by $1.0 million to $12.2 million in fiscal year 2017 from $13.2 million in fiscal year 2016, and an increase in donated mains and services, which increased by $2.4 million to $18.9 million in fiscal year 2017 from $16.5 million in fiscal year 2016.

Change in net position was $33.2 million in fiscal year 2017, an improvement of $7.6 million or 29.7% from the change in net position of $25.6 million in fiscal year 2016 primarily due to the above explanations.

Fiscal Year 2016 Summary

Total operating revenues increased slightly to $340.0 million in fiscal year 2016 from $337.8 million in fiscal year 2015, an increase of $2.2 million or 0.7%. Water sales revenue increased slightly to $334.8 million in fiscal year 2016 from $331.7 million in fiscal year 2015, an increase of $3.1 million or 1.0%. Water consumption was 103.9 million gallons in fiscal year 2016 compared to 102.0 million gallons in fiscal year 2015, an increase of 1.9 million gallons or 1.9%. The number of active accounts increased to 381 thousand at June 30, 2016 from 373 thousand at June 30, 2015, an increase of 8 thousand active accounts or 2.1%. Since water rates are based upon usage and because of the emphasis placed upon conservation, it is possible for active accounts, usage and revenues to increase or decrease at different rates. Inspection/application fees decreased to $2.4 million in fiscal year 2016 from $3.6 million in fiscal year 2015, a decrease of $1.2 million or 32.3%. Operating revenues at the Springs Preserve increased to $2.7 million in fiscal year 2016 from $2.5 million in fiscal year 2015, an increase of $0.2 million or 8.2%.

Total operating expenses decreased to $243.3 million in fiscal year 2016 from $246.0 million in fiscal year 2015, a decrease of $2.7 million or 1.1%. Purchased water expense increased to $87.1 million in fiscal year 2016 from $84.9 million in fiscal year 2015, an increase of $2.2 million or 2.6%. This increase was primarily due to increased water consumption by customers. Purchased energy expense decreased to $9.8 million in fiscal year 2016 from $11.3 million in fiscal year 2015, a decrease of $1.5 million or 13.8%. This decrease was primarily due to a decrease in both electricity expense and natural gas expense. Operations and maintenance expense decreased to $146.5 million in fiscal year 2016 from $149.8 million in fiscal year 2015, a decrease of $3.3 million or 2.2%. This decrease resulted primarily from a decrease in materials and supplies expense of approximately $2.3 million.

Depreciation expense increased by $1.1 million or 1.4% to $81.8 million in fiscal year 2016 from $80.7 million in fiscal year 2015.

Interest expense decreased by $6.1 million or 17.6% to $28.5 million in fiscal year 2016 from $34.6 million in fiscal year 2015. This decrease is primarily due to the refinancing of the District's Series 2005A general obligation refunding bonds and the District's Series 2006A general obligation refunding bonds at lower interest rates and because principal payments reduced long-term debt in fiscal year 2016 compared to fiscal year 2015.

Other non-operating revenues (expenses) improved by $2.6 million to $0.7 million in fiscal year 2016 from ($1.9 million) in fiscal year 2015. This is primarily due to a decrease in the loss on retirement of capital assets due to replacement of water meters and automatic meter reader devices.

Capital contributions increased by $1.3 million or 3.8% to $35.8 million in fiscal year 2016 from $34.5 million in fiscal year 2015. This is primarily due to a decrease in facilities connection fees which decreased by $4.4 million to $13.2 million in fiscal year 2016 from $17.6 million in fiscal year 2015; an increase in donated mains and services which increased by $3.7 million to $16.5 million in fiscal year 2016 from $12.8 million in fiscal year 2015 and an increase in Springs Preserve capital contributions which increased by $2.7 million to $3.1 million in fiscal year 2016 from $0.4 million in fiscal year 2015.

Change in net position was $25.6 million in fiscal year 2016, which was an improvement of $15.0 million or 142.7% from the change in net position of $10.6 million in fiscal year 2015 primarily due to the above explanations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The District's investment in capital assets on June 30, 2017 was $1.7 billion (net of accumulated depreciation). Capital assets include land, collecting and impounding reservoirs, pumping stations and equipment, transmission and distribution mains, service pipes from the distribution mains to customer meters, and transportation and office equipment. Additional information on the types and values of the District's capital assets can be found in Notes 1 and 2 to the basic financial statements of this report.

The District's ongoing capital improvements expenditures are funded with state revolving fund loan proceeds and with revenue funds and include new pumping stations, reservoirs and wells, land acquisition, new water pipelines and recycled water distribution system facilities. Total ongoing capital improvements in fiscal year 2017 were $39.2 million, net of current and prior period reimbursements. Total contract commitments were $16.3 million at June 30, 2017.

Significant ongoing capital improvements expenditures during the current fiscal year include the following:

- Large Meter Replacement Program. State Revolving Loan fund expenditures in fiscal year 2017 were $3.5 million. There were no contract commitments at June 30, 2017.

- Service Line Replacements. State Revolving fund expenditures in fiscal year 2017 were $2.9 million. There were no contract commitments at June 30, 2017.

- Fayle Water Facility Improvements. State Revolving Loan fund expenditures in fiscal year 2017 were $1.5 million. Contract commitments at June 30, 2017 were $0.9 million.

- Springs Preserve WaterWorks Exhibit. Expenditures in fiscal year 2017 were $1.4 million. There were no contract commitments at June 30, 2017.

- Maintenance Engineering Project System Upgrade. Expenditures in fiscal year 2017 were $1.4 million. There were no contract commitments at June 30, 2017.

Long-term debt. At the end of fiscal year 2017, the District had total bond debt and State Revolving Fund loans outstanding of $2.8 billion, $2.0 billion of which is secured by pledged revenue of the SNWA that does not affect the District's financial position. All but $1.0 million of the debt is general obligation debt. The District issued a $2.5 million Subordinate Lien Revenue Clean Renewable Energy Bond (CREB) in fiscal year 2009, which is a tax-credit bond in which the holder realizes a tax-credit in lieu of or in addition to an interest payment. This bond is secured by net revenues.

As of June 30, 2017, Moody's rates the District's general obligation bonds, including advanced refunded bonds in escrow, Aa1 and Standard & Poor's rates them AA. No rating was requested on the $2.5 million CREB revenue bond.

See Note 4, Long-Term Debt, for more information on long-term debt.

Economic factors and next year's budget. The Southern Nevada economy continued to experience growth during fiscal year 2017. New service applications increased by 4,277 applications in calendar year 2016 and by 7,726 applications in calendar year 2015. The number of active customer accounts increased by 7,038 accounts or 1.8% to 387,829 active accounts as of June 30, 2017 from 380,791 active accounts as of June 30, 2016. The District projects continued modest growth for fiscal year 2018.

To ensure water supplies remain available, the District, SNWA and its other member agencies have implemented a number of initiatives. These efforts include water-conservation programs, securing additional water resources and banking unused resources. Water conservation efforts have been particularly effective. Over the last 10 years, the District's average monthly water use for residential single-services declined by 19%.

Over the last 17 years, the Colorado River Basin has experienced a prolonged drought, which has affected Lake Powell's and Lake Mead's reservoir levels. As of September 18, 2017, reservoir storage levels at Lake Powell and Lake Mead were at 61% and 39% of capacity, respectively. Lake Mead's surface elevation was down approximately 134 feet from its pre-drought conditions. Because of the "V" shape of Lake Mead, this results in an approximately 60% reduction in water levels over the indicated time period. Should the drought continue and reservoir levels continue to decline, the Lower Basin States (including Nevada) could see their basic apportionment of the Colorado River water curtailed in future years.

The fiscal year 2018 budget projects $85.9 million in capital expenditures. Included in next year's budget is the construction of a new reservoir, a multi-site large backflow installations project, small backflow installations, a large meter replacement project and various main and pipeline replacements.

Requests for information. This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Office of the Chief Financial Officer, Las Vegas Valley Water District, 1001 South Valley View Blvd, Las Vegas, NV 89153 (telephone number 702-258-3106). This report is also available on the District's Website: https://www.lvvwd.com/about/budget-financial-reports/index.html.

LAS VEGAS VALLEY WATER DISTRICT
STATEMENTS OF NET POSITION
PROPRIETARY (ENTERPRISE) FUND
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Unrestricted assets:		
Cash and cash equivalents	$ 56,085,595	$ 66,260,363
Investments	220,778,816	159,192,448
Interest receivable	535,933	337,305
Accounts receivable, net of allowance for doubtful accounts	71,437,977	66,060,435
Inventories and prepaid expenses	19,392,190	20,296,301
Restricted assets:		
Cash and cash equivalents	8,193,516	11,545,770
Investments	64,077,036	61,995,224
Due from related party	478,997,087	474,769,176
Total current assets	919,498,150	860,457,022
NONCURRENT ASSETS		
Other assets	179,747	59,407
Due from related party, unrestricted	76,456,853	82,208,793
Due from related party, restricted	1,933,170,000	2,004,365,000
Total noncurrent assets, excluding capital assets	2,009,806,600	2,086,633,200
Capital assets:		
Property and equipment	2,982,653,315	2,905,990,548
Less accumulated depreciation	(1,339,227,601)	(1,260,299,320)
	1,643,425,714	1,645,691,228
Construction in progress	26,969,533	45,610,262
Total capital assets, net	1,670,395,247	1,691,301,490
Total noncurrent assets	3,680,201,847	3,777,934,690
TOTAL ASSETS	4,599,699,997	4,638,391,712
DEFERRED OUTFLOW OF RESOURCES		
Deferred amount related to bond refundings	1,203,447	1,324,803
Deferred amount related to pension	15,013,939	29,434,922
TOTAL DEFERRED OUTFLOW OF RESOURCES	16,217,386	30,759,725
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 4,615,917,383	$ 4,669,151,437

(Continued)

The accompanying notes are an integral part of these basic financial statements.

LAS VEGAS VALLEY WATER DISTRICT
STATEMENTS OF NET POSITION
PROPRIETARY (ENTERPRISE) FUND
JUNE 30, 2017 AND 2016
(Continued)

	2017	2016
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and other accrued liabilities	$ 79,967,653	$ 72,932,659
Service installation deposits	762,142	736,642
Customer advances for construction	4,459,691	4,950,939
Payroll and related liabilities	37,303,383	36,518,726
Current portion of bonds payable	30,408,000	27,808,000
Current portion of bonds payable, related party	70,035,000	62,095,000
Commercial paper payable, related party	400,000,000	400,000,000
Accrued bond interest	5,253,318	7,194,618
Current portion of state revolving fund loans	454,879	-
Accrued state revolving fund loan interest	255,527	32,262
Accrued debt interest, related party	8,962,087	12,674,176
Construction contracts payable	778,534	713,330
Customer guarantee deposits	24,009,387	23,392,934
Agency account	2,030,740	1,613,062
Advance from related party	4,892,721	6,042,999
Total current liabilities	669,573,062	656,705,347
NONCURRENT LIABILITIES		
Net pension liability	187,246,795	203,491,989
Liability for postemployment benefits other than pension	19,303,188	16,381,009
Unearned revenue	1,552,033	1,718,873
Bonds payable, net of current portion	746,566,918	782,209,432
State revolving fund loans	25,698,816	3,689,827
Bonds payable, related party, net of current portion	1,933,170,000	2,004,365,000
Total noncurrent liabilities	2,913,537,750	3,011,856,130
TOTAL LIABILITIES	3,583,110,812	3,668,561,477
DEFERRED INFLOW OF RESOURCES		
Deferred amount related to bond refundings	8,394,596	6,402,623
Deferred amount related to pension	8,475,883	2,901,157
Deferred amount - related party	2,477,269	11,016,172
TOTAL DEFERRED INFLOW OF RESOURCES	19,347,748	20,319,952
NET POSITION		
Net investment in capital assets	860,075,485	876,206,238
Restricted for debt service	9,751,045	10,539,353
Restricted for capital projects	162,776	147,013
Unrestricted	143,469,517	93,377,404
TOTAL NET POSITION	1,013,458,823	980,270,008
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 4,615,917,383	$ 4,669,151,437

The accompanying notes are an integral part of these basic financial statements.

LAS VEGAS VALLEY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY (ENTERPRISE) FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
Water sales	$ 349,945,542	$ 334,838,222
Inspection / application fees	2,097,655	2,443,875
Springs Preserve	2,784,944	2,643,382
Other	60,374	60,910
Total operating revenues	354,888,515	339,986,389
OPERATING EXPENSES		
Purchased water	90,345,870	87,093,101
Purchased energy	9,019,972	9,761,793
Operation and maintenance	151,366,913	146,457,928
Total operating expenses	250,732,755	243,312,822
OPERATING INCOME BEFORE DEPRECIATION EXPENSE	104,155,760	96,673,567
Depreciation expense	(83,928,107)	(81,861,319)
OPERATING INCOME	20,227,653	14,812,248
NON-OPERATING (EXPENSES) / REVENUES		
Interest expense	(27,777,621)	(28,545,553)
Interest and investment revenue, unrestricted	1,042,888	2,577,164
Interest and investment revenue, restricted	269,500	202,125
Other	2,386,071	702,547
Total non-operating (expenses) / revenues	(24,079,162)	(25,063,717)
LOSS BEFORE CONTRIBUTIONS	(3,851,509)	(10,251,469)
Capital contributions	37,040,324	35,847,446
CHANGE IN NET POSITION	33,188,815	25,595,977
NET POSITION, BEGINNING OF THE YEAR	980,270,008	954,674,031
NET POSITION, END OF THE YEAR	$ 1,013,458,823	$ 980,270,008

The accompanying notes are an integral part of these basic financial statements.

LAS VEGAS VALLEY WATER DISTRICT
STATEMENTS OF CASH FLOWS
PROPRIETARY (ENTERPRISE) FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 348,578,694	$ 338,822,158
Cash payments to suppliers for goods and services	(120,377,286)	(122,153,288)
Cash payments for salaries and benefits	(117,418,084)	(112,002,882)
Other cash receipts	398,727	559,774
Other cash payments	(6,410)	(6,291)
Net cash provided by operating activities	111,175,641	105,219,471
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(45,811,647)	(60,578,210)
Capital contributed for construction	20,801,855	19,170,690
Proceeds from sale of property and equipment	653,975	400,529
Proceeds of bond sale	1,520,000	124,215
Proceeds of State Revolving Fund Loans	22,463,868	2,391,518
Bond issue costs	(500,443)	(108,437)
State Revolving Fund Loan Issue Costs	(65,224)	-
Principal paid on bonds	(28,525,849)	(27,918,000)
Interest paid	(33,624,653)	(32,304,925)
Interest rebate	1,405,623	1,406,378
Construction deposits	(465,748)	(409,793)
Net cash used in capital and related financing activities	(62,148,243)	(97,826,035)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment securities	(282,828,870)	(165,420,385)
Proceeds from sales and redemptions of investment securities	217,139,996	162,530,166
Interest income on investments	3,134,454	2,419,252
Net cash used in investing activities	(62,554,420)	(470,967)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(13,527,022)	6,922,469
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	77,806,133	70,883,664
UNRESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	56,085,595	66,260,363
RESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	8,193,516	11,545,770
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 64,279,111	$ 77,806,133

	2017	2016
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
OPERATING INCOME	$ 20,227,653	$ 14,812,248
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	83,928,107	81,861,319
Changes in assets and liabilities:		
(Increase) in accounts receivable	(7,247,973)	(2,337,178)
(Increase)/Decrease in inventories and prepaid expenses	904,111	(1,651,081)
Increase in accounts payable for operations	7,497,105	846,631
Increase in payroll and other accrued liabilities	5,565,607	11,225,871
Decrease in unearned revenue for operations	(30,912)	(30,912)
Other	331,943	492,573
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 111,175,641	$ 105,219,471
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:		
Capital asset contributions	$ 16,238,469	$ 16,676,756
Change in fair value of investments	(2,020,694)	298,086
Bond issuance costs deducted from bond proceeds	(1,016,120)	(182,271)
Refunding bonds issued plus premium	270,838,152	127,981,602
Bonds refunded plus unamortized premium	(271,493,771)	(130,172,462)
Deferred gain on refunded bonds	2,493,890	2,497,347
Debt issued on behalf of related party	22,115,000	497,785,000

The accompanying notes are an integral part of these basic financial statements.

LAS VEGAS VALLEY WATER DISTRICT
STATEMENTS OF FIDUCIARY NET POSITION
PENSION TRUST FUND
JUNE 30, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Cash Equivalents:		
Money market funds	$ 2,071,149	$ 1,157,413
Investments at contract value:		
Insurance account and contracts	2,503,803	4,647,456
Investments at fair value:		
Domestic equity funds	225,207,284	179,995,447
Domestic bond funds	96,208,620	88,870,824
International equity fund	59,290,314	44,956,271
Global REIT	11,335,519	11,215,646
	392,041,737	325,038,188
Total investments	396,616,689	330,843,057
Accrued interest receivable	42,276	91,869
Total assets	$ 396,658,965	$ 330,934,926
NET POSITION		
Held in trust for pension benefits	$ 396,658,965	$ 330,934,926

The accompanying notes are an integral part of these basic financial statements.

LAS VEGAS VALLEY WATER DISTRICT
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
ADDITIONS		
Employer contributions	$ 31,069,130	$ 29,414,230
Employee contributions	118,901	217,031
Total contributions	31,188,031	29,631,261
Investment earnings:		
Interest	173,415	195,317
Net change in fair value of investments	49,216,856	3,903,193
Total investment earnings	49,390,271	4,098,510
Less investment expense	(121,863)	(114,938)
Net investment earnings	49,268,408	3,983,572
Total additions	80,456,439	33,614,833
DEDUCTIONS		
Administrative and general	344,057	370,847
Benefits	14,388,343	11,626,003
Total deductions	14,732,400	11,996,850
Net increase	65,724,039	21,617,983
NET POSITION		
Beginning of year	330,934,926	309,316,943
End of year	$ 396,658,965	$ 330,934,926

The accompanying notes are an integral part of these basic financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Las Vegas Valley Water District (District) are prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America 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.

Reporting Entity

The District is a quasi-municipal corporation created for the purpose of obtaining and distributing water, primarily in the Las Vegas Valley, which includes the metropolitan area of Clark County and the City of Las Vegas. Because the Clark County Board of Commissioners serves as the District's Board of Directors (Board), and the exclusion of the District's financial statements would render the financial statements of Clark County incomplete, the District is included as a discretely (separately) presented component unit within the Clark County Comprehensive Annual Financial Report. For purposes of these financial statements, the District is the reporting entity.

Fund Accounting

The District's financial report presents the activities of the District on a fund basis. In governmental accounting, a fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein. The District uses two types of funds: a proprietary (enterprise) fund and a fiduciary (pension trust) fund.

Proprietary (Enterprise) Fund

Except for pension activity, the proprietary (enterprise) fund accounts for all of the District's operations, similar to a commercial enterprise, using the economic resources measurement focus and the accrual basis of accounting. Accordingly, revenues are recorded when earned and expenses are recorded when a liability is incurred. The District adheres to all applicable financial accounting and reporting standards of the GASB. The intent of the District is to establish water rates sufficient to provide for payment of general operations and maintenance expenses, as well as required debt service and capital expenditures. Typically, unrestricted resources are used first for all expenditures, followed by reimbursement from restricted resources when appropriate. When both restricted and unrestricted resources are available for the same expenditure, restricted resources are generally used first.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues include revenues derived from water sales, water related activities and the Springs Preserve. Operating expenses include all expenses applicable to the furnishing of these services. Non-operating revenues and expenses include revenues and expenses not associated with the District's normal business of supplying water or with the Springs Preserve.

Included in operating revenues are regional connection fees, regional commodity charges and infrastructure charges. These regional revenues are offset in operating expenses by equivalent contributions to the Southern Nevada Water Authority (SNWA), a related party.

To avoid a "grossing-up" effect on operating revenues and operating expenses in the Statements of Revenues, Expenses, and Changes in Net Position, revenue collected for the SNWA is offset against the related remittances to the SNWA. Any remaining balance is classified as an operating expense and adjusted in a following period.

Operating revenues do not include discounts and allowances. Operating expenses (and work-in-progress accounts) include allocations for indirect costs. These indirect costs include payroll taxes and employee benefits, which are initially charged to administrative and general expense accounts, but reported only in the accounts to which they are allocated. Depreciation expense is reported separately from operating expenses, but it is a subcategory of operating expenses.

Non-operating revenues and expenses include interest and investment income and expense, and other peripheral activities. Although capital contributions, as well as extraordinary items, if any, are shown separately, they are subcategories of non-operating revenues and expenses.

Fiduciary Pension Trust Fund and Pension Account

The fiduciary pension trust fund accounts for the assets, liabilities, and changes in net position of the District's defined benefit pension plan in accordance with GASB Statements No. 67, 68, and 71. The fiduciary pension trust fund is accounted for in essentially the same manner as the proprietary (enterprise) fund using the same measurement focus and basis of accounting.

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

Postemployment Benefits Other Than Pensions (OPEB)

Effective July 1, 2007, the District implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* The OPEB plan is administered by the District and not by a trust or equivalent arrangement.

Cash, Cash Equivalents and Investments

The District's cash and cash equivalents consist of cash on hand and interest-bearing bank deposits. No investments are considered cash equivalents regardless of liquidity or maturity. The total carrying amount of District cash on hand and on deposit was $64.3 million, as of June 30, 2017 and $77.8 million as of June 30, 2016. As of June 30, 2017, bank balances were $64.3 million. As of June 30, 2016, bank balances were $79.2 million. The District often carries cash and cash equivalents on deposit with a financial institution in excess of federally-insured limits. The financial institution pledges sufficient collateral with the Nevada State Treasurer for all amounts which exceed the applicable FDIC insurance. The financial institution pledges only AAA rated securities to secure the deposits.

Investments, with the exception of certain pension investments, are reported at fair value and consist of bank certificates of deposit, U.S. Government sponsored agency obligations, and municipal bonds. Pension assets (Note 15) are comprised of equity and bond funds, a global real estate investment trust (REIT), insurance contracts, pooled accounts, and a money market account. The equity and bond funds, global REIT and the money market account are stated at fair value, measured by underlying market value as reported by the managing institutions. Investments in the insurance contracts and pooled accounts are stated at contract value as determined by insurance companies according to the terms of the contracts. Excluded from pension assets are annuities purchased for retired employees or their beneficiaries from an insurance company with a financial strength rating of A++ by A.M. Best rating company.

Inventories

Inventories consist primarily of materials and supplies stated at the lower of market or average cost.

Restricted Assets

Restricted assets include amounts due from the SNWA for the repayment of the District's notes and bonds whose proceeds were delivered to the SNWA (Notes 3 and 4). Restricted assets also include certain resources set aside to repay bond debt in accordance with bond covenants. Further, the District has restricted investments for customer security deposits, sales tax and oversized mains. Oversized mains are constructed to meet estimated future demands on the District's distribution system.

Capital Assets

Property and equipment are recorded at purchase or construction cost, except for certain facilities that were transferred to the District at approximate original cost less estimated accumulated depreciation. Developer donated facilities are recorded at engineering estimates of acquisition value at the time the assets are donated. Expenditures for improvements and betterments, including labor and indirect costs, are capitalized. The capitalization threshold is generally $10,000 and an estimated useful life of at least three years following the date of acquisition. Like items with individual costs below $10,000, purchased as a group, are capitalized if their collective cost exceeds $25,000 and they have an estimated useful life of at least three years. Depreciation is computed using the straight-line method over the following estimated useful lives:

Transportation/Work/Equipment	3 – 10 Years
Office Furniture and Equipment	5 – 10 Years
Purification Equipment	15 – 25 Years
Pumping Stations and Wells	11 – 30 Years
Meters/Services	20 – 30 Years
Collecting and Impounding Structures	10 – 50 Years
Organization Costs and Improvements	20 – 50 Years
Telemetering/Valves and Miscellaneous	10 – 75 Years
Transmission/Distribution/Mains	50 – 75 Years

Interest Expense and Income Capitalized

The District capitalizes interest expense as a component of the cost of construction in progress. Consistent with its policy, the District follows Financial Accounting Standards Board (FASB) Statement No. 34, as amended by Statement No. 62, and offsets capitalized interest cost with interest income related to unspent bond proceeds.

Interest expense and capitalized interest expense and income for fiscal years 2017 and 2016 were as follows:

	2017	2016
Bond interest	$ 28,548,949	$ 29,191,546
Other interest expense	6,409	6,291
Total interest expense	28,555,358	29,197,837
Bond interest expense capitalized	(777,737)	(652,284)
Net interest expense	$ 27,777,621	$ 28,545,553

Accumulated Unpaid Employee Benefits

Accumulated unpaid vacation and sick pay benefits are accrued based on the vested rights of the employees, using the accrual basis of accounting.

Capital Contributions

Capital contributions are contributions in cash to connect to the existing system and donations, or contributions in cash, services, or property from any person or governmental agency for the acquisition, relocation, improvement or construction of property, facilities, or equipment. Capital contributions include shared sales tax revenue received from the State of Nevada. The sales tax proceeds received are statutorily restricted for construction purposes in a rural area. Sales tax proceeds received in fiscal year 2017 were $49,468 and in fiscal year 2016 were $47,288. No distinction is made between property acquired through capital contributions and property purchased from funds received through operating channels. Depreciation is recorded and the property is retired in the appropriate manner.

Net Position

Net Position is displayed in three components:

(1) *Net investment in capital assets*. This component represents the District's net position in its capital assets. It reflects the cost of capital assets, less accumulated depreciation and less the outstanding principal of related debt, excluding unspent proceeds.

(2) *Restricted*. This component reflects the carrying value of assets, less related liabilities, that are restricted by law or by other externally imposed restrictions, such as bond covenants. Assets that are restricted only because of District imposed limitations are not included in the calculation.

(3) *Unrestricted*. This component represents the remaining net position balance that is available to support District operations and capital asset acquisition/construction.

Legal Costs

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 services are rendered.

New Accounting Pronouncements

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multi-Employer Plans*, for OPEB. The District is currently evaluating how the adoption of Statement No. 75 will affect the District's financial position, results of operation or cash flow.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split Interest Agreements*, which is effective for fiscal years beginning after December 15, 2016 and should be applied retroactively. Earlier application is encouraged. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is the beneficiary of the agreement. The District does not expect the adoption of Statement No. 81 to affect the District's financial position, results of operation or cash flow.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, which is effective for fiscal years beginning after June 15, 2018. Earlier application is encouraged. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. The District is currently evaluating how the adoption of Statement No. 83 will affect the District's financial position, results of operation or cash flow.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*, which is effective for fiscal years beginning after December 15, 2018. Earlier application is encouraged. The principal objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. The District is currently evaluating how the adoption of Statement No. 84 will affect the District's financial position, results of operation or cash flow.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*, which is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The objective of this Statement is to address practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The District is currently evaluating how the adoption of Statement No. 85 will affect the District's financial position, results of operation or cash flow.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, which is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The District is currently evaluating how the adoption of Statement No. 86 will affect the District's financial position, results of operation or cash flow.

In June 2017, the GASB issued Statement No. 87, *Leases*, which is effective for fiscal years beginning after December 15, 2019. Earlier application is encouraged. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The District is currently evaluating how the adoption of Statement No. 87 will affect the District's financial position, results of operation or cash flow.

Other Reclassifications

Certain minor reclassifications have been made in the fiscal year 2016 basic financial statements to conform to the fiscal year 2017 presentation.

Estimates

The preparation of financial statements in conformity with GAAP requires the use of estimates by management. Such estimates primarily relate to unsettled transactions and events as of the date of the basic financial statements. Actual results could differ from those estimates.

NOTE 2. CAPITAL ASSETS

For the year ended June 30, 2017, capital asset activity is as follows:

	Balance June 30, 2016	Additions and Adjustments	Retirements	Balance June 30, 2017
Property and Equipment				
Capital Assets, not Depreciated:				
Land and Land Rights	$ 23,571,806	$ -	$ -	$ 23,571,806
Construction in Progress	45,610,262	37,103,284	55,744,013	26,969,533
Total Capital Assets, not Depreciated	69,182,068	37,103,284	55,744,013	50,541,339
Capital Assets, Depreciated:				
Organization Costs and Improvements	1,643,644	-	8,908	1,634,736
Collecting and Impounding Structures	858,381,418	18,756,050	152,576	876,984,892
Pumping Stations and Wells	286,763,906	23,272,159	437,809	309,598,256
Purification Equipment	855,269	-	11,146	844,123
Transmission/Distribution/Mains	955,689,884	17,645,794	-	973,335,678
Telemetering/Valves and Miscellaneous	55,925,782	533,900	36,950	56,422,733
Meters/Services	563,140,514	13,386,183	9,159	576,517,538
Office Furniture and Equipment	111,201,987	1,731,262	457,786	112,475,463
Transportation/Work/Equipment	48,816,339	6,349,124	3,897,372	51,268,090
Total Capital Assets, Being Depreciated	2,882,418,744	81,674,472	5,011,706	2,959,081,509
Total	**2,951,600,810**	**118,777,756**	**60,755,719**	**3,009,622,848**
Accumulated Depreciation				
Organization Costs and Improvements	1,521,685	31,246	8,908	1,544,023
Collecting and Impounding Structures	435,487,841	33,491,621	145,032	468,834,430
Pumping Stations and Wells	177,000,027	11,069,278	437,487	187,631,818
Purification Equipment	616,952	30,836	11,146	636,642
Transmission/Distribution/Mains	227,760,659	12,991,867	-	240,752,526
Telemetering/Valves and Miscellaneous	17,346,111	890,540	35,798	18,200,854
Meters/Services	253,261,655	19,411,807	7,743	272,665,719
Office Furniture and Equipment	104,153,599	2,591,735	457,786	106,287,547
Transportation/Work/Equipment	43,150,790	3,419,177	3,895,927	42,674,040
Total	**1,260,299,320**	**83,928,107**	**4,999,826**	**1,339,227,601**
Total Capital Assets, net	**$ 1,691,301,490**	**$ 34,849,650**	**$ 55,755,893**	**$ 1,670,395,247**

*Balances may not total due to rounding.

For the year ended June 30, 2016, capital asset activity is as follows:

	Balance June 30, 2015	Additions and Adjustments	Retirements	Balance June 30, 2016
Property and Equipment				
Capital Assets, not Depreciated:				
Land and Land Rights	$ 22,583,716	$ 988,090	$ -	$ 23,571,806
Construction in Progress	15,677,478	54,184,104	24,251,320	45,610,262
Total Capital Assets, not Depreciated	38,261,194	55,172,194	24,251,320	69,182,068
Capital Assets, Depreciated:				
Organization Costs and Improvements	1,648,018	-	4,375	1,643,644
Collecting and Impounding Structures	853,906,699	4,474,719	-	858,381,418
Pumping Stations and Wells	281,433,822	5,330,084	-	286,763,906
Purification Equipment	855,269	-	-	855,269
Transmission/Distribution/Mains	939,588,545	16,101,339	-	955,689,884
Telemetering/Valves and Miscellaneous	53,446,970	2,481,295	2,484	55,925,782
Meters/Services	553,794,755	12,531,383	3,185,624	563,140,514
Office Furniture and Equipment	109,303,304	1,973,544	74,860	111,201,987
Transportation/Work/Equipment	48,291,012	2,469,252	1,943,925	48,816,339
Total Capital Assets, Being Depreciated	2,842,268,393	45,361,618	5,211,266	2,882,418,744
Total	**2,880,529,587**	**100,533,812**	**29,462,586**	**2,951,600,810**
Accumulated Depreciation				
Organization Costs and Improvements	1,494,814	31,246	4,375	1,521,685
Collecting and Impounding Structures	402,110,919	33,376,922	-	435,487,841
Pumping Stations and Wells	165,866,373	11,133,654	-	177,000,027
Purification Equipment	585,990	30,962	-	616,952
Transmission/Distribution/Mains	215,032,138	12,728,521	-	227,760,659
Telemetering/Valves and Miscellaneous	16,487,726	860,869	2,484	17,346,111
Meters/Services	235,740,936	19,103,119	1,582,399	253,261,655
Office Furniture and Equipment	101,910,306	2,318,154	74,860	104,153,599
Transportation/Work/Equipment	42,816,842	2,277,874	1,943,925	43,150,790
Total	**1,182,046,044**	**81,861,321**	**3,608,043**	**1,260,299,320**
Total Capital Assets, net	**$ 1,698,483,543**	**$ 18,672,492**	**$ 25,854,543**	**$ 1,691,301,490**

*Balances may not total due to rounding.

NOTE 3. SHORT-TERM DEBT

On March 10, 2004, the District began a Tax-Exempt Commercial Paper (TECP) program for the SNWA, authorizing a maximum of $400.0 million in general obligation (limited tax) commercial paper notes (notes) supported by the SNWA revenues. Proceeds from the sale of the notes were used to fund the SNWA's capital expenditures, to purchase a 25% interest in the Silverhawk power plant, and to purchase water resources. The TECP program was most recently renegotiated on April 4, 2017, and is currently facilitated by letters of credit between the District, Sumitomo Mitsui Banking Corporation ($250.0 million), and U.S. Bank National Association ($150.0 million). The termination date for the agreement with Sumitomo Mitsui Banking Corporation is April 2, 2021. The termination date for the agreement with U.S. Bank National Association is April 3, 2020. The District's commercial paper, comprised of 10 tranches ranging in size from $0.5 million to $50.0 million, is traded on the open market and subject to market interest fluctuations.

The notes have multiple interest rates, ranging from 0.86% to 0.96% with a 0.92% average rate. The notes matured in 2017 as follows: $222.0 million in July, $127.5 million in August, and $50.5 million in September. The District replaced the maturing notes with additional notes. Standard & Poor's rating is A-l+ and Moody's is P-1 based on ratings dated February 2017 and March 2017 respectively.

As of June 30, 2017 and 2016, the entire $400.0 million principal balance was outstanding. Principal and accrued interest total $400.4 million as of June 30, 2017. The liability for the notes and the receivable from the SNWA are shown in the basic financial statements of the District.

In fiscal years 2017 and 2016, other than interest payments on the notes and rollover of principal, the District had no short-term debt activity.

For the years ended June 30, 2017 and June 30, 2016, short-term debt activity is as follows:

	June 30, 2017		June 30, 2016	
Balance Beginning of Period	$	400,000,000	$	400,000,000
Additions		2,818,360,000		2,624,180,000
Retirements		(2,818,360,000)		(2,624,180,000)
Balance End of Period	$	400,000,000	$	400,000,000
End of Period				
Accrued Interest	$	429,021	$	193,184
Average Interest Rate		0.92%		0.46%
Number of Traunches		10		12
Smallest	$	500,000	$	6,600,000
Largest	$	50,000,000	$	150,000,000
Shortest Maturity, in days		33		34
Longest Maturity, in days		92		91

NOTE 4. LONG-TERM DEBT

For the year ended June 30, 2017, long-term debt activity is as follows:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year	Due After One Year
Bonds payable	$ 748,441,000	$ 255,755,000	$ (291,898,000)	$ 712,298,000	$ 30,408,000	$ 681,890,000
Unamortized premium	61,576,432	15,083,152	(11,982,666)	64,676,918	-	64,676,918
Total bonds payable	810,017,432	270,838,152	(303,880,666)	776,974,918	30,408,000	746,566,918
State Revolving Fund Loans	3,689,827	22,463,868	-	26,153,695	454,879	25,698,816
Bonds payable, related party	2,066,460,000	22,115,000	(85,370,000)	2,003,205,000	70,035,000	1,933,170,000
Total long-term debt	$ 2,880,167,259	$ 315,417,020	$ (389,250,666)	$ 2,806,333,613	$ 100,897,879	$ 2,705,435,735

For the year ended June 30, 2016, long-term debt activity is as follows:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year	Due After One Year
Bonds payable	$ 794,824,000	$ 108,220,000	$ (154,603,000)	$ 748,441,000	$ 27,808,000	$ 720,633,000
Unamortized premium	49,043,112	19,761,602	(7,228,282)	61,576,432	-	61,576,432
Total bonds payable	843,867,112	127,981,602	(161,831,282)	810,017,432	27,808,000	782,209,432
State Revolving Fund Loan	1,298,309	2,391,518	-	3,689,827	-	3,689,827
Bonds payable, related party	1,612,655,000	497,785,000	(43,980,000)	2,066,460,000	62,095,000	2,004,365,000
Total long-term debt	$ 2,457,820,421	$ 628,158,120	$ (205,811,282)	$ 2,880,167,259	$ 89,903,000	$ 2,790,264,259

Bonds Secured by SNWA Pledged Revenue

As of June 30, 2017, the District had $2,003.2 million outstanding general obligation bonds additionally secured by pledged revenue of the SNWA. The bond proceeds were delivered to the SNWA to finance water projects and to refund existing debt. The receivable from the SNWA, as well as the liability for the bonds, is shown on the basic financial statements of the District. As of June 30, 2017, bond principal and accrued interest total $2,012.2 million, of which $9.0 million represents accrued bond interest due within one year.

General Obligation Bond Covenants

Management believes that the District has complied with all legal requirements, limitations and restrictions of the bond covenants. Such covenants include minimum revenue requirements and maintenance of a bond service account.

After payment of the costs of operation, maintenance and general expenses of the District, excluding depreciation expense and including interest income on operating funds, the District is required to establish rates sufficient to provide annual "Revenues" equal to the average annual debt service, excluding bond debt secured by pledged revenue of the SNWA. Net revenue available for debt service for the year ended June 30, 2017 was sufficient to meet the requirements of the bond covenants.

The District is required to maintain a bond service account to ensure payment of interest and principal when due. For the outstanding bond issues, a transfer is made each month from revenue to provide for one-sixth of the next semiannual interest payment and one-twelfth of the annual bond maturities of each issue. At June 30, 2017 the bond service account balance of $9.8 million met the scheduled requirement.

In-Substance Debt Defeasance and Deferred Balance

In prior years, the District issued bonds to advance refund various debt issues, resulting in the in-substance defeasance of the old debt. Proceeds from the new debt and other funds were placed into escrow and invested to pay principal and interest on the old debt at a future time. When the funds were put into escrow, the liability for the old debt was removed from the District's statement of net position. As of June 30, 2017, outstanding in-substance defeased debt totaled $408.0 million.

For current refundings and advance refundings, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the shortest term of the related debt obligations. At June 30, 2017, the aggregate unamortized deferred loss was $1.2 million and the aggregate unamortized deferred gain was $8.4 million.

Current Year Debt Issuances

On July 18, 2016 the District issued Series 2016D, $125.6 million par value general obligation adjustable rate refunding bonds. The bonds were dated and delivered July 18, 2017. Proceeds of the bonds, less $0.2 million to pay the costs of issuing the bonds, were deposited into escrow to currently refund at 100% of par $62.7 million of the District's Series 2006B general obligation adjustable rate water improvement bonds and to currently refund at 100% of par $62.7 million of the District's Series 2006C general obligation adjustable rate water improvement bonds.

On September 15, 2016 the District entered into an agreement with the State of Nevada Department of Conservation and Natural Resources to receive a loan from the State Revolving Fund (SRF) for an amount not to exceed $15 million. Funds will be used for water system rehabilitation projects. The SRF loan is secured by a $15 million general obligation bond the District provided to the State of Nevada as collateral for the loan. Disbursement of loan amounts is based upon submittal of proper and acceptable costs that have been incurred. As of June 30, 2017 $6.8 million is outstanding. The interest rate on the loan is fixed at 1.78% and the term is 20 years. Interest payments are payable semiannually on January 1 and July 1 each year and commenced January 1, 2017. Principal payments are payable semiannually on January 1 and July 1 of each year, commencing on the first January 1 or July 1 immediately following the date the maximum principal amount is drawn; the date the projects are complete; or three years from the date of the loan contract, whichever occurs first.

On March 14, 2017 the District issued Series 2017A, $130.1 million par value general obligation refunding bonds for a net premium of $15.1 million and a true interest cost of 3.37%. The bonds were dated and delivered March 14, 2017. Proceeds of the bonds, less $1.4 million to pay the costs of issuing the bonds, were deposited into escrow to purchase government securities to advance refund at 100% of par plus accrued interest $138.6 million of the District's Series 2008A general obligation water improvement and refunding bonds. The average coupon rate of the Series 2008A refunded bonds is 5.00%

On March 14, 2017 the District issued Series 2017B, $22.1 million par value general obligation refunding bonds additionally secured by SNWA pledged revenues for a net premium of $3.2 million and a true interest cost of 2.64%. The bonds were dated and delivered March 14, 2017. Proceeds of the bonds, less $0.2 million to pay the costs of issuing the bonds, were deposited into escrow to purchase government securities to advance refund at 100% of par plus accrued interest $7.7 million of the SNWA's Series 2009B general obligation water improvement bonds and to advance refund at 100% of par plus accrued interest $15.6 million of the SNWA's Series 2009D general obligation water improvement and refunding bonds. The average coupon rate of the 2009B and 2009D refunded bonds is 5.04%.

On May 3, 2017 the District entered into an agreement with the State of Nevada Department of Conservation and Natural Resources to receive a loan from the State Revolving Fund (SRF) for an amount not to exceed $15 million. Funds will be used for water system rehabilitation projects. The SRF loan is secured by a $15 million general obligation bond the District gave to the State of Nevada as collateral for the loan. Disbursement of loan amounts is based upon submittal of proper and acceptable costs that have been incurred. As of June 30, 2017, $0.1 million is outstanding. The interest rate on the loan is fixed at 2.41% and the term is 20 years. Interest payments are payable semi-annually on January 1 and July 1 of each year and commenced July 1, 2017. Principal payments are payable semi-annually on January 1 and July 1 of each year, commencing on the first January 1 or July 1 immediately following the date the maximum principal amount is drawn; the date the projects are complete; or three years from the date of the loan contract, whichever occurs first.

The refunding of the Series 2008A bonds by the Series 2017A issue resulted in an accounting gain of $2.5 million. Following GASB Statement No. 65, the District has deferred the accounting gain and will amortize it as a component of interest expense through fiscal year 2038. The District reduced its debt service payments through fiscal year 2038 by $24.7 million and obtained a present value economic gain of $18.1 million.

Because the liability for bonds additionally secured by pledged revenue of the SNWA are offset by an SNWA receivable, issuing the Series 2017B bonds had no effect on the District's operations or financial position.

Adjustable Rate Bonds

On July 18, 2016 the District issued Series 2016D, $125.6 million par value general obligation adjustable rate refunding bonds. The interest rate on the bonds is variable based upon LIBOR, with a three-year term and resets and is paid monthly. Principal payments are payable on June 1 of each year and commenced June 1, 2017. The Series 2016D bonds currently refunded the District's Series 2006B ($62.7 million) and Series 2006C ($62.7 million) variable rate bonds. The interest rate on each series of the 2006B and 2006C bonds bore interest at a Daily Rate. At June 30, 2017 the interest rate for the 2016D bonds was 1.06035%. As required by GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, this rate was used to calculate future interest requirements for the 2016D bonds outstanding as of June 30, 2017.

General obligation bonds and a subordinate lien revenue bond payable as of June 30, 2017:

GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS
…………..(REVENUE SUPPORTED)………….

	2008A	2008 CREB[1]	2010A BABS[2]
Date of issue	February 19, 2008	July 15, 2008	June 15, 2010
Coupon interest rate	5.00%	1.30%	5.60% to 5.70%
Interest payment dates	8/1 and 2/1	9/15, 12/15, 3/15, 6/15	9/1 and 3/1
Principal payment date	February 1	December 15	March 1
Original amount	$ 190,760,000	$ 2,520,000	$ 75,995,000
Redeemed as of 6/30/17	(48,180,000)	(1,512,000)	-
Advance refunded	(138,590,000)	-	-
Outstanding as of 6/30/17	3,990,000	1,008,000	75,995,000
Less current portion	(3,990,000)	(168,000)	-
Portion due after one year	$ -	$ 840,000	$ 75,995,000

	2010B	2011D	2012A
Date of issue	June 15, 2010	October 19, 2011	September 5, 2012
Coupon interest rate	2.00% to 4.625%	2.00% to 5.25%	5.00%
Interest payment dates	9/1 and 3/1	6/1 and 12/1	6/1 and 12/1
Principal payment date	March 1	June 1	June 1
Original amount	$ 31,075,000	$ 78,680,000	$ 39,310,000
Redeemed as of 6/30/17	(3,175,000)	(20,670,000)	-
Outstanding as of 6/30/17	27,900,000	58,010,000	39,310,000
Less current portion	(860,000)	(4,650,000)	-
Portion due after one year	$ 27,040,000	$ 53,360,000	$ 39,310,000

	2015A	2016B	2016D
Date of issue	June 1, 2015	April 6, 2016	July 18, 2016
Coupon interest rate	2.00% to 5.00%	2.50% to 5.00%	Variable
Interest payment dates	6/1 and 12/1	6/1 and 12/1	Monthly
Principal payment date	June 1	June 1	June 1
Original amount	$ 172,430,000	$ 108,220,000	$ 125,650,000
Redeemed as of 6/30/17	(23,810,000)	(2,690,000)	(3,820,000)
Outstanding as of 6/30/17	148,620,000	105,530,000	121,830,000
Less current portion	(12,535,000)	(3,620,000)	(3,990,000)
Portion due after one year	$ 136,085,000	$ 101,910,000	$ 117,840,000

Continued *GENERAL OBLIGATION IMPROVEMENT AND REFUNDING BONDS*

……………(REVENUE SUPPORTED)……………

	2017A
Date of issue	March 14, 2017
Coupon interest rate	4.00% to 5.00%
Interest payment dates	8/1 and 2/1
Principal payment date	February 1
Original amount	$ 130,105,000
Redeemed as of 6/30/17	-
Outstanding as of 6/30/17	130,105,000
Less current portion	(595,000)
Portion due after one year	$ 129,510,000

[1] 2008 CREB (Clean Renewable Energy Bond) subordinate lien revenue bond.

[2] BABS are Build America Bonds that provide for federal subsidy payments to the issuer as of each interest payment date, resulting in an effective interest rate of 3.731% for the 2010A Bonds and 4.674% for the 2009A Pledged SNWA Revenue Bonds. As a result of the federal budget cuts known as "sequestration," the federal subsidy payments for these bonds were reduced by 6.9% for fiscal year 2017.

STATE REVOLVING FUND LOANS

…………(REVENUE SUPPORTED)…………

	State Revolving Fund Loan 2014	State Revolving Fund Loan 2016	State Revolving Fund Loan 2017
Date of issue	December 1, 2014	September 15, 2016	May 3, 2017
Coupon interest rate	2.57%	1.78%	2.41%
Interest payment dates	1/1 and 7/1	1/1 and 7/1	1/1 and 7/1
Principal payment dates	1/1 and 7/1	1/1 and 7/1	1/1 and 7/1
Amount Available	$ 20,000,000	$ 15,000,000	$ 15,000,000
Amount Drawn as of 6/30/17	19,242,922	6,804,546	106,227
Redeemed as of 6/30/17	-	-	-
Outstanding as of 6/30/17	19,242,922	6,804,546	106,227
Less current portion	(454,879)	-	-
Portion due after one year	$ 18,788,043	$ 6,804,546	$ 106,227

GENERAL OBLIGATION BONDS – PLEDGED SNWA REVENUE
…………..(REVENUE SUPPORTED)…………..

	2008B	2009A BABS[1]	2009B
Date of issue	February 19, 2008	August 5, 2009	August 5, 2009
Coupon interest rate	3.50% to 5.00%	7.10%	4.00% to 5.25%
Interest payment dates	6/1 and 12/1	6/1 and 12/1	6/1 and 12/1
Principal payment date	June 1	June 1	June 1
Original amount	$ 171,720,000	$ 90,000,000	$ 10,000,000
Redeemed as of 6/30/17	(22,320,000)	-	(1,490,000)
Advance refunded	(51,930,000)	-	(7,675,000)
Outstanding as of 6/30/17	97,470,000	90,000,000	835,000
Less current portion	(8,835,000)	-	(410,000)
Portion due after one year	$ 88,635,000	$ 90,000,000	$ 425,000

	2009D	2011A	2011B
Date of issue	December 23, 2009	May 26, 2011	October 19, 2011
Coupon interest rate	4.25% to 5.25%	3.051% to 5.434%	2.789% to 4.958%
Interest payment dates	6/1 and 12/1	6/1 and 12/1	6/1 and 12/1
Principal payment date	June 1	June 1	June 1
Original amount	$ 71,965,000	$ 58,110,000	$ 129,650,000
Redeemed as of 6/30/17	(15,375,000)	(8,755,000)	(18,695,000)
Advance refunded	(15,600,000)	-	-
Outstanding as of 6/30/17	40,990,000	49,355,000	110,955,000
Less current portion	(3,550,000)	(4,560,000)	(9,775,000)
Portion due after one year	$ 37,440,000	$ 44,795,000	$ 101,180,000

	2011C	2012B	2015
Date of issue	October 19, 2011	July 31, 2012	January 13, 2015
Coupon interest rate	2.00% to 5.00%	3.00% to 5.00%	4.00% to 5.00%
Interest payment dates	6/1 and 12/1	6/1 and 12/1	6/1 and 12/1
Principal payment date	June 1	June 1	June 1
Original amount	$ 267,815,000	$ 360,000,000	$ 332,405,000
Redeemed as of 6/30/17	(46,990,000)	(20,445,000)	-
Outstanding as of 6/30/17	220,825,000	339,555,000	332,405,000
Less current portion	(10,620,000)	(7,345,000)	-
Portion due after one year	$ 210,205,000	$ 332,210,000	$ 332,405,000

Continued *GENERAL OBLIGATION BONDS – PLEDGED SNWA REVENUE …………..(REVENUE SUPPORTED)…………..*

	2015B	2015C	2016A
Date of issue	June 1, 2015	June 18, 2015	April 6, 2016
Coupon interest rate	4.00% to 5.00%	3.00% to 5.00%	3.00% to 5.00%
Interest payment dates	6/1 and 12/1	3/15 and 9/15	6/1 and 12/1
Principal payment date	December 1	September 15	June 1
Original amount	$ 177,635,000	$ 42,125,000	$ 497,785,000
Redeemed as of 6/30/17	(10,675,000)	(2,640,000)	(5,530,000)
Outstanding as of 6/30/17	166,960,000	39,485,000	492,255,000
Less current portion	(11,165,000)	(2,730,000)	(11,045,000)
Portion due after one year	$ 155,795,000	$ 36,755,000	$ 481,210,000

	2017B
Date of issue	March 14, 2017
Coupon interest rate	3.00% to 5.00%
Interest payment dates	6/1 and 12/1
Principal payment date	June 1
Original amount	$ 22,115,000
Redeemed as of 6/30/17	-
Outstanding as of 6/30/17	22,115,000
Less current portion	-
Portion due after one year	$ 22,115,000

[1] BABS are Build America Bonds that provide for federal subsidy payments to the issuer as of each interest payment date, resulting in an effective interest rate of 3.731% for the 2010A Bonds and 4.674% for the 2009A Pledged SNWA Revenue Bonds. As a result of the federal budget cuts known as “sequestration,” the federal subsidy payments for these bonds were reduced by 6.9% for fiscal year 2017.

As of June 30, 2017, annual requirements to retire outstanding bonds were as follows:

Fiscal Years Ending	Number of Years	General Obligation (Revenue Supported) and Revenue Bonds[1] Principal	Interest	State Revolving Fund Loans Principal	Interest	General Obligation Bonds (Pledged SNWA Revenue) Principal	Interest
2018	1	$ 30,408,000	$ 29,521,421	$ 454,879	$ 564,639	$ 70,035,000	$ 98,888,863
2019	1	30,833,000	29,132,232	927,368	600,613	73,645,000	95,899,013
2020	1	32,348,000	27,808,069	1,123,615	576,627	76,890,000	92,577,840
2021	1	33,923,000	26,418,280	1,330,219	547,376	82,585,000	88,997,398
2022	1	35,643,000	24,919,861	1,361,829	515,767	86,865,000	85,144,269
2027	5	197,088,000	99,469,569	7,310,831	2,077,148	463,445,000	358,476,853
2032	5	163,070,000	60,530,648	8,224,631	1,163,348	243,455,000	267,942,316
2037	5	138,775,000	28,505,471	5,420,323	224,083	403,810,000	194,020,665
2042	5	50,210,000	5,587,955	-	-	394,720,000	75,781,450
2046	4	-	-	-	-	107,755,000	13,797,750
Total		$ 712,298,000	$ 331,893,505	$ 26,153,695	$ 6,269,601	$ 2,003,205,000	$ 1,371,526,418

Fiscal Years Ending	Number of Years	Total General Obligation and Revenue Bonds Principal	Interest	Principal and Interest
2018	1	$ 100,897,879	$ 128,974,924	$ 229,872,802
2019	1	105,405,368	125,631,859	231,037,227
2020	1	110,361,615	120,962,536	231,324,151
2021	1	117,838,219	115,963,054	233,801,274
2022	1	123,869,829	110,579,896	234,449,725
2027	5	667,843,831	460,023,570	1,127,867,401
2032	5	414,749,631	329,636,311	744,385,941
2037	5	548,005,323	222,750,219	770,755,542
2042	5	444,930,000	81,369,405	526,299,405
2046	4	107,755,000	13,797,750	121,552,750
Total		$ 2,741,656,695	$ 1,709,689,524	$ 4,451,346,219

[1] Includes Revenue (Clean Renewable Energy) Bond Issued July 15, 2008. Outstanding balance $1,008,000 at June 30, 2017.

NOTE 5. RESTRICTED CASH, INVESTMENTS, ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE

Restricted Cash

At June 30, 2017 and 2016, the balances of the restricted cash accounts were as follows:

	2017	2016
SNWA Energy Collateral	$ 6,000,000	$ 6,000,000
Big Bend Agency Account	2,030,740	1,613,062
Sales Tax Account	162,776	147,013
Major Maintenance Contingency Account	-	3,785,695
Total Restricted Cash	$ 8,193,516	$ 11,545,770

Restricted Investments

At June 30, 2017 and 2016, the balances of the restricted investment accounts were as follows:

	2017	2016
Oversizing Account	$ 30,316,604	$ 28,062,937
Customer Guarantee Deposits	24,009,387	23,392,934
Sinking Fund Debt Service	9,751,045	10,539,353
Total Restricted Investments	$ 64,077,036	$ 61,995,224

Accounts Receivable

Accounts receivable include water accounts receivable and other accounts receivable as shown below. The net accounts receivable balance at June 30, 2017, is expected to be collected within one year. The total allowance for doubtful accounts of $1,748,373 is believed to be reasonable and adequate at June 30, 2017.

	2017	2016
Water Accounts Receivable:		
Outstanding Billings	$ 39,737,524	$ 35,574,376
Unbilled Water Revenue	29,992,592	27,080,129
Allowance for Doubtful Collection	(1,661,373)	(1,596,384)
Water Accounts Receivable, net	68,068,743	61,058,121
Other Accounts Receivable:		
Other Governments	510,168	1,025,618
Other	2,946,066	4,011,696
Allowance for Doubtful Collection	(87,000)	(35,000)
Other Accounts Receivable, net	3,369,234	5,002,314
Total Accounts Receivable, net	$ 71,437,977	$ 66,060,435

Accounts Payable and Other Accrued Liabilities

Accounts payable includes all amounts payable by the District within one year not provided for in other accounts. At June 30, 2017 and 2016, Accounts Payable consists of the following:

	2017				
	SNWA	City of Las Vegas	Clark County	Other Vendors	Total Payables
Purchased Water (SNWA)	$ 8,583,878	$ -	$ -	$ -	$ 8,583,878
Other SNWA Expenses	16,838,883	-	-	-	16,838,883
Recycled Water Distribution	-	10,720,174	28,284,246	-	39,004,420
Other Expenses	175,534	8,789	-	13,548,927	13,733,250
Capital Assets and Contracts	-	-	-	1,807,222	1,807,222
Total	$ 25,598,295	$ 10,728,963	$ 28,284,246	$ 15,356,149	$ 79,967,653

	2016				
	SNWA	City of Las Vegas	Clark County	Other Vendors	Total Payables
Purchased Water (SNWA)	$ 8,173,322	$ -	$ -	$ -	$ 8,173,322
Other SNWA Expenses	14,454,186	-	-	-	14,454,186
Recycled Water Distribution	-	10,323,716	25,001,806	-	35,325,522
Other Expenses	44,064	19,088	-	11,496,866	11,560,018
Capital Assets and Contracts	-	-	-	3,419,611	3,419,611
Total	$ 22,671,572	$ 10,342,804	$ 25,001,806	$ 14,916,477	$ 72,932,659

NOTE 6. UNEARNED REVENUE

	2017	2016
Developer Advance	$ 571,872	$ 602,784
Facility Charges	174,250	170,650
Oversizing Charges	34,210	33,580
Prepaid Meters/AMRs	771,701	911,859
Total	$ 1,552,033	$ 1,718,873

In prior fiscal years, a developer paid the District a total of $1.0 million to partially offset the District's future cost of maintaining and operating a small pump station constructed at the developer's expense to serve the developer's property. The developer also agreed to pay the District a monthly operating and maintenance assessment until January 1, 2036. The $1.0 million, classified as unearned revenue, is being amortized $31 thousand annually as an offset to operating expenses through January 1, 2036.

At June 30, 2017, based on estimated probable future refunds, the District classified as unearned revenue $0.2 million in facilities charges and $34 thousand in oversizing charges, and at June 30, 2016, $0.2 million in facilities charges and $34 thousand in oversizing charges.

Developers frequently pay the District in advance for water meters and automatic meter reading devices (AMRs) that they pick up at a later time from the District warehouse. Prepaid water meters and AMRs are classified as unearned revenue. The prepaid meters/AMRs balance totaled $0.8 million at June 30, 2017 and $0.9 million at June 30, 2016.

NOTE 7. SOUTHERN NEVADA WATER AUTHORITY (SNWA)

The SNWA is a political subdivision of the State of Nevada created in 1991 by a cooperative agreement among the District, the Big Bend Water District, the City of Boulder City, the City of Henderson, the City of Las Vegas, the City of North Las Vegas, and the Clark County Water Reclamation District (member agencies). The SNWA was created to secure additional supplies of water and effectively manage existing supplies of water on a regional basis through the cooperative action of the member agencies.

The SNWA is governed by a seven-member board of directors, comprised of one director from each member agency. The District is the operating agent for the SNWA; the General Manager of the District is the General Manager of the SNWA, and the Chief Financial Officer for the District is the Treasurer of the SNWA.

The SNWA has the power to periodically assess the member agencies directly for operating and capital costs and for the satisfaction of any liabilities imposed against the SNWA. The District and other members do not have an express claim to the resources of the SNWA except that upon termination of the joint venture any assets remaining after payment of all obligations shall be returned to the contributing member agencies.

In 1995, agreements were approved for the repayment of the cost of an additional expansion of the Southern Nevada Water System (SNWS). The agreements require contributions from purveyor members, including the District, benefiting from the expansion. In 1996, the District's Board approved the collection from District customers and remittance to the SNWA a regional connection charge, regional commodity charge and regional reliability charge to fund these contributions. In March 2012, a regional infrastructure charge based upon meter size was approved, which has been modified since that time to account for changing conditions.

The District records these revenues as operating revenues and the contributions as operating expenses. However, to avoid a "grossing-up" effect on operating revenues and operating expenses in the Statements of Revenues, Expenses, and Changes in Net Position, revenue collected for the SNWA is offset against the related remittances to the SNWA. Any remaining balance is classified as an operating expense and adjusted in a following period. The table below shows the SNWA regional charges collected for and remitted to the SNWA for fiscal years 2017 and 2016.

	2017	2016
Connection charges, net of refunds	$ 41,373,197	$ 42,728,316
Commodity and reliability charges	50,977,332	44,579,908
Infrastructure charges	94,278,922	75,898,495
Total	$ 186,629,451	$ 163,206,719

Audited financial reports of the SNWA for fiscal year 2017 can be obtained on the SNWA internet website: www.snwa.com/about/reports_financial.html or by writing to:

Office of the Treasurer
Southern Nevada Water Authority
1001 South Valley View Boulevard
Las Vegas, NV 89153

NOTE 8. SOUTHERN NEVADA WATER SYSTEM (SNWS)

The District operates for the SNWA the SNWS, a regional system consisting of water treatment plants and pumping and distribution facilities that supply water to the water purveyors in Southern Nevada.

During fiscal year 2017, the District billed the SNWA $117.2 million for expenditures made on behalf of the SNWA. During fiscal year 2016, the District billed the SNWA $112.7 million for expenditures made on behalf of the SNWA. The SNWA, in turn, billed the District for its share of these and other costs, computed at a flat rate per acre-foot of water delivered (wholesale delivery charge). The District records the wholesale delivery charge as a component of purchased water expense.

NOTE 9. ENTERPRISE FUND INVESTMENTS

The District's investment policy limits investments and risks to those permitted under the laws of the State of Nevada. The investments and risks authorized by NRS 355.170 relevant to District investments are as follows:

- Bonds, debentures, bills, and notes of the United States (U.S.), the maturity dates of which are not more than ten years after the date of purchase.
- Farm loan bonds, consolidated farm loan bonds, debentures, consolidated debentures and other obligations issued by federal land banks and federal intermediate credit banks under the authority of the Federal Farm Loan Act and bonds debentures, consolidated debentures and other obligations issued by banks for cooperatives under the authority of the Farm Credit Act of 1933.
- Obligations of an agency or instrumentalities of the U.S. or a corporation sponsored by the government, the maturity dates of which are not to exceed ten years after the date of purchase.
- Negotiable certificates of deposit (CDs) issued by commercial banks, insured credit unions, or savings and loan associations. Credit quality ratings and percentage allowed of total investments are not specified.
- Non-negotiable CDs issued by insured commercial banks, insured credit unions, or insured savings and loan associations, except certificates that are not within the limit of insurance provided by an instrumentality of the U.S. unless those certificates are appropriately collateralized.
- Negotiable notes medium-term obligations issued by local governments of the State of Nevada.
- Obligations of state and local governments if (1) the interest on the obligation is exempt from gross income for federal income tax purposes and (2) the obligation has been rated "A" or higher by one or more nationally recognized bond credit rating agencies.
- Commercial paper issued by a corporation organized and operating in the U.S. or by a depository institution licensed by the U.S. or any state and operating in the U.S. that (1) is purchased from a registered broker-dealer; (2) has a remaining term to maturity at the time of purchase of no more than 270 days; and (3) is rated by a nationally recognized rating service as "A-l," "P-l" or its equivalent, or better, except that investments in commercial paper may not, in aggregate value, exceed 20% of the total portfolio as determined on the date of purchase. If the rating of the obligation is reduced to a level that does not meet the requirements, it must be sold as soon as possible.
- Obligations of the Federal Agricultural Mortgage Corporation.

The District's investments were as follows:

Investment Type	Estimated Fair Value June 30, 2017	Estimated Fair Value June 30, 2016
U.S. Agency Non-Callable Bonds	$ 220,717,414	$ 148,037,450
U.S. Treasury Notes	44,156,300	43,004,900
Negotiable CDs	9,995,760	10,006,676
Commercial Paper	4,999,178	7,965,056
U.S. Agency Callable Bonds	4,987,200	5,036,950
U.S. Agency Discount Notes	-	6,076,020
Municipal Bonds	-	1,060,620
	$ 284,855,852	$ 221,187,672

Credit Risk

As of June 30, 2017, the District's investment ratings and estimated fair values were as follows:

Investment Type	S&P	Moody's	Fair Value
U.S. Agency Non-Callable Bonds	AA+	Aaa	$ 205,260,239
U.S. Agency Non-Callable Bonds	Unrated	Unrated	15,457,175
Negotiable CDs	A-1	P-1	5,001,909
Commercial Paper	A-1	P-1	4,999,178
Negotiable CDs	A-1+	P-1	4,993,851
U.S. Agency Callable Bonds	AA+	Aaa	4,987,200

As of June 30, 2016, the District's investment ratings and estimated fair values were as follows:

Investment Type	S&P	Moody's	Fair Value
U.S. Agency Non-Callable Bonds	AA+	Aaa	$ 127,474,150
U.S. Agency Non-Callable Bonds	Unrated	Unrated	20,563,300
Negotiable CDs	A-1+	P-1	10,006,676
Commercial Paper	A-1	P-1	7,965,056
U.S. Agency Discount Notes	Unrated	Unrated	6,076,020
U.S. Agency Callable Bonds	AA+	Aaa	5,036,950
Municipal Bonds	Unrated	Aa1	1,060,620

Concentration of Credit Risk

As of June 30, 2017, the following investments individually comprise 5% or more of the District's total investment portfolio (excluding the pension fund):

Issuer	Investment Type	Percentage of Investments
Federal Home Loan Bank	U.S. Agency Bonds	37%
Federal Home Loan Mortgage Corporation	U.S. Agency Bonds	13%
Federal Farm Credit Bank	U.S. Agency Bonds	12%
Federal National Mortgage Association	U.S. Agency Bonds	12%
Federal Agricultural Mortgage Corporation	U.S. Agency Bonds	5%

As of June 30, 2016, the following investments individually comprise 5% or more of the District's total investment portfolio (excluding the pension fund):

Issuer	Investment Type	Percentage of Investments
Federal Home Loan Bank	U.S. Agency Bonds	30%
Federal Farm Credit Bank	U.S. Agency Bonds	14%
Federal Agricultural Mortgage Corporation	U.S. Agency Bonds	9%
Federal National Mortgage Association	U.S. Agency Bonds	9%
Federal Home Loan Mortgage Corporation	U.S. Agency Bonds	7%

Interest Rate Risk

As of June 30, 2017, the District's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
U.S. Agency Non-Callable Bonds	$ 220,717,414	592
U.S. Treasury Notes	44,156,300	857
Negotiable CDs	9,995,760	170
Commercial Paper	4,999,178	4
U.S. Agency Callable Bonds	4,987,200	1,823
Total Fair Value	$ 284,855,852	
Portfolio Weighted Average Maturity		630

As of June 30, 2016, the District's investments were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
U.S. Agency Non-Callable Bonds	$ 148,037,450	550
U.S. Treasury Notes	43,004,900	695
Negotiable CDs	10,006,676	108
Commercial Paper	7,965,056	181
U.S. Agency Discount Notes	6,076,020	50
U.S. Agency Callable Bonds	5,036,950	1,308
Municipal Bonds	1,060,620	714
Total Fair Value	$ 221,187,672	
Portfolio Weighted Average Maturity		549

The District's policy related to interest rate risk is:

a. In order to ensure liquidity and to provide for the District's cash flow needs, 5 percent of the District's investment portfolio must mature within 90 days.
b. The average weighted duration of the District's investment portfolio will not exceed 2.5 years.

Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

- Level 1. Inputs are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2. Inputs are other observable inputs.
- Level 3. Inputs are unobservable.

The fair value measurement level within the hierarchy is based on the lowest level of any input that is deemed significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

At June 30, 2017 and June 30, 2016, the District's Level 1 investments were valued based on quoted market prices provided by recognized broker dealers and its Level 2 investments were valued, by recognized broker dealers, based on a matrix pricing model that maximizes the use of observable inputs for similar securities.

At June 30, 2017 and June 30, 2016, the District had the following investments by fair value level:

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
	June 30, 2017	(Level 1)	(Level 2)	(Level 3)
Investments by Fair Value Level				
U.S. Agency Non-Callable Bonds	$ 220,717,414	$ -	$ 220,717,414	$ -
U.S. Treasury Notes	44,156,300	44,156,300	-	-
Negotiable Certificates of Deposit	9,995,760	-	9,995,760	-
Commercial Paper	4,999,178	-	4,999,178	-
U.S. Agency Callable Bonds	4,987,200	-	4,987,200	-
Total Investments	$ 284,855,852	$ 44,156,300	$ 240,699,552	$ -

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs
	June 30, 2016	(Level 1)	(Level 2)	(Level 3)
Investments by Fair Value Level				
U.S. Agency Non-Callable Bonds	$ 148,037,450	$ -	$ 148,037,450	$ -
U.S. Treasury Notes	43,004,900	43,004,900	-	-
Negotiable Certificates of Deposit	10,006,676	-	10,006,676	-
Commercial Paper	7,965,056	-	7,965,056	-
U.S. Agency Discount Notes	6,076,020	-	6,076,020	-
U.S. Agency Callable Bonds	5,036,950	-	5,036,950	-
Municipal Bonds	1,060,620	-	1,060,620	-
Total Investments	$ 221,187,672	$ 43,004,900	$ 178,182,772	$ -

NOTE 10. RISK MANAGEMENT

The District is exposed to a variety of risks that may result in losses. These risks include possible losses related to torts; theft of, damage, or destruction of assets; extra expense; errors and omissions; job-related illnesses or injuries to employees; product liability claims; and natural disasters. The District manages these risks through a multifaceted approach, which includes transfer, elimination, avoidance, reduction, and/or assumption of risk of loss.

The District purchases insurance from the commercial insurance market on real and personal property, including earthquake and flood, with common policy restrictions covering direct physical loss of, or damage to, buildings, fixtures, equipment, boilers, machinery, and supplies. The blanket limit of liability under the property insurance program is $500.0 million with a deductible of $1.0 million for all locations except earthquake and flood which has a limit of $100.0 million and $50.0 million respectively and a deductible of $0.1 million. This program also provides terrorism insurance for all locations with a blanket limit of $500.0 million for all terrorist acts. The

District self-insures the first $1.0 million for automobile and general liability exposure and purchases excess liability insurance in the amount of $30.0 million. Employee fidelity insurance in the amount of $3.0 million and other miscellaneous coverage are also purchased. For the fiscal year ended June 30, 2017, the District had no significant reductions in insurance coverage from the prior fiscal year.

In contracts, the District obtains indemnification and hold harmless agreements. These agreements require that contractors name the District as an additional insured under the indemnitor's insurance coverage, usually in the amount of $1.0 million to $10.0 million for commercial general and automobile liability insurance. The District provides builders risk insurance for all construction projects with a blanket limit of $500.0 million per contract, with a $50,000 deductible per occurrence, except earthquake and flood where the deductible is $0.5 million per occurrence. This coverage is included under the property insurance policy.

GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues,* requires that for retained risks, a liability for claims be reported if information available prior to issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. As of June 30, 2017, the District has no significant retained risks and therefore has no accrued liability for retained risks. In addition, there are also situations in which incidents occur before the balance sheet date, but claims are not reported or asserted when the financial statements are prepared. These incurred but not reported claims have been estimated based upon the District's past experience and adjusted for current trends. A summary is provided in the table below.

During fiscal years 2017 and 2016, changes in the balance of claims for retained risks were as follows (rounded to the nearest thousand):

Fiscal Year	Beginning of fiscal year liability	Current Year Claims and changes in estimates	Claim Payments	Balance at fiscal year end
2017	$ 1,933,000	$ 1,255,000	$ (1,116,000)	$ 2,072,000
2016	1,929,000	1,013,000	(1,009,000)	1,933,000

NOTE 11. CAPITAL CONTRIBUTIONS

For the fiscal years ended June 30, 2017 and 2016, capital contributions, excluding unearned revenue, are as follows:

	2017	2016
Mains and Services	$ 18,859,281	$ 16,457,675
Facilities Connection Charges, net of refunds	12,241,154	13,239,500
Oversizing Charges, net of refunds	2,027,545	2,276,640
Springs Preserve	3,153,691	3,136,317
Frontage Connection Charges	668,985	638,155
Fees and Other Contributions	89,668	99,159
Total	$ 37,040,324	$ 35,847,446

Probable future refunds have been estimated and recorded as a component of unearned revenue. (See Note 6, Unearned Revenue).

NOTE 12. RELATED PARTY TRANSACTIONS

Southern Nevada Water Authority (SNWA)

In 1991, the District joined with other local governmental entities to form the SNWA (see Note 7), defined by Nevada law as a political subdivision of the State of Nevada. By GASB definition, the SNWA is a joint venture. The District is confident that the amounts related to debt secured by SNWA pledged revenue (Notes 3 and 4) are collectible.

Besides being a member of the SNWA, the District is its operating agent. Beginning in fiscal year 2009, the SNWA advanced funds to the District for expenditures to be made on its behalf. The District credits the SNWA interest on the monthly average advance balance at the District's current investment earnings rate. The advance balance at June 30, 2017 and at June 30, 2016, was $4.9 million and $6.0 million respectively.

The District has allocated to and recorded $68.7 million at June 30, 2017 and $75.4 million at June 30, 2016 as a noncurrent receivable from the SNWA for net pension liability (Note 15) for District employees devoted to SNWA operations. The District has allocated to and recorded $6.3 million at June 30, 2017 and $5.2 million at June 30, 2016 as a noncurrent receivable from the SNWA for postemployment benefits other than pensions (Note 14) for District employees devoted to SNWA operations. The District is confident that the amounts are collectible.

Springs Preserve

In 1998, the District entered into a partnership with the Las Vegas Springs Preserve Foundation, a tax-exempt charitable organization founded to provide funding for the Springs Preserve. The Springs Preserve is a cultural and historic attraction located on District property. The 180-acre national historic site is widely known as the "birthplace" of Las Vegas. The presence of an abundant water supply at the site was the original catalyst for the growth, development, and the resulting economic prosperity of the Las Vegas Valley. The Springs Preserve opened in June 2007.

Besides investing its own funds toward the Springs Preserve, the District has expended funds that have been or will be reimbursed by the State and by others through grants and gifts. The unreimbursed portion at June 30, 2017 was $0.3 million, and at June 30, 2016 was $2.2 million.

Big Bend Water District

On September 2, 2008, the District became the operating agent for the Big Bend Water District (BBWD), located in Laughlin, Nevada, 95 miles south of Las Vegas. The BBWD is a general improvement district and a political subdivision of the State of Nevada. It is also a member agency of the SNWA. The BBWD is governed by a seven-member Board of Trustees whose members also serve as the Board of Clark County Commissioners.

The District has allocated to and recorded $1.4 million at June 30, 2017 and $1.5 million at June 30, 2016 as a noncurrent receivable from the BBWD for net pension liability (Note 15) for District employees devoted to BBWD operations. The District has allocated to and recorded $74 thousand at June 30, 2017 and $52 thousand at June 30, 2016 as a noncurrent receivable from the BBWD for postemployment benefits other than pensions (Note 14) for District employees devoted to BBWD operations. The District is confident that the amounts are collectible.

NOTE 13. COMMITMENTS AND CONTINGENCIES

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of management and the District's general counsel that the resolution of these matters will not have a material adverse effect on the future financial condition, results of operations or cash flows of the District.

At June 30, 2017 and 2016, commitments for unperformed work on outstanding contracts totaled $16.3 million and $10.8 million, respectively.

Forward Energy Contracts

The District and the SNWA actively manage a portfolio of energy resources. The agencies adhere to a strict set of energy risk management procedures established by a Risk Management Committee that serves to fulfill the Energy Risk Management Policy adopted by the District's Board.

To provide energy at a known and budgeted cost, the District has entered into forward energy contracts with the SNWA. Because Las Vegas is at a higher elevation than its principal major water supply, reliable electrical service is essential to the District's ability to deliver water. To better manage energy reliability and costs, the District manages a significant portion of its energy supply, rather than purchasing energy from the local regulated investor-owned utilities under tariff rates approved by the Nevada Public Utilities Commission.

The portfolio exists solely for the purpose of providing the District's projected energy requirements through December 2021, at a known and budgetable cost, while incorporating renewable energy where appropriate.

Under current accounting standards, these forward energy contracts, for which the District neither paid nor was paid anything at inception, are accounted for as "normal purchases and normal sales" contracts and not as investments. The primary risks associated with these forward energy contracts are counter-party credit and termination risks. Currently, there is no intent to terminate these contracts with offsetting contracts. As of June 30, 2017, the District had commitments totaling $15.9 million related to its forward energy contracts. As of June 30, 2016, the District had commitments totaling $15.3 million related to its forward energy contracts.

Arbitrage Rebate Requirement

The federal Tax Reform Act of 1986 imposes a rebate requirement with respect to some bonds issued by the District. Under this Act, an amount may be required to be rebated to the United States Treasury (called "arbitrage") for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. The arbitrage rebate calculation as of the most recent such date indicates that no amount is due. Future calculations might result in adjustments to this determination.

Operating Lease

The District entered into a sublease agreement with the SNWA for office space and parking for a term of no longer than 20 years, commencing September 1, 2007. The lease agreement includes the right to sublease and a purchase option. In December 2007, the SNWA purchased part of the premises, including part of the premises subleased to the District. Under the terms of the sublease agreement, the sublease will continue as a lease on any space purchased by the SNWA as long as the space is not needed by the SNWA. The sublease agreement may be terminated by the SNWA if breached by the District. Cancellation of the sublease at any time by the District is not prohibited.

The sublease agreement provides for the District to sublease about 35,000 square feet of office space with an option to sublease up to an additional 16,000 square feet. During fiscal years 2017 and 2016, the District occupied about 35,000 square feet of the office space for a total cost of $1.6 million in fiscal years 2017 and 2016.

The sublease agreement contains provisions for contingent rentals (rentals in which amounts are dependent upon some factor other than the passage of time). The District is responsible for paying, and does pay $11 thousand monthly, for the amortized value of tenant improvements during the time that the improved space is occupied by the District. Should the SNWA assign designated parking spaces to the District, the District will pay to the SNWA an additional $75 per space per month for each such parking space designated. The District had no contingent rental expenditures in fiscal years 2017 and 2016.

The District must comply with all applicable and appropriate provisions of the lease and will take no action or fail to act in such a way that would cause the SNWA to be in breach of any provision, rule or regulation of the lease agreement. Further, the District shall not enter into any assignments or subleases of the premises without the written consent of the SNWA.

Following is a schedule by fiscal year of estimated future minimum rental payments under the sublease:

2018	$ 1,564,869
2019	1,564,869
2020	1,564,869
2021	1,564,869
2022	1,564,869
Later years	8,085,157
Total	$ 15,909,502

NOTE 14. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

From the accrual accounting perspective, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the costs occur rather than in future years when it will be paid. Following the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB Statement No. 45), the District recognizes the cost of postemployment healthcare in the year when the employee services are received by reporting the accumulated liability from the prior years and providing useful information in assessing potential demands on the District's future cash flows.

Plan Description

The District contributes to a single-employer defined benefit "other postemployment benefit plan" (OPEB plan) as explained below. Benefit provisions are established and may be amended by the District's Board subject to collective bargaining agreements. Unlike the pension plan (Note 15), the OPEB plan is administered by the District and not by a trust or equivalent arrangement. The OPEB plan does not issue a stand-alone financial report.

Under the OPEB plan, the District pays 100% of life insurance and group health insurance premiums for eligible retirees and 85% for their dependents until the retirees become eligible for Medicare. The District's insurance provider (Clark County) charges the District the same premiums for retirees who are not yet eligible for Medicare as for active employees. Therefore, the retiree premium rates are subsidized by the inclusion of current employees in setting rates.

Funding Policy

Subject to collective bargaining agreements, the contribution requirements of plan members and the District are established and may be amended by the District's Board. There are no legal or contractual maximum contribution rates. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2017, actuarial projected age-adjusted premiums totaled $2.1 million. Retirees receiving benefits contributed $0.1 million, approximately 4%, resulting in District contributions of $2.0 million. For fiscal year 2016, actuarial projected age-adjusted premiums totaled $1.8 million. Retirees receiving benefits contributed $0.1 million, approximately 4%, resulting in District contributions of $1.7 million.

The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), 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 the normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed twenty years for the fiscal year ended June 30, 2017 and over a period not to exceed thirty years for the fiscal year ended June 30, 2016. For the fiscal years ended June 30, 2017 and June 30, 2016, the following table shows the components of the District's annual OPEB cost (expense) for the year, the amount contributed to the plan and changes in the District's net OPEB obligation.

	As of June 30, 2017	As of June 30, 2016
Annual Required Contribution (ARC)	$ 5,431,809	$ 3,176,606
Interest on prior year net OPEB obligation	655,240	605,785
Adjustment to annual required contribution	(1,158,987)	(842,131)
Annual OPEB cost	4,928,062	2,940,260
Contributions made	(2,005,883)	(1,703,882)
Increase in net OPEB obligation	2,922,179	1,236,378
Net OPEB obligation, beginning of the year	16,381,009	15,144,631
Net OPEB obligation, end of the year	$ 19,303,188	$ 16,381,009

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three most recent fiscal years are shown below.

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	$ 4,928,062	40.7%	$ 19,303,188
2016	2,940,260	58.0%	16,381,009
2015	3,028,280	53.2%	15,144,631

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $41.3 million and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $41.3 million. The covered payroll (annual payroll of active employees covered by the plan) was $118.1 million and the ratio of the UAAL to the covered payroll was 34.9%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare costs. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information (RSI) immediately following the notes to the financial statements, will present in subsequent years, as additional valuations are obtained, multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The reference to the schedule of funding progress presented as RSI does not represent or imply incorporation of the schedule into the notes to the basic financial statements.

Actuarial Methods and Assumptions

	July 1, 2016 Actuarial Valuation	July 1, 2014 Actuarial Valuation
Actuarial Cost Method	Entry age normal	Projected unit credit
Amortization Method	20-year amortization of unfunded liability (closed period) as a level percent of pay	30-year amortization of unfunded liability (closed period) as a level percent of pay
Discount Rate	4.00%	4.00%
Inflation Rate	2.75%	2.50%
Mortality	RP-2000 combined healthy / disabled mortality table projected to 2015 using projection scale AA	1994 group annuity mortality basic table projected to 2004
Healthcare Inflation Rate	Initial rate of 6.75% grading down over 57 years to an ultimate rate of 4.25%	Initial rate of 7.00% grading down over 56 years to an ultimate rate of 4.50%

Changes in Actuarial Accrued Liability

Actuarial Accrued Liability as of July 1, 2014	$	28,365,781
Normal Cost (2 years from July 1, 2014 to July 1, 2016)		3,292,305
2-Year Decrease in Discount Period		2,311,202
Retiree Benefits Paid		(3,488,068)
Premium increases less than expected		(1,874,351)
Changes of Assumptions		6,611,539
Differences between actual and expected experience with regard to economic or demographic factors		6,040,219
Total Changes		12,892,846
Actuarial Accrued Liability as of July 1, 2016	$	41,258,627

Insured Benefit

GASB Statement No. 45 defines an insured benefit as an OPEB financing arrangement whereby an employer pays premiums to an insurance company, *while employees are in active service,* in return for which the insurance company unconditionally undertakes an obligation to pay the postemployment benefits of those employees or their beneficiaries, as defined in the employer's plan. Insured benefits are excluded from the calculation of annual OPEB cost and the net OPEB obligation.

The District provides long-term disability benefits for totally or partially disabled employees earning less than 20% of their indexed total monthly earnings by paying premiums to an insurer while the employees are in active service for covered events that occur during the premium period. Generally, benefits are paid only to totally disabled-separated employees.

Subject to collective bargaining agreements, benefit provisions are established and may be amended by the District's Board. The obligation to pay the benefits has been effectively transferred from the District to an insurance company. The District has not guaranteed benefits in the event of the insurance company's insolvency. For fiscal years 2017 and 2016, the District paid premiums of $0.4 million and $0.5 million, respectively.

NOTE 15. DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the Las Vegas Valley Water District Pension Plan (Plan), a single-employer defined benefit pension trust fund established by the District to provide pension benefits solely for the employees of the District. A Board of Trustees, comprised of the District's Board, has the authority to establish and amend the benefit provisions of the Plan and the contribution requirements of the District and its employees. Employee contributions are not required or permitted, except under certain conditions in which employees may purchase additional years of service for eligibility and increased benefits. During fiscal years 2017 and 2016, employee contributions for this purpose were $0.1 million and $0.2 million, respectively.

The Plan was amended effective February 15, 2005, to provide the following: (1) increase the annual service credit of 2% to 2.17% for years of service after July 1, 2001 (service credit is the accumulation of pension plan years an employee was in paid status at the District); (2) change the benefit formula to increase the calculation of highest average pay by 50% of the employer contribution rate charged by Nevada PERS to employers who pay the full contribution rate, as prescribed in the Nevada Revised Statutes; and (3) add shift differential and standby pay to the total compensation counted toward the pension benefit.

Other than cost of living adjustments, the Plan does not provide *ad hoc* postretirement benefit increases nor does it administer postemployment healthcare plans. The Plan does not issue a stand-alone financial report.

All District employees are eligible to participate in the Plan after attaining age 20 and completing six months of employment. Subject to a maximum pension benefit, normally 60% of average monthly compensation, District employees who retire at age 65 are entitled to an annual retirement benefit, payable monthly for life, of an amount equal to 2% of their average monthly compensation multiplied for the years of service prior to July 1, 2001, and 2.17% of their average monthly compensation multiplied for the years of service after July 1, 2001. For the purposes of calculating the pension benefit, average monthly compensation means the average of a member's 36 consecutive months of highest compensation, after excluding certain elements, increased by 50% of the employer contribution rate charged by Nevada PERS to employers who pay the full contribution rate that is in effect for the 36 consecutive months of highest compensation, while participating in the Plan.

For participants in the plan prior to January 1, 2001, benefits start to vest after three years of service with a 20% vested interest. The benefit increases to 40% after four years of service and 100% after five years of service. New participants after January 1, 2001 start to vest at 5 years of service, at which time they are vested 100%. The Plan also provides for early retirement and pre-retirement death benefits. The Plan is not subject to the Employee Retirement Income Security Act (ERISA) of 1974, but is operated consistent with ERISA fiduciary requirements.

For employees on or after January 1, 2001, benefits are increased after retirement by cost of living adjustments that become effective on the first month following the anniversary of benefit commencement according to the following schedule:

0.0%	following the 1st, 2nd and 3rd anniversaries
2.0%	following the 4th, 5th and 6th anniversaries
3.0%	following the 7th, 8th and 9th anniversaries
3.5%	following the 10th, 11th and 12th anniversaries
4.0%	following the 13th and 14th anniversaries
5.0%	following each anniversary thereafter

However, if the benefit amount at the time of an increase is at least or equal to the original benefit amount multiplied by cumulative inflation since retirement, as measured by the increase in the Consumer Price Index (All Items), then the increase cannot exceed the average rate of inflation for the three proceeding years.

The District contributes amounts actuarially determined necessary to fund the Plan to pay benefits when due, and to provide an allowance sufficient to finance the administrative costs of the Plan. Contributions cannot revert to or be revoked by the District or be used for any purpose other than the exclusive benefit of the participants.

At June 30, 2017 and 2016, participants in the plan consist of the following:

		2017		2016	
Participant Count					
Retirees in pay status with unpurchased			308		313
Terminated employees not yet receiving			388		393
Retirees paid monthly from plan			264		203
Active employees	- fully vested	1,009		1,036	
	- nonvested	110		80	
Total Active Employees			1,119		1,116
Total Participants			2,079		2,025

Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting. Employer contributions are recognized when due. Participants do not make contributions except voluntarily under certain conditions to purchase additional years of service. Participant contributions are non-refundable.

Allocated Insurance Contracts

Through December 31, 2013, benefit obligations were recognized and paid when due by purchasing annuity contracts from a life insurance company with a financial strength rating of A++ by A.M. Best rating company. Beginning January 1, 2014, benefit obligations are paid by the Plan through a large multi-national bank. Cost of living adjustments for benefit obligations that were initially paid by purchasing annuity contracts from a life insurance company continue to be paid by purchasing additional annuity contracts from a life insurance company. The costs to purchase annuity contracts from a life insurance company for cost of living adjustments were \$3.5 million and \$3.1 million for the years ended June 30, 2017 and June 30, 2016, respectively. The obligation for the payment of benefits covered by these annuity contracts have been transferred to a life insurance company and are excluded from the Plan assets.

Method Used to Value Investments

The domestic equity, international equity, domestic bond, global real estate investment trust (REIT) and money market accounts are stated at fair value, measured by the underlying market value as reported by the managing institutions. Investments at contract value are insurance contracts and pooled accounts, stated at contract value as determined by the insurance companies in accordance with the terms of the contracts.

Actuarially Determined Contribution

The District's policy is to pay the current year's actuarially determined contribution when due. This amount was $31.1 million and $29.4 million for the years ended June 30, 2017 and June 30, 2016, respectively.

Net Pension Liability

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based upon the discount rate and actuarial assumptions listed below. The total pension liability was then projected forward to the measurement date taking into account any significant changes between the valuation date and the fiscal year end. The liabilities are calculated using a discount rate that is a blend of the expected investment rate of return and a high quality bond index rate. The expected investment rate of return applies for as long as the Plan assets (including future contributions) are projected to be sufficient to make the projected benefit payments. If Plan assets are projected to be depleted at some point in the future, the rate of return of a high quality bond index is used for the period after the depletion date. The disclosures below exclude assets and liabilities held with a life insurance company, which provides benefits for retirees or their beneficiaries whose benefits were purchased with annuity contracts from the life insurance company.

The components of net pension liability are:

	As of June 30, 2017	As of June 30, 2016
Total Pension Liability	$ 583,905,760	$ 534,426,915
Fiduciary Net Position	396,658,965	330,934,926
Net Pension Liability	$ 187,246,795	$ 203,491,989
Fiduciary Net Position as a % of Total Pension Liability	67.93%	61.92%
Covered Payroll	$ 118,090,682	$ 110,683,142
Net Pension Liability as a % of Covered Payroll	158.56%	183.85%
Valuation Date	June 30, 2016	June 30, 2015
Measurement Date	June 30, 2017	June 30, 2016
GASB No. 67 Reporting Date	June 30, 2017	June 30, 2016
Depletion Date	None	None
Discount Rate	7.25%	7.25%
Expected Rate of Return, Net of Investment Expenses	7.25%	7.25%
Municipal Bond Rate	N/A	N/A

If the assets and liabilities for retirees or their beneficiaries whose benefits were purchased with annuity contracts from a life insurance company were included with the Plan assets:

	As of June 30, 2017	As of June 30, 2016
Fiduciary Net Position as a % of Total Pension Liability	75.26%	71.17%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) and 1 percentage point higher (8.25%) than the current rate.

	As of June 30, 2017		
	1% Decrease In Discount Rate	Discount Rate	1% Increase In Discount Rate
Sensitivity Analysis	6.25%	7.25%	8.25%
Total Pension Liability	$ 675,530,365	$ 583,905,760	$ 507,966,770
Fiduciary Net Position	396,658,965	396,658,965	396,658,965
Net Pension Liability	$ 278,871,400	$ 187,246,795	$ 111,307,805

Actuarial Assumptions

Actuarial cost method	Entry age.
Amortization method	20-year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2016. In prior years, 30-year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2009.
Remaining amortization period	19 years for the initial unfunded liability base established July 1, 2016. Bases established between July 1, 2009 and July 1, 2015 have remaining amortization periods ranging from 22 to 28 years.
Inflation	2.75% per year.
Salary increases	4.75% per year, including inflation.
Investment rate of return	7.25%, net of pension plan investment expenses, including inflation.
Retirement age	Normal retirement age is attainment of age 65. Unreduced early retirement is available after either 1) 30 years of service, or 2) age 60 with 10 years of service. Reduced early retirement benefits are available after attainment of age 55 and completion of 5 years of service (3 years of service if a participant prior to January 1, 2001).
Mortality	Future mortality follows the RP-2000 Combined Healthy/Disabled mortality table projected to 2015 using Scale AA.

Changes in Net Pension Liability

	Total Pension Liability	Fiscal Year Ending June 30, 2017 Increase/Decrease Plan Fiduciary Net Position	Net Pension Liability
Balance as of June 30, 2016	$ 534,426,915	$ 330,934,926	$ 203,491,989
Service Cost	17,724,599	-	17,724,599
Interest on the Total Pension Liability	39,958,275	-	39,958,275
Changes in Benefit Terms	-	-	-
Differences between Actual and Expected Experience with regard to Economic or Demographic Factors	(1,814,066)	-	(1,814,066)
Changes of Assumptions	7,879,481	-	7,879,481
Contributions from Employer	-	31,069,130	(31,069,130)
Purchase of Service Payments	118,901	118,901	-
Net Investment Income	-	49,268,410	(49,268,410)
Benefit Payments	(14,388,345)	(14,388,345)	-
Administration Expense	-	(344,057)	344,057
Total Changes	49,478,845	65,724,039	(16,245,194)
Balance as of June 30, 2017	$ 583,905,760	$ 396,658,965	$ 187,246,795

Changes in Actuarial Assumptions

For the fiscal year ending June 30, 2017, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Combined Healthy/Disabled mortality table projected to 2015 using Scale AA for purposes of developing mortality rates and from changing the amortization method to 20-year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2016.

Pension Expense

Total employer pension expense was $34.8 million for the fiscal year ended June 30, 2017 and $37.1 million for the fiscal year ended June 30, 2016.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the District reported the following deferred inflows of resources and deferred outflows of resources related to pensions:

	As of June 30, 2017 Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between Expected and Actual Experience	$ (3,901,061)	$ 8,293,205
Changes of Assumptions	-	6,720,734
Net Difference between Projected and Actual Earnings	(4,574,822)	-
Contributions Made Subsequent to Measure Date	-	-
Total	$ (8,475,883)	$ 15,013,939

Amounts currently reported as deferred inflows of resources and deferred outflows of resources related to pensions will be recognized as follows:

Fiscal Year Ending June 30	Recognized Deferred Inflows/Outflows
2018	$ 2,517,537
2019	2,517,536
2020	1,108,502
2021	(2,705,493)
2022	2,386,397
Thereafter	713,577

Investment Rate of Return

Asset Class	Expected Nominal Return	Target Asset Allocation
Large Cap U.S. Equities	7.51%	38.00%
Small/Mid Cap U.S. Equities	8.60%	16.00%
International Equities	8.74%	15.00%
Core Fixed Income	5.21%	22.00%
High Yield Bonds	7.76%	6.00%
REITs	8.60%	3.00%
Expected Average Return (1 year)		7.41%
Expected Geometric Average Return (75 years)		6.68%

The expected geometric average return over 75 years is less than the expected 1 year return due to expected deviations each year from the average which, due to the compounding effect, lower long term returns.

Pension Investments

Management believes the District's pension investment policy conforms to the District's enabling act which requires the District to follow the "prudent person" rule, *i.e.*, invest with discretion, care and intelligence. The investment policy does not specify credit quality ratings or maturities except that investments must be those that are allowed by law and those that the investment managers are trained and competent to handle.

To diversify investment risk, the District's investment policy currently limits pension plan investments as follows:

Investment Type	Percent of Portfolio	
Cash and Cash Equivalents	2%	+/- 2%
Fixed Income Securities	27%	+/- 10%
Equity Securities	68%	+/- 10%
Global REIT	3%	+/- 3%

At June 30, 2017, the Pension Trust Fund had the following investments (includes contract investments at contract value; carrying value excludes accrued interest):

Investment Type	Carrying Value	Percent of Total
Cash and Cash Equivalents	$ 2,071,149	0.5%
Equity Securities	284,497,598	71.7%
Fixed Income Securities	98,712,423	24.9%
Global REIT	11,335,519	2.9%
Total	$ 396,616,689	100.0%

Investment	Maturities		Carrying Value
Money Market Fund	Weighted Average	27 days	$ 2,071,149
U.S. Equity Securities[1]	N/A		225,207,284
International Equity Securities	N/A		59,290,314
U.S. Fixed Income Securities	Weighted Average	8.3 years	72,082,749
High-Yield Fixed Income Securities	Weighted Average	3.7 years	24,125,871
Global REIT	N/A		11,335,519
Insurance Contracts	Open		2,503,803
Total			$ 396,616,689

[1] This investment category includes approximately 69.1% large cap and 30.9% small and mid-cap domestic equity investments.

At June 30, 2016, the Pension Trust Fund had the following investments (includes contract investments at contract value; carrying value excludes accrued interest):

Investment Type	Carrying Value	Percent of Total
Cash and Cash Equivalents	$ 1,157,413	0.3%
Equity Securities	224,951,718	68.0%
Fixed Income Securities	93,518,280	28.3%
Global REIT	11,215,646	3.4%
Total	$ 330,843,057	100.0%

Investment	Maturities		Carrying Value
Money Market Fund	Weighted Average	34 days	$ 1,157,413
U.S. Equity Securities[1]	N/A		179,995,447
International Equity Securities	N/A		44,956,271
U.S. Fixed Income Securities	Weighted Average	7.7 years	68,377,738
High-Yield Fixed Income Securities	Weighted Average	4.6 years	20,493,086
Global REIT	N/A		11,215,646
Insurance Contracts	Open		4,647,456
Total			$ 330,843,057

[1] This investment category includes approximately 71.3% large cap and 28.7% small and mid-cap domestic equity investments.

Credit Exposure As a Percentage of Total Fixed-Income Investments

	2017	2016
Domestic Bond Fund	73.0%	73.1%
High-Yield Bond Fund	24.5%	21.9%
Insurance Contracts	2.5%	5.0%

Credit Quality of Fixed Income Investments

The pension fund fixed-income investments are in insurance company contracts, a domestic bond fund and a high-yield bond fund. The insurance company contracts are not rated by credit rating agencies. The managing institution of the domestic bond fund reports an average quality rating of AA1/AA2 at June 30, 2017 and at June 30, 2016 for the underlying securities. The managing institution of the high-yield bond fund reports an average quality rating of B2 at June 30, 2017 and B1 at June 30, 2016 for the underlying securities.

Credit Quality of Money Market Funds

The Plan's money market account fund was not rated by either Standard & Poors or Moody's at June 30, 2017 or June 30, 2016.

Concentration of Credit Risk – Excluding Money Market and Mutual Funds

The pension investment policy does not restrict the amount that may be invested with any one issuer as long as the prudent person rule is followed. Excluding the money market, equity, bond and REIT funds, no investment comprised more than 5% of the pension trust investments at June 30, 2017 and at June 30, 2016.

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.92%. For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.20%. The money- weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fair Value Measurement

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan had the following recurring fair value measurements as of June 30, 2017 and 2016:

		Fair Value Measurements Using		
	June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Money Market Fund	$ 2,071,149	$ 2,071,149	$ -	$ -
U.S. Equities Securities Funds	225,207,284	225,207,284	-	-
International Equities Securities Fund	59,290,314	59,290,314	-	-
U.S. Fixed Income Securities Fund	72,082,749	72,082,749	-	-
High-Yield Fixed Income Securities Fund	24,125,871	24,125,871	-	-
Global REIT Fund	11,335,519	11,335,519	-	-
Insurance Contracts	2,503,803	-	2,503,803	-
Totals	$ 396,616,689	$ 394,112,886	$ 2,503,803	$ -

		Fair Value Measurements Using		
	June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Money Market Fund	$ 1,157,413	$ 1,157,413	$ -	$ -
U.S. Equities Securities Funds	179,995,447	179,995,447	-	-
International Equities Securities Fund	44,956,271	44,956,271	-	-
U.S. Fixed Income Securities Fund	68,377,738	68,377,738	-	-
High-Yield Fixed Income Securities Fund	20,493,086	20,493,086	-	-
Global REIT Fund	11,215,646	11,215,646	-	-
Insurance Contracts	4,647,456	-	4,647,456	-
Totals	$ 330,843,057	$ 326,195,601	$ 4,647,456	$ -

NOTE 16. SUBSEQUENT EVENTS

Management has evaluated subsequent events between July 1, 2017 and the date the basic financial statements were available to be issued and did not identify events that require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

LAS VEGAS VALLEY WATER DISTRICT ™

LAS VEGAS VALLEY WATER DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
LAST TEN FISCAL YEARS
(Unaudited)

Schedule B-1

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Pension Liability - Beginning of Year	$ 534,426,915	$ 480,743,435	$ 441,508,189	$ 401,160,155	n/a	n/a	n/a	n/a	n/a	n/a
Service Cost	17,724,599	16,970,046	17,189,921	18,670,779	n/a	n/a	n/a	n/a	n/a	n/a
Purchase of Service Payments	118,901	217,031	1,595,551	599,685	n/a	n/a	n/a	n/a	n/a	n/a
Interest on the Total Pension Liability	39,958,275	36,511,919	32,672,891	30,115,838	n/a	n/a	n/a	n/a	n/a	n/a
Changes of Benefit Terms	-	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a
Differences between Actual and Expected Experience with regard to Economic or Demographic Factors	(1,814,066)	11,610,487	(3,995,933)	-	n/a	n/a	n/a	n/a	n/a	n/a
Changes of Assumptions	7,879,481	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a
Benefit Payments	(14,388,345)	(11,626,003)	(8,227,184)	(9,038,268)	n/a	n/a	n/a	n/a	n/a	n/a
Total Changes	49,478,845	53,683,480	39,235,246	40,348,034	n/a	n/a	n/a	n/a	n/a	n/a
Total Pension Liability - End of Year	$ 583,905,760	$ 534,426,915	$ 480,743,435	$ 441,508,189	n/a	n/a	n/a	n/a	n/a	n/a
Fiduciary Net Position - Beginning of Year	$ 330,934,926	$ 309,316,943	$ 273,876,159	$ 213,998,078	n/a	n/a	n/a	n/a	n/a	n/a
Contributions from Employer	31,069,130	29,414,230	28,853,341	30,700,443	n/a	n/a	n/a	n/a	n/a	n/a
Purchase of Service Payments	118,901	217,031	1,595,551	599,685	n/a	n/a	n/a	n/a	n/a	n/a
Net Investment Income	49,268,410	3,983,572	13,589,116	37,893,540	n/a	n/a	n/a	n/a	n/a	n/a
Benefit Payments	(14,388,345)	(11,626,003)	(8,227,184)	(9,038,268)	n/a	n/a	n/a	n/a	n/a	n/a
Administrative Expenses	(344,057)	(370,847)	(370,040)	(277,319)	n/a	n/a	n/a	n/a	n/a	n/a
Total Changes	65,724,039	21,617,983	35,440,784	59,878,081	n/a	n/a	n/a	n/a	n/a	n/a
Fiduciary Net Position - End of Year	$ 396,658,965	$ 330,934,926	$ 309,316,943	$ 273,876,159	n/a	n/a	n/a	n/a	n/a	n/a
Net Pension Liability	$ 187,246,795	$ 203,491,989	$ 171,426,492	$ 167,632,030	n/a	n/a	n/a	n/a	n/a	n/a
Fiduciary Net Position as a % of Total Pension Liability	67.93%	61.92%	64.34%	62.03%	n/a	n/a	n/a	n/a	n/a	n/a
Covered Employee Payroll	$ 118,090,682	$ 110,683,142	$ 112,917,601	$ 121,696,965	n/a	n/a	n/a	n/a	n/a	n/a
Net Pension Liability as a % of Covered Employee Payroll	158.56%	183.85%	151.82%	137.75%	n/a	n/a	n/a	n/a	n/a	n/a

Notes to Schedule

Changes of Assumptions. In 2017, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Combined Healthy/Disabled mortality table projected to 2015 using Projection Scale AA for purposes of developing mortality rates and from changing the amortization method to 20-year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2016.

The required supplementary information is presented for fiscal years 2014 through 2017, for which information measured in conformity with the requirements of GASB No. 67 is available.
This schedule will ultimately present information for the last 10 fiscal years.

Schedule B-2

LAS VEGAS VALLEY WATER DISTRICT
SCHEDULE OF DEFINED BENEFIT PLAN CONTRIBUTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Plan Year Ending June 30	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2017	$ 31,069,130	$ 31,069,130	$ -	$ 118,090,682	26.31%
2016	29,414,230	29,414,230	-	110,683,142	26.58%
2015	28,853,341	28,853,341	-	112,917,601	25.55%
2014	30,700,443	30,700,443	-	121,696,965	25.23%
2013	29,058,894	29,058,894	-	119,067,304	24.41%
2012	26,721,710	26,721,710	-	117,220,320	22.80%
2011	26,606,950	26,606,950	-	119,663,339	22.23%
2010	25,753,794	25,753,794	-	122,006,497	21.11%
2009	27,262,106	27,262,106	-	111,054,552	24.55%
2008	23,587,076	23,587,076	-	97,880,824	24.10%

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated as of July 1 of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rate as of the last actuarial valuation:

Actuarial cost method	Entry age.
Amortization method	In the 2017 actuarial valuation, 20-year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2016. In prior years, 30-year amortization of unfunded liability (closed period) as a level percent of pay, using layered bases starting July 1, 2009.
Remaining amortization period	19 years for the initial unfunded liability base established July 1, 2016. Bases established between July 1, 2009 and July 1, 2015 have remaining amortization periods ranging from 22 to 28 years.
Asset valuation method	5 year phase-in of gains/losses relative to interest rate assumptions.
Inflation	2.75% per year
Salary increases	4.75% per year, including inflation.
Investment rate of return	7.25%, net of pension plan investment expenses, including inflation.
Retirement age	Normal retirement age is attainment of age 65. Unreduced early retirement is available after either 1) 30 years of service, or 2) age 60 with 10 years of service. Reduced early retirement benefits are available after attainment of age 55 and completion of 5 years service (3 years of service if a participant prior to January 1, 2001).
Mortality	In the 2017 actuarial valuation, future mortality follows the RP-2000 Combined Healthy/Disabled mortality table projected to 2015 using Scale AA. In prior years, future mortality follows the 1994 Group Annuity Mortality Basic table projected to 2004 using Scale AA.

LAS VEGAS VALLEY WATER DISTRICT
SCHEDULE OF DEFINED BENEFIT PLAN INVESTMENT RETURNS
LAST TEN FISCAL YEARS
(Unaudited)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actual money-weighted rate of return, net of investment expense	13.92%	1.20%	4.54%	15.99%	9.15%	n/a	n/a	n/a	n/a	n/a

GASB No. 67 requires the disclosure of the money-weighted rate of return on Plan investments. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportionate amount of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. The money-weighted rate of return is calculated net of investment expense.

The required supplementary information is presented for fiscal years 2013 through 2017, for which information measured in conformity with the requirements of GASB No. 67 is available. This schedule will ultimately present information for the last 10 fiscal years.

LAS VEGAS VALLEY WATER DISTRICT
SCHEDULE OF FUNDING PROGRESS
POSTEMPLOYMENT BENEFIT PLAN OTHER THAN PENSION
PROPRIETARY ENTERPRISE FUND
(Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/16	$0	$41,258,627	$41,258,627	0.0%	$118,090,682	34.9%
7/1/14	0	28,365,781	28,365,781	0.0%	112,917,601	25.1%
7/1/12	0	23,489,420	23,489,420	0.0%	119,067,304	19.7%
7/1/10	0	23,455,123	23,455,123	0.0%	119,663,339	19.6%
7/1/08	0	16,116,100	16,116,100	0.0%	111,054,552	14.5%
7/1/06	0	15,776,208	15,776,208	0.0%	86,960,597	18.1%

The actuarially determined AAL and UAAL involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The estimates are subject to continual revision.

The July 1, 2006 actuarial valuation is the first valuation of the postemployment benefit plan.

OTHER SUPPLEMENTARY INFORMATION

LAS VEGAS VALLEY WATER DISTRICT ™

Schedule C-1

LAS VEGAS VALLEY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY (ENTERPRISE) FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2017 AND 2016
ACTUAL AND BUDGET

	FY 2017 Twelve Months Actual	FY 2017 Annual Budget	FY 2016 Twelve Months Actual	FY 2016 Annual Budget
OPERATING REVENUES				
Water Sales	$ 349,945,542	$ 339,971,916	$ 334,838,222	$ 343,507,070
Inspection/application fees	2,097,655	3,648,690	2,443,875	2,800,000
Springs Preserve	2,784,944	2,467,496	2,643,382	2,300,000
Other	60,374	-	60,910	-
Total operating revenues	354,888,515	346,088,102	339,986,389	348,607,070
OPERATING EXPENSES				
Purchased Water	90,345,870	87,458,203	87,093,101	87,501,579
Purchased Energy	9,019,972	11,777,000	9,761,793	12,142,500
Operation & Maintenance	151,366,913	161,588,971	146,457,928	166,181,861
Total operating expenses	250,732,755	260,824,174	243,312,822	265,825,940
OPERATING INCOME BEFORE DEPRECIATION EXPENSE	104,155,760	85,263,928	96,673,567	82,781,130
Depreciation expense	(83,928,107)	(85,000,000)	(81,861,319)	(90,000,000)
OPERATING INCOME (LOSS)	20,227,653	263,928	14,812,248	(7,218,870)
NON-OPERATING REVENUES (EXPENSES)				
Interest Expense	(27,777,621)	(31,870,956)	(28,545,553)	(33,821,340)
Interest and investment revenue, unrestricted	1,042,888	1,279,036	2,577,164	1,100,000
Interest and investment revenue, restricted	269,500	250,000	202,125	300,000
Other	2,386,071	-	702,547	-
Total non-operating revenues (expenses)	(24,079,162)	(30,341,920)	(25,063,717)	(32,421,340)
LOSS BEFORE CONTRIBUTIONS	(3,851,509)	(30,077,992)	(10,251,469)	(39,640,210)
Capital contributions	37,040,324	20,000,000	35,847,446	25,000,000
CHANGE IN NET POSITION	$ 33,188,815	$ (10,077,992)	$ 25,595,977	$ (14,640,210)

THIS PAGE LEFT

INTENTIONALLY BLANK

STATISTICAL SECTION (UNAUDITED)

- **Financial Trends**
  These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

- **Revenue Capacity**
  These schedules contain information to help the reader assess the District's revenue sources and rate structures.

- **Debt Capacity**
  These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

- **Demographic and Economic Information**
  These schedules offer demographic, economic and District indicators to help the reader understand the environment within which the District financial activities take place.

- **Operating Information**
  These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

LAS VEGAS VALLEY WATER DISTRICT™

FINANCIAL TRENDS
SECTION

- **Net Position by Component**
- **Changes in Net Position**

LAS VEGAS VALLEY
WATER DISTRICT
™

Table 1

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
FINANCIAL TRENDS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS[1]

	2017	2016	2015[2]	2014	2013	2012	2011	2010	2009	Restated 2008
Net investment in capital assets	$ 860,075,485	$ 876,206,238	$ 853,976,982	$ 873,306,116	$ 905,312,138	$ 932,362,278	$ 972,216,922	$ 1,013,107,281	$ 1,054,055,721	$1,061,830,231
Restricted	9,913,821	10,686,366	10,127,477	10,689,687	10,697,000	12,687,979	14,981,679	19,208,382	10,908,929	13,546,266
Unrestricted	143,469,517	93,377,404	90,569,572	163,965,716	138,100,674	122,164,937	104,248,163	83,594,749	76,257,685	86,075,564
Total Net Position	$ 1,013,458,823	$ 980,270,008	$ 954,674,031	$ 1,047,961,519	$ 1,054,109,812	$ 1,067,215,194	$ 1,091,446,764	$ 1,115,910,412	$ 1,141,222,335	$1,161,452,061

[1] For fiscal years 2008 through 2011, following GASB Statements No. 63 and No. 65, unrestricted and total net position have been restated to recognize most debt issuance costs as an expense in the period incurred.

[2] The District adopted GASB Statement No. 68 effective for fiscal year 2015. The cumulative effect of applying the new Statement is reported as a restatement of the beginning unrestricted net position, in the amount of $103,832,297 as of the beginning of the initial period of implementation.

Table 2

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
FINANCIAL TRENDS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS[1]

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating revenues										
Water sales	$ 349,945,542	$ 334,838,222	$ 331,653,871	$ 333,851,405	$ 332,465,011	$ 333,602,721	$ 323,963,259	$ 320,695,958	$ 317,577,072	$ 291,695,857
Regional connectional fees[2]	-	-	-	-	-	-	-	-	-	40,523,611
Regional commodity & surcharges[2]	-	-	-	-	-	-	-	-	-	13,694,038
Recharged water sales	-	-	-	-	317,254	-	4,245,661	-	885,753	5,521,199
Inspection/application fees	2,097,655	2,443,875	3,612,475	2,811,054	1,562,178	915,666	960,849	556,520	521,941	2,001,343
Springs Preserve	2,784,944	2,643,382	2,443,004	2,254,947	2,056,183	1,857,261	1,533,765	1,676,942	1,944,602	1,740,833
Other revenue	60,374	60,910	81,075	30,113	31,527	21,074	27,692	30,444	15,434	28,507
Total operating revenues	354,888,515	339,986,389	337,790,425	338,947,519	336,432,153	336,396,722	330,731,226	322,959,864	320,944,802	355,205,388
Operating expenses										
Purchased water	90,345,870	87,093,101	84,918,440	84,985,143	83,290,163	83,464,195	83,981,578	76,445,269	79,110,078	84,433,787
Purchased energy	9,019,972	9,761,793	11,328,302	9,718,597	10,005,417	10,278,751	11,776,035	11,196,130	14,715,831	15,297,584
Connection, commodity, reliability and groundwater charges[2]	-	-	-	-	-	-	-	-	-	55,419,987
Operation and maintenance	151,366,913	146,457,928	149,750,677	158,264,499	153,062,894	160,065,672	153,023,845	153,740,709	165,893,266	156,961,431
Total operating expenses	250,732,755	243,312,822	245,997,419	252,968,239	246,358,474	253,808,618	248,781,458	241,382,108	259,719,175	312,112,789
Operating income before depreciation expense	104,155,760	96,673,567	91,793,006	85,979,280	90,073,679	82,588,104	81,949,768	81,577,756	61,225,627	43,092,599
Depreciation expense	(83,928,107)	(81,861,319)	(80,750,035)	(84,814,023)	(83,495,332)	(85,072,124)	(89,745,416)	(91,453,721)	(83,026,725)	(80,558,454)
Operating income (loss)	20,227,653	14,812,248	11,042,971	1,165,257	6,578,347	(2,484,020)	(7,795,648)	(9,875,965)	(21,801,098)	(37,465,855)
Non-operating (expenses) / revenues										
Interest expense[3]	(27,777,621)	(28,545,553)	(34,632,256)	(36,422,644)	(36,458,533)	(39,624,869)	(39,518,361)	(35,331,631)	(36,106,404)	(35,326,780)
Investment income, unrestricted	1,042,888	2,577,164	1,265,650	1,094,644	256,072	601,416	388,506	687,747	1,447,684	3,962,864
Investment income, restricted	269,500	202,125	248,210	381,689	235,726	192,892	186,750	154,716	818,883	1,580,550
Other[4]	2,386,071	702,547	(1,905,908)	(3,063,090)	(3,908,783)	593,955	104,317	849,078	481,205	423,351
Total non-operating (expenses) / revenues	(24,079,162)	(25,063,717)	(35,024,304)	(38,009,401)	(39,875,518)	(38,236,606)	(38,838,788)	(33,640,090)	(33,358,632)	(29,360,015)
Loss before contributions	(3,851,509)	(10,251,469)	(23,981,333)	(36,844,144)	(33,297,171)	(40,720,626)	(46,634,436)	(43,516,055)	(55,159,730)	(66,825,870)
Capital contributions	37,040,324	35,847,446	34,526,142	30,695,851	20,191,789	16,489,056	22,170,788	23,226,959	34,930,004	63,324,840
Change in Net Position	$ 33,188,815	$ 25,595,977	$ 10,544,809	$ (6,148,293)	$ (13,105,382)	$ (24,231,570)	$ (24,463,648)	$ (20,289,096)	$ (20,229,726)	$ (3,501,030)

[1] FY 2008 restated, predominately depreciation expense and capital contributions.

[2] Beginning in FY 2009, regional connection charges, commodity charges, and reliabilty surcharges collected for the SNWA are offset against the related expense for remitting the amounts to the SNWA. Groundwater charges are reclassified as operation and maintenance expense.

[3] FY 2008 Through FY 2011, following GASB Statements No. 63 and 65, Interest Expense restated to recognize most debt issuance costs as an expense in the period incurred.

[4] Gain (Loss) on disposition of property and equipment; scrap sales and other income. Beginning in FY 2009, other contributions reclassified as other income.

REVENUE CAPACITY SECTION

- **Water Consumption, Revenue and Active Accounts**
- **Revenue Analysis**
  by Class of Service
- **Water Rates**
  Last Ten Fiscal Years
- **2017 Municipal Water Rates Survey**
- **Top Ten Principal Ratepayers**
  Calendar Year 2016 and Nine Years Ago

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
REVENUE CAPACITY
WATER CONSUMPTION, REVENUE AND ACTIVE ACCOUNTS[1]
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Class of Service[2]	Thousands of Gallons									
Residential - single service	46,816,937	45,209,157	44,991,526	45,665,514	45,513,855	45,320,607	45,654,551	46,225,989	46,088,751	48,909,391
Residential - duplex, triplex/fourplex	699,597	680,055	685,356	673,863	683,980	723,885	714,842	806,109	817,068	887,815
Apts., condos & townhouses	16,321,023	15,626,628	15,079,361	14,779,868	14,963,548	14,749,229	14,492,669	14,496,627	15,250,835	14,900,299
Residential, other	1,054,444	1,025,439	1,758,032	1,910,898	1,052,194	1,066,847	1,159,070	1,186,387	1,204,773	1,270,669
Hotels	9,748,887	9,732,548	9,300,207	9,183,026	9,341,023	9,444,531	9,066,012	9,110,727	8,983,294	9,669,831
Motels	1,204,671	1,218,345	1,202,549	1,067,988	1,113,680	1,097,440	1,069,458	1,101,504	1,165,394	1,283,996
Community facilities	2,222,950	1,977,562	1,895,184	1,859,986	1,977,402	1,784,624	1,918,946	1,773,599	2,024,590	2,364,850
Schools	1,786,227	1,699,048	1,674,701	1,587,395	1,645,652	1,679,146	1,564,444	1,764,857	1,321,078	1,130,389
Fireline	499,253	604,589	533,454	461,627	404,427	397,255	587,712	577,074	2,197,894	1,043,269
Irrigation	15,177,585	13,931,438	13,597,974	14,161,515	14,276,087	14,429,234	14,180,267	14,477,922	15,207,736	15,345,791
Commercial/business	8,878,970	8,622,104	8,304,191	8,159,823	8,291,645	8,199,688	8,428,254	8,378,786	8,616,167	8,697,458
Recreational	223,266	211,808	213,441	175,423	183,084	217,679	201,451	232,213	296,867	(208,413)
Industrial	1,366,087	1,312,860	1,269,195	1,201,732	1,183,615	1,078,118	1,013,105	1,005,582	1,128,590	1,292,479
Construction water	1,594,122	1,464,616	1,004,599	871,323	724,445	907,904	998,273	1,318,793	1,306,674	3,146,088
Other	613,752	639,328	531,314	566,052	591,594	540,057	519,995	751,682	253,182	849,452
Total	108,207,771	103,955,525	102,041,084	102,326,033	101,946,231	101,636,244	101,569,049	103,207,851	105,862,893	110,583,364
Water Revenue[3]	$ 497,190,376	$ 456,388,893	$ 433,366,358	$ 426,489,464	$ 421,957,342	$ 383,660,967	$ 353,503,072	$ 336,979,459	$ 331,442,012	$ 305,389,895
Effective rate per 1,000 gal.[4]	$ 4.5948	$ 4.3902	$ 4.2470	$ 4.1679	$ 4.1390	$ 3.7748	$ 3.4804	$ 3.2651	$ 3.1309	$ 2.7616
Active Accounts at June 30	387,829	380,791	373,080	367,482	360,125	356,274	352,603	350,290	349,922	341,668

[1] Excludes recharged water sales.

[2] At various times certain accounts were reclassified, primarily affecting the community facilities, irrigation and recreational categories.

[3] Consists of water sales, SNWA regional and surcharges, delinquent and other charges.

[4] Effective rate is water revenue divided by total consumption. Because water rates are variable, the effective rate can fluctuate.

Table 4

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
REVENUE ANALYSIS BY CLASS OF SERVICE
FISCAL YEAR ENDED JUNE 30, 2017

Class of Service	Annual Revenue[1]	Annual Consumption Per Billing (1,000 gal.)	Annual Number of Billings	Average Revenue (1,000 gal.)[2]	Average Monthly Revenue per Customer[3]	Average Monthly Consumption Per Billing (1,000gal.)[4]	Active Customers 6/30/17
Residential - single service	$ 222,794,232	46,816,937	4,171,425	$ 4.759	$ 53.41	11.2	350,777
Residential - duplex/triplex/fourplex	3,115,520	699,597	33,801	4.453	92.17	20.7	2,821
Apts., condos, & townhouses	64,068,319	16,321,023	52,240	3.926	1,226.42	312.4	4,356
Residential, other	3,171,759	1,054,444	3,042	3.008	1,042.66	346.6	205
Hotels	38,582,909	9,748,887	2,854	3.958	13,518.89	3,415.9	238
Motels	5,085,992	1,204,671	3,035	4.222	1,675.78	396.9	252
Community facilities	9,928,354	2,222,950	12,451	4.466	797.39	178.5	1,037
Schools	7,817,456	1,786,227	8,149	4.377	959.31	219.2	680
Fireline	25,466,084	499,253	61,437	51.008	414.51	8.1	5,150
Irrigation	55,826,054	15,177,585	79,880	3.678	698.87	190.0	6,760
Commercial/business	43,299,656	8,878,970	101,356	4.877	427.20	87.6	8,475
Recreational	951,024	223,266	846	4.260	1,124.14	263.9	70
Industrial	6,729,171	1,366,087	15,190	4.926	443.00	89.9	1,268
Construction water	7,894,206	1,594,122	65,799	4.952	119.97	24.2	5,417
Other	2,459,640	613,752	3,205	4.008	767.44	191.5	323
Total	$ 497,190,376	108,207,771	4,614,710	$ 4.595	$ 107.74	23.4	387,829

[1] Annual Revenue includes $147,244,833 SNWA regional revenues and infrastructure charges.
[2] Annual Revenue divided by Annual Consumption Per Billing (1,000 gal.)
[3] Annual Revenue divided by Annual Number of Billings.
[4] Annual Consumption Per Billing (1,000 gal.) divided by Annual Number of Billings.

Unaudited
Las Vegas Valley Water District
Enterprise Fund
Revenue Capacity
Water Rates

Water rates for the last ten fiscal years are displayed on the following pages. The ⅝” and ¾” meter diameter services are primarily residential. Monthly water costs vary based on the number of days in the billing period.

Water rates are structured to promote conservation, pay operating expenses and bond debt, and to fund expenditures for utility plant not funded by bond proceeds.

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
REVENUE CAPACITY
WATER RATES[1]
FEBRUARY 1, 2017 TO JUNE 30, 2017

Meter Size (inches)	Service Charge Daily	Rate Thresholds Avg. Daily Use Non-Residential (In Gallons)	Single Family Residential (In Gallons)	Rate Per 1,000 gallons
5/8	$0.3456	First 167	First 167	$1.19
		Next 167	Next 167	$2.14
		Next 333	Next 333	$3.18
		Over 667	Over 667	$4.72
3/4	$0.3979	First 250	First 222	$1.19
		Next 250	Next 222	$2.14
		Next 500	Next 444	$3.18
		Over 1,000	Over 889	$4.72
1	$0.5026	First 417	First 334	$1.19
		Next 417	Next 334	$2.14
		Next 1,666	Next 1,222	$3.18
		Over 2,500	Over 1,889	$4.72
1 1/2	$0.7642	First 833	First 611	$1.19
		Next 833	Next 611	$2.14
		Next 6,667	Next 4,556	$3.18
		Over 8,333	Over 5,778	$4.72
2	$1.0786	First 1,333	First 944	$1.19
		Next 1,333	Next 944	$2.14
		Next 16,000	Next 10,778	$3.18
		Over 18,666	Over 12,666	$4.72
3	$1.9167	First 2,667		$1.19
		Next 2,667		$2.14
		Next 42,666		$3.18
		Over 48,000		$4.72
4	$2.8594	First 4,167		$1.19
		Next 4,167		$2.14
		Next 125,000		$3.18
		Over 133,334		$4.72
6	$5.4782	First 8,333		$1.19
		Next 8,333		$2.14
		Next 400,000		$3.18
		Over 416,666		$4.72
8	$8.6207	First 13,333		$1.19
		Next 13,333		$2.14
		Next 773,337		$3.18
		Over 800,000		$4.72
10	$12.2868	First 19,167		$1.19
		Next 19,167		$2.14
		Next 1,303,333		$3.18
		Over 1,341,667		$4.72
12	$18.0481	First 28,333		$1.19
		Next 28,333		$2.14
		Next 1,926,667		$3.18
		Over 1,983,333		$4.72

Continued

[1] Excluded:
(a) Rates for outlying areas and mobile home parks;
(b) Special purpose rates and charges, such as for private fire protection water and metered construction water;
(c) SNWA reliability charge on residential class customers at .25% of the total water bill and 2.5% for all other customer classes; in effect since March 1, 1998;
(d) SNWA commodity charge (not charged to Jean, Nevada): $0.05/1,000 gallons from July 1, 1999 to October 31, 2005; $0.10/1,000 gallons from November 1, 2005 to December 31, 2009; $0.20/1,000 gallons from January 1, 2010 to December 31, 2010; $0.30/1,000 gallons from January 1, 2011 to December 31, 2013; $0.34/1,000 gallons from January 1, 2014 to December 31, 2014; $0.38/1,000 gallons from January 1, 2015 to December 31, 2015; $0.44/1,000 gallons from January 1, 2016 to December 31, 2016; $0.48/1,000 gallons from January 1, 2017 to June 30, 2017;
(e) SNWA regional infrastructure charge with a wide range of fees based on meter diameter size. The following rates are based on a 30-day billing period. Beginning April 1, 2012 to December 31, 2013, the fee for residential ⅝" and ¾" meters, the primary residential sizes, is $5 monthly, but for other sizes, the fee can range up to $1,660 monthly. Beginning January 1, 2014 to December 31, 2014, the fee for residential ⅝" and ¾" meters increased to $5.64 monthly and for other sizes, the fee can range up to $1,715 monthly; Beginning January 1, 2015 to December 31, 2015, the fee for residential ⅝" and ¾" meters increased to $6.36 monthly and for other sizes, the fee can range up to $1,778 monthly; Beginning January 1, 2016 to December 31, 2016, the fee for residential ⅝" and ¾" meters increased to $9.59 monthly and for other sizes, the fee can range up to $2,060 monthly. Beginning January 1, 2017 to June 30, 2017 the fee for residential ⅝" and ¾" meters increased to $11.72 monthly and for other sizes, the fee can range up to $2,245 monthly.

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
REVENUE CAPACITY
WATER RATES[1]
JANUARY 1, 2011 TO JANUARY 31, 2017

Continued

Meter Size (inches)	Service Charge Daily	Rate Thresholds Avg. Daily Use Non-Residential (In Gallons)	Single Family Residential (In Gallons)	Rate Per 1,000 gallons
5/8	$0.3355	First 167	First 167	$1.16
		Next 167	Next 167	$2.08
		Next 333	Next 333	$3.09
		Over 667	Over 667	$4.58
3/4	$0.3863	First 250	First 222	$1.16
		Next 250	Next 222	$2.08
		Next 500	Next 444	$3.09
		Over 1,000	Over 889	$4.58
1	$0.4880	First 417	First 334	$1.16
		Next 417	Next 334	$2.08
		Next 1,666	Next 1,222	$3.09
		Over 2,500	Over 1,889	$4.58
1 1/2	$0.7419	First 833	First 611	$1.16
		Next 833	Next 611	$2.08
		Next 6,667	Next 4,556	$3.09
		Over 8,333	Over 5,778	$4.58
2	$1.0472	First 1,333	First 944	$1.16
		Next 1,333	Next 944	$2.08
		Next 16,000	Next 10,778	$3.09
		Over 18,666	Over 12,666	$4.58
3	$1.8609	First 2,667		$1.16
		Next 2,667		$2.08
		Next 42,666		$3.09
		Over 48,000		$4.58
4	$2.7761	First 4,167		$1.16
		Next 4,167		$2.08
		Next 125,000		$3.09
		Over 133,334		$4.58
6	$5.3186	First 8,333		$1.16
		Next 8,333		$2.08
		Next 400,000		$3.09
		Over 416,666		$4.58
8	$8.3696	First 13,333		$1.16
		Next 13,333		$2.08
		Next 773,337		$3.09
		Over 800,000		$4.58
10	$11.9289	First 19,167		$1.16
		Next 19,167		$2.08
		Next 1,303,333		$3.09
		Over 1,341,667		$4.58
12	$17.5224	First 28,333		$1.16
		Next 28,333		$2.08
		Next 1,926,667		$3.09
		Over 1,983,333		$4.58

Continued

[1] Excluded:
(a) Rates for outlying areas and mobile home parks;
(b) Special purpose rates and charges, such as for private fire protection water and metered construction water;
(c) SNWA reliability charge on residential class customers at .25% of the total water bill and 2.5% for all other customer classes; in effect since March 1, 1998;
(d) SNWA commodity charge (not charged to Jean, Nevada): $0.05/1,000 gallons from July 1, 1999 to October 31, 2005; $0.10/1,000 gallons from November 1, 2005 to December 31, 2009; $0.20/1,000 gallons from January 1, 2010 to December 31, 2010; $0.30/1,000 gallons from January 1, 2011 to December 31, 2013; $0.34/1,000 gallons from January 1, 2014 to December 31, 2014; $0.38/1,000 gallons from January 1, 2015 to December 31, 2015; $0.44/1,000 gallons from January 1, 2016 to December 31, 2016; $0.48/1,000 gallons from January 1, 2017 to June 30, 2017;
(e) SNWA regional infrastructure charge with a wide range of fees based on meter diameter size. The following rates are based on a 30-day billing period. Beginning April 1, 2012 to December 31, 2013, the fee for residential ⅝" and ¾" meters, the primary residential sizes, is $5 monthly, but for other sizes, the fee can range up to $1,660 monthly. Beginning January 1, 2014 to December 31, 2014, the fee for residential ⅝" and ¾" meters increased to $5.64 monthly and for other sizes, the fee can range up to $1,715 monthly; Beginning January 1, 2015 to December 31, 2015, the fee for residential ⅝" and ¾" meters increased to $6.36 monthly and for other sizes, the fee can range up to $1,778 monthly; Beginning January 1, 2016 to December 31, 2016, the fee for residential ⅝" and ¾" meters increased to $9.59 monthly and for other sizes, the fee can range up to $2,060 monthly. Beginning January 1, 2017 to June 30, 2017 the fee for residential ⅝" and ¾" meters increased to $11.72 monthly and for other sizes, the fee can range up to $2,245 monthly.

Table 5

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
REVENUE CAPACITY
WATER RATES[1]
JANUARY 1, 2010 TO DECEMBER 31, 2010

Continued

Meter Size (inches)	Service Charge Daily	Rate Thresholds Avg. Daily Use Non-Residential (In Gallons)	Single Family Residential (In Gallons)	Rate Per 1,000 gallons
		First 167	First 167	$1.16
5/8	$0.2688	Next 167	Next 167	$2.08
		Next 333	Next 333	$3.09
		Over 667	Over 667	$4.58
		First 250	First 222	$1.16
3/4	$0.3095	Next 250	Next 222	$2.08
		Next 500	Next 444	$3.09
		Over 1,000	Over 889	$4.58
		First 417	First 334	$1.16
1	$0.3910	Next 417	Next 334	$2.08
		Next 1,666	Next 1,222	$3.09
		Over 2,500	Over 1,889	$4.58
		First 833	First 611	$1.16
1 1/2	$0.5945	Next 833	Next 611	$2.08
		Next 6,667	Next 4,556	$3.09
		Over 8,333	Over 5,778	$4.58
		First 1,333	First 944	$1.16
2	$0.8391	Next 1,333	Next 944	$2.08
		Next 16,000	Next 10,778	$3.09
		Over 18,666	Over 12,666	$4.58
		First 2,667		$1.16
3	$1.4911	Next 2,667		$2.08
		Next 42,666		$3.09
		Over 48,000		$4.58
		First 4,167		$1.16
4	$2.2244	Next 4,167		$2.08
		Next 125,000		$3.09
		Over 133,334		$4.58
		First 8,333		$1.16
6	$4.2617	Next 8,333		$2.08
		Next 400,000		$3.09
		Over 416,666		$4.58
		First 13,333		$1.16
8	$6.7064	Next 13,333		$2.08
		Next 773,337		$3.09
		Over 800,000		$4.58
		First 19,167		$1.16
10	$9.5584	Next 19,167		$2.08
		Next 1,303,333		$3.09
		Over 1,341,667		$4.58
		First 28,333		$1.16
12	$14.0404	Next 28,333		$2.08
		Next 1,926,667		$3.09
		Over 1,983,333		$4.58

Continued

[1] Excluded:
(a) Rates for outlying areas and mobile home parks;
(b) Special purpose rates and charges, such as for private fire protection water and metered construction water;
(c) SNWA reliability charge on residential class customers at .25% of the total water bill and 2.5% for all other customer classes; in effect since March 1, 1998;
(d) SNWA commodity charge (not charged to Jean, Nevada): $0.05/1,000 gallons from July 1, 1999 to October 31, 2005; $0.10/1,000 gallons from November 1, 2005 to December 31, 2009; $0.20/1,000 gallons from January 1, 2010 to December 31, 2010; $0.30/1,000 gallons from January 1, 2011 to December 31, 2013; $0.34/1,000 gallons from January 1, 2014 to December 31, 2014; $0.38/1,000 gallons from January 1, 2015 to December 31, 2015; $0.44/1,000 gallons from January 1, 2016 to December 31, 2016; $0.48/1,000 gallons from January 1, 2017 to June 30, 2017;
(e) SNWA regional infrastructure charge with a wide range of fees based on meter diameter size. The following rates are based on a 30-day billing period. Beginning April 1, 2012 to December 31, 2013, the fee for residential ⅝" and ¾" meters, the primary residential sizes, is $5 monthly, but for other sizes, the fee can range up to $1,660 monthly. Beginning January 1, 2014 to December 31, 2014, the fee for residential ⅝" and ¾" meters increased to $5.64 monthly and for other sizes, the fee can range up to $1,715 monthly; Beginning January 1, 2015 to December 31, 2015, the fee for residential ⅝" and ¾" meters increased to $6.36 monthly and for other sizes, the fee can range up to $1,778 monthly; Beginning January 1, 2016 to December 31, 2016, the fee for residential ⅝" and ¾" meters increased to $9.59 monthly and for other sizes, the fee can range up to $2,060 monthly. Beginning January 1, 2017 to June 30, 2017 the fee for residential ⅝" and ¾" meters increased to $11.72 monthly and for other sizes, the fee can range up to $2,245 monthly.

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
REVENUE CAPACITY
WATER RATES[1]
MAY 1, 2008 TO DECEMBER 31, 2009

Continued

Meter Size (inches)	Service Charge Daily	Rate Thresholds Avg. Daily Use Non-Residential (In Gallons)	Single Family Residential (In Gallons)	Rate Per 1,000 gallons
		First 167	First 167	$1.16
5/8	$0.2021	Next 167	Next 167	$2.08
		Next 333	Next 333	$3.09
		Over 667	Over 667	$4.58
		First 250	First 222	$1.16
3/4	$0.2327	Next 250	Next 222	$2.08
		Next 500	Next 444	$3.09
		Over 1,000	Over 889	$4.58
		First 417	First 334	$1.16
1	$0.2940	Next 417	Next 334	$2.08
		Next 1,666	Next 1,222	$3.09
		Over 2,500	Over 1,889	$4.58
		First 833	First 611	$1.16
1 1/2	$0.4470	Next 833	Next 611	$2.08
		Next 6,667	Next 4,556	$3.09
		Over 8,333	Over 5,778	$4.58
		First 1,333	First 944	$1.16
2	$0.6309	Next 1,333	Next 944	$2.08
		Next 16,000	Next 10,778	$3.09
		Over 18,666	Over 12,666	$4.58
		First 2,667		$1.16
3	$1.1211	Next 2,667		$2.08
		Next 42,666		$3.09
		Over 48,000		$4.58
		First 4,167		$1.16
4	$1.6725	Next 4,167		$2.08
		Next 125,000		$3.09
		Over 133,334		$4.58
		First 8,333		$1.16
6	$3.2043	Next 8,333		$2.08
		Next 400,000		$3.09
		Over 416,666		$4.58
		First 13,333		$1.16
8	$5.0424	Next 13,333		$2.08
		Next 773,337		$3.09
		Over 800,000		$4.58
		First 19,167		$1.16
10	$7.1868	Next 19,167		$2.08
		Next 1,303,333		$3.09
		Over 1,341,667		$4.58
		First 28,333		$1.16
12	$10.5567	Next 28,333		$2.08
		Next 1,926,667		$3.09
		Over 1,983,333		$4.58

[1] Excluded:
(a) Rates for outlying areas and mobile home parks;
(b) Special purpose rates and charges, such as for private fire protection water and metered construction water;
(c) SNWA reliability charge on residential class customers at .25% of the total water bill and 2.5% for all other customer classes; in effect since March 1, 1998;
(d) SNWA commodity charge (not charged to Jean, Nevada): $0.05/1,000 gallons from July 1, 1999 to October 31, 2005; $0.10/1,000 gallons from November 1, 2005 to December 31, 2009; $0.20/1,000 gallons from January 1, 2010 to December 31, 2010; $0.30/1,000 gallons from January 1, 2011 to December 31, 2013; $0.34/1,000 gallons from January 1, 2014 to December 31, 2014; $0.38/1,000 gallons from January 1, 2015 to December 31, 2015; $0.44/1,000 gallons from January 1, 2016 to December 31, 2016; $0.48/1,000 gallons from January 1, 2017 to June 30, 2017;
(e) SNWA regional infrastructure charge with a wide range of fees based on meter diameter size. The following rates are based on a 30-day billing period. Beginning April 1, 2012 to December 31, 2013, the fee for residential ⅝" and ¾" meters, the primary residential sizes, is $5 monthly, but for other sizes, the fee can range up to $1,660 monthly. Beginning January 1, 2014 to December 31, 2014, the fee for residential ⅝" and ¾" meters increased to $5.64 monthly and for other sizes, the fee can range up to $1,715 monthly; Beginning January 1, 2015 to December 31, 2015, the fee for residential ⅝" and ¾" meters increased to $6.36 monthly and for other sizes, the fee can range up to $1,778 monthly; Beginning January 1, 2016 to December 31, 2016, the fee for residential ⅝" and ¾" meters increased to $9.59 monthly and for other sizes, the fee can range up to $2,060 monthly. Beginning January 1, 2017 to June 30, 2017 the fee for residential ⅝" and ¾" meters increased to $11.72 monthly and for other sizes, the fee can range up to $2,245 monthly.

Table 6

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
REVENUE CAPACITY
2017 MUNICIPAL WATER RATES SURVEY
AVERAGE MONTHLY BILL FOR 11,200 GALLONS

CITY	$10 - $20	$20 - $30	$30 - $40	$40 - $50	$50 - $60	$60 - $70	$70 - $80	$80 - $90	$90 - $100	Over $100
Santa Cruz, CA (OC)										240.42
Santa Barbara, CA										214.65
Santa Cruz, CA										210.95
Santa Fe, NM										144.61
Colorado Springs, CO (OC)										134.57
San Francisco, CA										123.44
Seattle, WA (OC)										118.60
San Diego, CA										105.56
San Antonio, TX (OC)										104.30
Seattle, WA										104.05
Los Angeles, CA										103.40
San Jose, CA										100.68
San Antonio, TX									95.22	
Marin, CA									90.17	
Colorado Springs, CO								89.68		
Oakland, CA (EBMUD)								86.94		
Flagstaff, AZ								83.39		
Portland, OR								81.30		
Tucson, AZ							78.73			
Santa Rosa, CA							77.50			
Long Beach, CA						66.51				
Pasadena, CA (OC)						64.52				
Houston, TX						64.19				
Phoenix, AZ (OC)						63.57				
Tacoma, WA (OC)						61.11				
Cheyenne, WY					56.07					
Boulder City, NV					55.34					
Denver, CO (OC)					55.25					
Denver, CO					53.17					
Pasadena, CA					53.12					
North Las Vegas, NV					52.39					
Tacoma, WA					50.93					
Henderson, NV					50.15					
Las Vegas, NV				49.14						
Boulder, CO (OC)				48.89						
Anaheim, CA				48.53						
Riverside, CA (OC)				48.53						
Kingman, AZ (OC)				47.76						
Dallas, TX				47.75						
Reno, NV				47.56						
Boulder, CO				45.92						
Salt Lake City, UT (OC)				45.12						
El Paso, TX				44.60						
Phoenix, AZ				44.12						
Billings, MT (OC)				44.09						
Albuquerque, NM				42.85						
Scottsdale, AZ				42.44						
Billings, MT				42.24						
San Bernadino, CA				40.58						
Victorville, CA				40.52						
Redding, CA				40.52						
Boise, ID			37.52							
Kingman, AZ			36.54							
Salt Lake City, UT			33.71							
Riverside, CA			32.35							
St. George, UT			32.33							
Cedar City, UT		27.44								

Based on LVVWD Average Monthly Single-Family Consumption of 11,200 gallons and a ⅝ or ¾ Inch Service Charge for Comparison.

OC - Outside City
EBMUD - East Bay Metropolitan Utilities District

Table 7

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
REVENUE CAPACITY
TOP TEN PRINCIPAL RATEPAYERS
CALENDAR YEAR 2016 AND NINE YEARS AGO

	2016			2007		
Ratepayer	**Revenue**	**Rank**	**Percentage of Total Revenue**	**Revenue**	**Rank**	**Percentage of Total Revenue**
Clark County School District	$ 10,009,101	1	2.02%	$ 5,029,682	1	1.69%
City of Las Vegas	5,770,113	2	1.17	3,989,043	2	1.34
Clark County	5,328,262	3	1.08	2,969,231	3	1.00
Venetian Casino Resort LLC	2,133,816	4	0.43	1,326,110	9	0.45
Mandalay Bay Resort & Casino	2,095,954	5	0.42	1,724,859	5	0.58
Wynn Las Vegas	1,984,059	6	0.40	---	---	---
Bellagio LLC	1,955,529	7	0.39	1,538,497	7	0.52
Clark County Aviation	1,830,974	8	0.37	---	---	---
MGM Grand Hotel/Casino	1,549,318	9	0.31	1,318,629	10	0.44
Southern Highlands Golf Club LLC	1,441,126	10	0.29	---	---	---
The Mirage Casino/Hotel				1,844,373	4	0.62
Oasis Residential Inc.				1,584,101	6	0.53
Caesars Palace				1,483,384	8	0.50
	$ 34,098,252		6.89%	$ 22,807,909		7.66%
Total Revenue		$ 495,108,001			$ 297,702,289	

Note: Revenue includes SNWA and other various charges.

THIS PAGE LEFT

INTENTIONALLY BLANK

DEBT CAPACITY
SECTION

- **Ratios of Outstanding Total Net Debt**
  Last Ten Fiscal Years

- **Net Pledged Revenue Coverage**
  Last Ten Fiscal Years

- **Outstanding Direct and Overlapping General Obligation Indebtedness**

LAS VEGAS VALLEY
WATER DISTRICT ™

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
DEBT CAPACITY
RATIOS OF OUTSTANDING TOTAL NET DEBT
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bond Debt Excluding SNWA Secured Debt	Bond Debt Additionally Secured by SNWA Revenue	Net Revenue Bond Debt	State Revolving Fund Loans	Notes Additionally Secured by SNWA Revenue	Total Debt
2017	$ 775,966,918	$ 2,003,205,000	$ 1,008,000	$ 26,153,695	$ 400,000,000	$ 3,206,333,613
2016	808,841,432	2,066,460,000	1,176,000	3,689,827	400,000,000	3,280,167,259
2015	842,523,112	1,612,655,000	1,344,000	1,298,309	400,000,000	2,857,820,421
2014	882,772,516	1,428,120,000	1,512,000	-	400,000,000	2,712,404,516
2013	912,111,068	1,440,390,000	1,680,000	-	400,000,000	2,754,181,068
2012	943,645,471	1,091,990,000	1,848,000	-	400,000,000	2,437,483,471
2011	960,427,588	883,405,000	2,016,000	-	400,000,000	2,245,848,588
2010	980,313,752	877,225,000	2,184,000	-	400,000,000	2,259,722,752
2009	919,728,286	389,300,000	2,352,000	-	400,000,000	1,711,380,286
2008	946,594,937	404,710,000	-	-	400,000,000	1,751,304,937

Fiscal Year	Personal Income[1]	Percent of Personal Income	Active Accounts	Per Active Account	Taxable Real Property Value[2]	Percent of Taxable Real Property Value
2017	$ 85,970,490,000	3.73%	387,829	$ 8,267	$ 211,139,223,102	1.52%
2016	85,970,490,000	3.82%	380,791	8,614	196,024,378,500	1.67%
2015	85,970,490,000	3.32%	373,080	7,660	178,020,516,265	1.61%
2014	81,966,042,000	3.31%	367,482	7,381	156,193,685,142	1.74%
2013	77,011,227,000	3.58%	360,125	7,648	153,321,893,568	1.80%
2012	76,962,088,000	3.17%	356,274	6,842	163,707,474,254	1.49%
2011	71,830,557,000	3.13%	352,603	6,369	180,763,035,128	1.24%
2010	69,291,617,000	3.26%	350,290	6,451	254,683,564,234	0.89%
2009	68,024,335,000	2.52%	349,922	4,891	317,048,184,343	0.54%
2008	73,391,378,000	2.39%	341,668	5,126	300,806,283,897	0.58%

[1] Calendar year. Source is U.S. Bureau of Economic Analysis as reported for Clark County. Personal income data for 2017 and 2016 is not available. Estimates for 2017 and 2016 are based upon 2015 data.

[2] Neither the State nor the County Assessor maintains an official taxable or assessed valuation for the Las Vegas Valley Water District. Because the District's boundaries encompass the County, excluding the property within the Virgin Valley Water District, the District historically has calculated its assessed valuation to be the same as the County's after deducting the Virgin Valley Water District's assessed valuation. The taxable value is derived from the assessed valuation.

Table 9

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
DEBT CAPACITY
NET PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

	2017	2016	2015	2014	2013	2012	Restated 2011	2010	2009	2008
Operating Revenues	$ 354,888,515	$ 339,986,389	$ 337,790,425	$ 338,947,519	$ 336,432,153	$ 336,396,722	$ 330,731,226	$ 322,959,864	$ 320,944,802	$ 355,205,388
Facilities connection charge[1]	12,241,154	13,239,500	17,657,015	11,049,850	6,867,660	2,669,480	2,741,240	(1,422,830)	2,379,630	7,826,260
Interest income on operating funds	1,042,888	2,577,164	1,265,650	1,094,644	256,072	601,416	388,506	687,747	1,447,684	3,962,864
Total Revenues	368,172,557	355,803,053	356,713,090	351,092,013	343,555,885	339,667,618	333,860,972	322,224,781	324,772,116	366,994,512
Operating Expenses[2]	250,732,755	243,312,822	245,997,419	252,968,239	246,358,474	253,808,618	248,781,458	241,382,108	259,719,175	312,112,789
Net Pledged Revenues	117,439,802	112,490,231	110,715,671	98,123,774	97,197,411	85,859,000	85,079,514	80,842,673	65,052,941	54,881,723
Average annual G.O. bond debt service	47,497,712	47,646,668	49,002,721	50,794,514	51,407,966	52,586,098	54,748,477	52,665,205	49,459,361	51,534,563
Coverage[3]	2.47	2.36	2.26	1.93	1.89	1.63	1.55	1.54	1.32	1.06

[1] Negative facilities connection charge in FY 2010 reflects refunds of prior period receipts and an estimate of probable future refunds.

[2] Operating expenses exclude depreciation.

[3] Bond covenants require net pledged revenues to be at least one (1) times the average annual debt. Averge annual debt is the aggregate debt service, excluding debt additionally secured by SNWA revenue, divided by the number of years from June 30 to the final maturity date of the indebtedness with the longest maturity. Calculations by District staff.

Table 10

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
DEBT CAPACITY
OUTSTANDING DIRECT AND OVERLAPPING GENERAL OBLIGATION INDEBTEDNESS
AS OF JUNE 30, 2017

	Assessed Valuation June 30, 2017	Total General Obligation Indebtedness	Presently Self-Supporting General Obligation Indebtedness	Percent Applicable	Applicable Net Overlapping Indebtedness[1]
Las Vegas Valley Water District	$ 73,898,728,086 [2]	$ 3,164,495,000 [3]	$ 3,164,495,000	--	--
State of Nevada	105,831,886,324 [4]	1,379,760,000	295,593,000	69.83%	$ 757,073,816
Clark County	74,597,622,262 [5]	2,445,556,292	2,436,641,000	99.06	8,831,488
Clark County School District	74,597,622,262	2,438,120,000	639,635,000	99.06	1,781,579,241
Henderson	11,630,054,583 [6]	203,028,861	177,443,861	100.00	25,585,000
Las Vegas	16,578,456,154 [7]	495,170,000	424,985,000	100.00	70,185,000
North Las Vegas	6,064,962,361 [8]	410,720,000	400,955,000	100.00	9,765,000
Las Vegas-Clark County Library District	56,206,825,270	14,185,000	--	100.00	14,185,000
TOTAL					$ 2,667,204,545

1 Net overlapping general obligation indebtedness equals total general obligation indebtedness less presently self-supporting general obligation indebtedness times percent applicable.

2 Because the Las Vegas Valley Water District has never levied an ad valorem property tax, neither the State nor the County Assessor maintains an official assessed valuation for the District. The District's boundaries encompass all of the County, excluding the property within the Virgin Valley Water District. Accordingly, the District has calculated its assessed valuation by deducting the assessed valuation of the Virgin Valley Water District from the County's assessed valuation.

3 The Las Vegas Valley Water District has no legal debt limit per se. The Las Vegas Valley Water District's debt margin is a function of balancing capital outlay needs and market acceptance for its debt at competitive interest rates.

4 Excludes Statewide Redevelopment Agency assessed valuation in the amount of $2,499,678,505.

5 Excludes $2,035,576,833 for the Clark County, Las Vegas, North Las Vegas, Henderson, Mesquite and Boulder City Redevelopment Agencies.

6 Excludes $558,228,496 for the Henderson Redevelopment Agency.

7 Excludes $855,006,156 for the Las Vegas Redevelopment Agency.

8 Excludes $70,963,749 for the North Las Vegas Redevelopment Agency.

THIS PAGE LEFT

INTENTIONALLY BLANK

DEMOGRAPHIC AND ECONOMIC INFORMATION SECTION

- **Demographic Statistics**
  Last Ten Fiscal Years
- **Clark County Principal Employers**
  Fiscal Year 2016 and Nine Years Ago
- **Ten Largest Property-Owning Taxpayers**

LAS VEGAS VALLEY WATER DISTRICT™

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
DEMOGRAPHIC AND ECONOMIC INFORMATION
DEMOGRAPHIC STATISTICS[1]
CLARK COUNTY, NEVADA
LAST TEN CALENDAR YEARS[2]

Year	Population[3]	Per Capita Income[4]	Median Household Income[5]	School Enrollment[6]	Total Labor Force Thousands[7]	U.S. Unemployment Rate[8]
2016	2,166,181	$ 40,652	n/a	319,203	1,048.0	4.9%
2015	2,118,353	40,652	$ 51,552	317,759	1,039.4	5.3%
2014	2,069,450	39,613	51,214	314,598	1,019.9	6.2%
2013	2,031,723	37,966	51,057	311,218	1,005.0	7.4%
2012	1,988,195	38,516	49,546	308,377	999.5	8.1%
2011	1,967,722	36,512	48,215	309,899	995.1	8.9%
2010	1,951,269	35,473	51,437	309,442	984.0	9.6%
2009	1,952,040	35,075	53,505	311,221	967.7	9.3%
2008	1,967,716	38,378	56,696	308,745	980.2	5.8%
2007	1,954,319	39,950	55,996	302,547	951.1	4.6%

[1] All data is subject to revision. The abbreviation "n/a" means not available.

[2] Population as of July 1; school enrollment in fall.

[3] Source: 2010 figure from the U.S. Bureau of the Census; all other figures from the Nevada State Demographer.

[4] Source: U.S. Bureau of Economic Analysis as reported for the Las Vegas-Paradise MSA (which is comprised of Clark County). Year 2016 per capita income is not available; therefore, per capita income for 2015 is used as an estimate. Years 2007 - 2015 updated November 17, 2016.

[5] Source: U.S. Census Bureau, American Community Survey.

[6] Source: Clark County School District.

[7] Source: State of Nevada - Department of Employment, Training & Rehabiliation.

[8] Source: Bureau of Labor Statistics (annual averages).

Table 12

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
DEMOGRAPHIC AND ECONOMIC INFORMATION
CLARK COUNTY TOP TEN PRINCIPAL EMPLOYERS[1]
4TH QUARTER, 2016 AND NINE YEARS AGO[2]

	4TH QUARTER, 2016			4TH QUARTER, 2007		
Employer	Employee Range[3]	Rank	Percentage of Total Labor Force[4]	Employee Range[3]	Rank	Percentage of Total Labor Force[4]
Clark County School District	30,000 to 39,999	1	3.33%	30,000 to 39,999	1	3.63%
Clark County	8,500 to 8,999	2	0.83	10,000 to 19,999	2	1.56
Wynn Las Vegas	8,000 to 8,499	3	0.78	8,500 to 8,999	5	0.91
Bellagio LLC	7,500 to 7,999	4	0.74	9,000 to 9,499	3	0.96
MGM Grand Hotel/Casino	7,500 to 7,999	5	0.74	8,500 to 8,999	4	0.91
Aria Resort & Casino LLC	7,000 to 7,499	6	0.69	---	---	---
Mandalay Bay Resort & Casino	7,000 to 7,499	7	0.69	6,500 to 6,999	6	0.70
The Venetian/Palazzo Casino/Resort	6,000 to 6,499	8	0.59	---	---	---
University of Nevada, Las Vegas	5,500 to 5,999	9	0.50	6,000 to 6,499	7	0.65
Caesars Palace	5,000 to 5,499	10	0.50	5,500 to 5,999	8	0.60
Las Vegas Metropolitan Police	---	---	---	5,500 to 5,999	9	0.60
The Mirage Casino/Hotel	---	---	---	5,000 to 5,499	10	0.54
Total Labor Force	1,051,568			964,549		

[1] Source: Nevada Department of Employment, Training & Rehabilitation.
[2] 4th Quarter, 2016 latest date information available.
[3] Nevada law prohibits publishing exact numbers.
[4] Average employee range divided by total labor force

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
DEMOGRAPHIC AND ECONOMIC INFORMATION
TEN LARGEST PROPERTY-OWNING TAXPAYERS
CLARK COUNTY, NEVADA[1]
FISCAL YEAR 2016-2017

	Taxpayer[2]	Taxable Assessed	Taxable Appraised
1.	MGM Resorts International	$ 3,586,896,698	$ 10,248,276,280
2.	NV Energy	1,982,725,527	5,664,930,077
3.	Caesar's Entertainment Corporation	1,859,895,091	5,313,985,974
4.	Las Vegas Sands Corporation	972,201,925	2,777,719,786
5.	Wynn Resorts Limited	926,778,374	2,647,938,211
6.	Station Casinos Incorporated	705,871,212	2,016,774,891
7.	Nevada Property 1 LLC	382,335,596	1,092,387,417
8.	Eldorado Energy LLC	380,134,297	1,086,097,991
9.	Boyd Gaming Corporation	328,880,459	939,658,454
10.	Howard Hughes Corporation	327,790,058	936,543,023

[1]Includes the five incorporated cities.

[2]Some taxpayers are hotel/casinos that may have multiple properties.

SOURCE: Clark County Assessor's Report, October 31, 2016.

THIS PAGE LEFT

INTENTIONALLY BLANK

OPERATING INFORMATION SECTION

- **Authorized Full-Time Equivalent Employees by Department**
- **Water Production by Month**
  Last Ten Years
- **Pumpage from Wells by Months**
  Last Ten Years
- **Surface Water by Month Southern Nevada Water System**
  Last Ten Years
- **Water Production Maximum and Minimum Days by Month**
  Last Ten Years
- **Annual Treated Water Delivered by the Southern Nevada Water System**
- **Enterprise Fund Selected Capital Asset**
- **Schedule of Insurance as of June 30, 2017**

LAS VEGAS VALLEY WATER DISTRICT™

Table 14

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
OPERATING INFORMATION
AUTHORIZED FULL-TIME EQUIVALENT EMPLOYEES BY DEPARTMENT
AS OF JUNE 30
LAST TEN FISCAL YEARS

Department	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Executive Management	12	14	14	14	16	15	14	16	17	13
AM/FM/GIS & Asset Mgmt[1]	0	0	0	0	0	0	0	56	61	
Legal Services[9, 10]	16	25	18	18	11	10	7	7	5	12
Finance[4, 9, 10]	77	109	108	108	132	133	155	157	146	142
Energy Management	6	6	6	5	7	7	7	7	7	7
Human Resources[4]	25	21	18	24	29	30	41	38	42	41
Information Technology[8, 10]	141	118	119	110	134	134	136	136	138	133
Public Services[6, 7]	104	100	95	91	113	58	144	138	132	117
LV Springs Preserve[5]	0	0	0	0	0	55	56	61	71	88
EHS & Corporate Security[4]	49	49	49	50	55	55				
Customer Care & Field Services[4, 9]	174	178	165	168	179	176				
Support Services[4]	0	0	0	0	0	0	197.5	197.5	189.5	185.5
LVVWD Engineering[1, 2, 7]	0	0	1	1	205	196	181	132	139	147
LVVWD Operations[2, 4, 9]	243	243	202	204	315.5	312.5	226	219	246	217
LVVWD Resources[1]	0	0	0	0	0	0	0	0	0	83
SNWA Environmental Resources[6]	0	0	0	0	0	50.5	52.5	52.5	34	23
SNWA Groundwater Resources[6]	0	0	0	0	0	53	54	52	64.5	56.5
Environmental & Water Resource Law[3, 4]	0	0	0	0	0	0	4	4	4	
SNWA Surface Water Resources[6]	0	0	0	0	0	23	24	21	21	30
SNWA Engineering[7]	0	0	0	0	62	73	81	86	66	61
Engineering[7]	102	108	102	102						
Infrastructure Management[7]	88	84	80	74						
Water Resources[10]	43									
SNWS Operations[8, 9]	0	0	57	138	96	199.5	200.5	200.5	197.5	183.5
Water & Environmental Resources[6, 8, 10]	0	146	142	86	122.5					
Resources & Facilities[10]	142									
Water Quality & Treatment[6]	95	96	95	95	103.5					
Unfunded Positions	263.5	283.5	309.5	292.5						
Total	1,580.5	1,580.5	1,580.5	1,580.5	1,580.5	1,580.5	1,580.5	1,580.5	1,580.5	1,539.5

[1] New department created from LVVWD Resources in FY 2009; transferred to LVVWD Operations and LVVWD Engineering in FY 2011.

[2] Includes transfers from LVVWD Resources in FY 2009.

[3] New department created from Legal Services in FY 2009.

[4] Departmental restructuring in FY 2012 involved a large number of transferred employees; two discontinued departments (1) Support Services and (2) Environmental & Water Resource Law; and two new departments (1) Environmental Health, Safety & Corporate Security (EHS & CS) and (2) Customer Care & Field Services.

[5] LV Springs Preserve merged into Public Services in FY 2013.

[6] Departmental restructuring in FY 2013 involved a large number of transferred employees; three discontinued departments (1) SNWA Environmental Resources, (2) SNWA Groundwater Resources and (3) SNWA Surface Water Resources; and two new departments (1) Water & Environmental Resources and (2) Water Quality & Treatment.

[7] Departmental restructuring in FY 2014 involved a large number of transferred employees; a large reduction in workforce; the consolidation of LVVWD Engineering and SNWA Engineering into Engineering; and a new department, Infrastructure Management.

[8] Departmental restructuring in FY 2015 involved Facilities moving to Water and Environmental Resources department and Data Resources moving to Information Technology department.

[9] Departmental restructuring in FY 2016 involved Risk Management moving to Legal Services department; Meter Shop moving to Customer Care & Field Services; and consolidation of LVVWD Operations and SNWS Operations.

[10] Departmental restructuring in FY 2017 involved Corporate Records moving to Information Technology department; Water & Environmental Resources department becoming Resources & Facilities department and Fleet Services moving to Resources & Facilities department; a new department, Water Resources, and Water Resources division and Colorado River Team moving to Water Resources department.

Table 15

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
OPERATING INFORMATION
WATER PRODUCTION BY MONTH
LAST TEN CALENDAR YEARS

(MILLIONS OF GALLONS - EXCLUDES ARTIFICIAL RECHARGE, INCLUDES REUSE)

Month	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
January	6,108	6,078	6,387	6,103	6,143	5,972	5,878	6,221	6,291	6,515
February	6,243	5,856	5,999	5,746	5,924	5,649	5,057	5,558	6,095	6,344
March	7,979	7,643	7,773	7,604	7,535	7,557	7,109	7,910	8,056	8,494
April	8,037	8,685	8,558	8,404	8,318	8,245	8,081	8,450	9,122	9,219
May	9,480	9,995	10,674	10,847	11,085	10,136	10,319	11,375	11,212	12,308
June	11,833	11,471	11,786	12,116	12,039	11,394	11,695	11,513	12,570	13,361
July	12,868	12,391	12,293	12,680	12,476	12,390	13,260	12,990	13,551	14,452
August	12,699	12,305	11,543	12,019	11,692	12,519	13,051	12,779	13,657	13,666
September	10,833	10,786	10,069	9,735	10,297	10,486	10,818	10,976	10,647	11,362
October	9,150	9,089	9,332	9,012	8,875	8,751	8,630	9,376	9,874	9,861
November	7,648	7,226	7,235	6,865	7,211	6,918	7,078	7,284	7,361	7,507
December	6,567	6,437	6,178	6,103	6,243	6,109	5,970	6,108	6,160	6,649
Total*	**109,445**	**107,962**	**107,827**	**107,234**	**107,838**	**106,126**	**106,946**	**110,540**	**114,596**	**119,738**
Total (Acre Feet)	**335,871**	**331,324**	**330,909**	**329,089**	**330,943**	**325,689**	**328,205**	**339,235**	**351,682**	**367,462**

* Total of pumpage from wells and surface water, plus or minus reservoir changes, reuse and excluding artificial recharge.

Table 16

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
OPERATING INFORMATION
PUMPAGE FROM WELLS BY MONTHS
LAST TEN CALENDAR YEARS
(MILLIONS OF GALLONS)

	2016		2015		2014		2013		2012		2011		2010		2009		2008		2007	
Month	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily
January	-	-	447	14	522	17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
February	-	-	340	12	391	14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
March	-	-	-	-	221	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May	681	22	259	8	257	8	1,030	33	752	24	696	22	469	15	138	4	1,226	40	1,439	46
June	3,138	105	2,816	94	3,095	103	3,216	107	3,140	105	3,137	105	3,033	101	3,138	105	3,223	107	2,930	98
July	3,071	99	2,886	93	3,206	103	3,016	97	3,050	98	3,321	107	3,147	102	3,393	109	3,444	111	2,913	94
August	3,125	101	2,878	93	3,022	97	2,721	88	2,926	94	3,236	104	3,013	97	3,233	104	2,883	93	3,218	104
September	3,019	101	1,922	64	2,556	85	2,837	95	3,297	110	2,900	97	3,114	104	3,337	111	2,476	83	2,865	95
October	171	6	544	18	364	12	540	18	-	-	-	-	-	-	-	-	-	-	-	-
November	7	-	593	20	435	15	512	17	-	-	-	-	-	-	-	-	-	-	-	-
December	68	2	519	17	449	14	531	18	-	-	-	-	-	-	-	-	-	-	-	-
Total	**13,280**	**36**	**13,204**	**36**	**14,518**	**40**	**14,403**	**39**	**13,165**	**36**	**13,290**	**36**	**12,776**	**35**	**13,239**	**36**	**13,252**	**36**	**13,365**	**37**
Total Acre Feet	**40,755**		**40,522**		**44,554**		**44,201**		**40,402**		**40,786**		**39,208**		**40,629**		**40,669**		**41,016**	

Table 17

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
OPERATING INFORMATION
SURFACE WATER BY MONTH
SOUTHERN NEVADA WATER SYSTEM
LAS TEN CALENDAR YEARS

(MILLIONS OF GALLONS - EXCLUDES ARTIFICIAL RECHARGE, INCLUDES REUSE)

	2016		2015		2014		2013		2012		2011		2010		2009		2008		2007	
Month	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily	Million Gallons	Avg. Daily
January	6,108	197	5,548	179	5,865	189	6,103	197	6,143	198	5,972	193	5,878	190	6,221	201	6,291	203	6,515	210
February	6,243	215	5,428	194	5,608	200	5,746	205	5,924	212	5,649	202	5,057	181	5,558	199	6,095	218	6,344	227
March	7,979	257	7,577	244	7,552	244	7,604	245	7,535	243	7,557	244	7,109	229	7,910	255	8,056	260	8,494	274
April	8,037	268	8,565	286	8,558	285	8,404	280	8,318	277	8,245	275	8,081	269	8,450	282	9,122	304	9,219	307
May	8,798	284	9,576	309	10,417	336	9,818	317	10,333	333	9,440	305	9,849	318	11,237	362	9,986	322	10,870	351
June	8,695	290	8,614	287	8,691	290	8,900	297	8,899	297	8,257	275	8,662	289	8,375	279	9,347	312	10,430	348
July	9,798	316	9,395	303	9,087	293	9,665	312	9,426	304	9,069	293	10,113	326	9,597	310	10,107	326	11,539	372
August	9,574	309	9,243	298	8,521	275	9,298	300	8,766	283	9,283	299	10,038	324	9,546	308	10,774	348	10,448	337
September	7,814	260	8,752	292	7,513	250	6,899	230	7,000	233	7,587	253	7,705	257	7,639	255	8,171	272	8,497	283
October	8,979	290	8,317	268	8,968	289	8,472	273	8,875	286	8,751	282	8,630	278	9,376	302	9,874	319	9,861	318
November	7,640	255	6,556	219	6,800	227	6,353	212	7,211	240	6,918	231	7,078	236	7,284	243	7,361	245	7,507	250
December	6,499	210	5,844	189	5,729	185	5,572	180	6,243	201	6,109	197	5,970	193	6,108	197	6,160	199	6,649	214
Total	**96,164**	**263**	**93,415**	**256**	**93,309**	**255**	**92,834**	**254**	**94,673**	**259**	**92,837**	**254**	**94,170**	**257**	**97,301**	**266**	**101,344**	**277**	**106,373**	**291**

Table 18

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
OPERATING INFORMATION
WATER PRODUCTION
MAXIMUM AND MINIMUM DAYS BY MONTH
LAST TEN CALENDAR YEARS
(MILLIONS OF GALLONS)

	2016		2015		2014		2013		2012		2011		2010		2009		2008		2007	
Month	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
January	213.2	163.0	213.1	176.8	217.2	182.4	211.7	178.1	212.1	175.8	213.6	175.7	209.5	164.9	221.6	181.1	223.2	178.8	228.2	188.0
February	253.7	189.1	230.0	179.2	235.1	187.7	222.8	169.7	215.8	173.1	219.6	169.8	194.7	165.4	221.2	177.8	238.4	182.2	244.9	196.6
March	276.7	209.8	290.1	188.7	277.9	185.5	275.3	188.0	265.0	182.9	265.3	191.6	266.4	174.4	275.7	192.0	294.1	194.3	310.2	211.3
April	298.0	197.0	308.2	228.6	309.8	225.0	326.0	233.8	315.6	199.6	296.2	207.0	296.9	214.8	311.6	208.4	331.9	232.8	351.2	234.0
May	350.9	209.2	354.7	270.1	376.1	270.8	371.8	276.8	378.3	279.9	348.9	238.4	358.2	238.3	388.9	273.1	402.5	284.7	417.2	307.9
June	423.5	324.5	417.2	309.5	415.4	324.5	429.8	324.8	412.6	336.2	406.7	303.3	404.9	323.8	408.4	323.2	447.4	330.3	460.5	368.6
July	440.0	338.4	416.6	348.0	421.4	347.8	437.0	335.5	420.6	325.7	405.6	319.9	436.8	361.0	428.6	352.6	450.4	372.5	482.8	409.1
August	431.5	339.6	410.4	345.7	400.7	321.8	412.6	309.4	413.1	296.4	409.3	345.4	431.1	367.9	421.8	346.6	444.8	359.8	460.0	370.6
September	400.4	289.8	384.5	296.7	379.9	260.0	348.6	270.8	378.7	276.7	402.8	270.2	392.1	287.9	394.3	284.4	405.0	274.6	412.4	271.7
October	335.8	240.0	346.2	241.8	322.9	247.9	331.4	239.8	331.8	223.1	319.8	230.8	327.2	210.4	331.1	241.6	343.7	245.9	355.1	247.4
November	280.1	209.8	292.6	199.3	281.3	197.5	276.0	185.0	274.8	200.2	272.0	192.8	266.7	182.5	286.5	192.4	289.0	191.3	282.2	208.2
December	239.0	172.6	227.1	174.6	232.6	176.7	218.5	178.3	231.7	176.9	215.0	171.9	212.1	166.4	222.6	173.5	222.2	179.2	227.1	185.4
Average Daily Production	**299.80**		**295.80**		**295.40**		**293.79**		**295.45**		**290.76**		**293.00**		**302.85**		**313.10**		**328.05**	
Maximum Daily Production	**440.0**		**417.2**		**421.4**		**437.0**		**420.6**		**409.3**		**436.8**		**428.6**		**450.4**		**482.8**	

Table 19

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
OPERATING INFORMATION
ANNUAL TREATED WATER DELIVERED BY
THE SOUTHERN NEVADA WATER SYSTEM
LAST TEN FISCAL YEARS
(ACRE FEET)

Year	Boulder City	Henderson	Las Vegas Valley Water District	Nellis Air Force Base	North Las Vegas	Total Deliveries[1]
2008	11,345	66,897	328,435	2,664	53,987	463,328
2009	11,121	64,611	301,854	1,800	51,306	430,692
2010	10,845	63,092	283,052	1,511	50,302	408,802
2011	10,534	64,262	296,672	1,334	50,256	423,059
2012	10,514	63,450	284,662	1,069	48,120	407,815
2013	10,280	62,127	284,196	1,088	44,414	402,105
2014	10,688	61,890	280,417	1,097	46,459	400,551
2015	10,378	64,168	280,195	1,008	44,934	400,683
2016	10,458	65,284	287,374	1,044	49,569	413,729
2017	10,496	69,224	298,110	1,213	51,476	430,519

[1] May not total due to rounding.

SOURCE: Southern Nevada Water Authority

UNAUDITED
LAS VEGAS VALLEY WATER DISTRICT
ENTERPRISE FUND
OPERATING INFORMATION
SELECTED CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS
AS OF JUNE 30

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Miles of Pipeline[1]	6,518	6,432	6,354	6,284	6,236	6,208	6,185	6,163	6,138	4,152
Active Wells[2]	64	64	63	63	63	63	63	63	64	64
Reservoirs/Tanks	38	38	38	38	38	38	38	38	37	37
Pumping Stations	52	52	52	52	52	52	52	52	50	47

[1] 2008 is as of December 31.

[2] Excludes recharge wells.

Type of Coverage and Name of Company	Policy Number	Expiration Date	Details of Coverage
Real and Personal Property Lexington Insurance Company	020413078	05/01/2020	All Risks of Direct Physical Loss or Damage including Earth Movement, Flood and Equipment Breakdown subject to policy exclusions. Covered Property includes Real and Personal Property, Improvements and Betterments, Extra Expense, Business Interruption all as per policy form. Policy Limit $500,000,000 subject to $100,000,000 per occurrence and annual aggregate as respects Earth Movement, $50,000,000 per occurrence and annual aggregate as respects Flood except $25,000,000 per occurrence and annual aggregate as respects Flood for specific locations (5025 S Hualapai Way, 4995 Dean Martin Dr., 3589 N. Torrey Pines Dr.) Sublimits include $25,000,000 Debris Removal; $10,000,000 Accounts Receivable, Civil/Military Authority (30 days), Ingress/Egress (30 days), Electronic Data and Media, Errors & Omissions, Extra Expense including Expediting Expense, Fine Arts (except $500,000 per item), Misc. Unnamed Locations, Rental Value, Royalties, Underground communications and water transmission/distribution lines beyond 1,000 ft., Service Interruption (24-hour qualifying period), and Valuable Papers and Records; $15,000,000 Transit, $5,000,000 Brands & Labels, Dams, Leasehold Interest, Mobile Equipment, and Wells; $1,000,000 Fire Brigade Charges, Professional Fees, Property Removed from Insured Locations, Protection and Preservation of Property; $250,000 annual aggregate Limited Pollution, Spoilage; $100,000 Soft Costs; 90 days subject to $100,000,000 Newly Acquired Locations Deductible $1,000,000 with the following exceptions: Flood $100,000 per occurrence, except 5% of total insurable values for locations within special hazard flood zone (as defined in the policy) subject to a minimum of $100,000; and except $500,000 as respects Builder's Risk locations Earth Movement $100,000 per occurrence except $500,000 per occurrence as respects Builder's Risk locations Windstorm/Hail $1,000,000 per occurrence except 5% of total insurable values at each location as respects Named Storm (as defined in the policy) subject to a minimum of $250,000 Equipment Breakdown $1,000,000 Builder's Risk projects $50,000 except as respects Flood and Earth Movement which shall be $500,000 for each, per Occurrence. *Builder's Risk Locations covered listed under Nov 2016 report and reported quarterly Terrorism included in policy limit

Continued

Continued

Type of Coverage and Name of Company	Policy Number	Expiration Date	Details of Coverage
Commercial General and Auto Liability Umbrella Excess Allied Public Risk (AWAC) (NOTE: *Limits of Liability apply only once regardless of the number of Named Insureds)*	5110-0037-01 ($1M) 5111-0044-01 ($9M)	05/01/2018	Excess Liability coverage for the Las Vegas Valley Water District, its Officials & Employees, $10,000,000 Per Occurrence for GL & AL, $10,000,000 Employee Benefit Liability Wrongful Acts Aggregate; $10,000,000 Products-Completed Operations Hazard Aggregate; $1,000,000 Self-Insured Retention; Excess coverage for General Liability, Auto Liability, Employee Benefits Liability, Work Boat P&I, Non-Owned Aircraft and Terrorism
Following Form Excess Liability Allied World National Assurance Company (NOTE: *Limits of Liability apply only once regardless of the number of Named Insureds)*	3054894	05/01/2018	Excess Liability coverage for the Las Vegas Valley Water District, its Officials & Employees, $20,000,000 Per Occurrence, $20,000,000 Products/Completed Operations, $20,000,000 Other Aggregate excess of $10,000,000 underlying coverage
Employee Fidelity Travelers Casualty and Surety Company	106728245	05/01/2018	Employee Theft $3,000,000 per loss - $50,000 Retention; Forgery or Alteration $3,000,000 - $25,000 Retention; On Premises $3,000,000 - $50,000 Retention; In Transit $3,000,000 - $50,000 Retention; Money Orders & Counterfeit Money $3,000,000 - $50,000 Retention; Computer Fraud $3,000,000 - $50,000 Retention; Computer Program and Electronic Data Restoration $100,000 per occurrence - $25,000 Retention; Funds Transfer Fraud $3,000,000 - $50,000 Retention; Claim Expense $25,000 with $0 Retention
Public Officials and Employees Liability Aegis	DP5676902P	05/01/2018	$25,000,000 Each Claim (including Claim Expenses), $25,000,000 Aggregate; $150,000 for all Investigation Expense for the Policy Period; Retention $100,000 each claim for Investigative Expense
Employment Practices Liability National Union Fire Insurance Company	13579634	05/01/2018	$10,000,000 Each Claim and in the Aggregate all claims Retention - $100,000 Class Action, Third Party, and all other loss Continuity Date: May 1, 1997

Continued

Continued

Type of Coverage and Name of Company	Policy Number	Expiration Date	Details of Coverage
Specific Excess Workers Compensation and Employers Liability Safety National Casualty Corporation (NOTE: Limits of Liability apply only once, except statutory, regardless of the number of Named Insureds)	SP 4054831	05/01/2018	Maximum Limit of Indemnity per occurrence – Statutory, Employers' Liability Maximum Limit of Indemnity per occurrence $1,000,000; Self-Insured Retention per occurrence $500,000 All Other, $1,000,000 USLH; $1,000,000 Maritime or Jones Act
Boat Hull and Protection & Indemnity Hartford Fire Insurance Company	72OMGM5701	05/01/2018	Insuring 1999 32' Duckworth Water Quality Sampling Work Boat – Hull Limit $390,000 hull & machinery subject to $3,900 deductible; Protection & Indemnity limit $1,000,000 subject to $500 deductible each occurrence
Non-Owned Aircraft Liability StarNet Insurance Company	BA-17-05-00018	05/01/2018	Legal Liability for the Las Vegas Valley Water District, its officials and employees; $10,000,000 Single Limit Bodily Injury & Property Damage including Passengers each occurrence; $25,000 Each Passenger Medical Expenses; $10,000,000 Personal Injury Liability; $10,000 Personal Effects and Baggage Liability each Passenger; $10,000,000 Aviation Premises Liability; Physical Damage Liability $1,000,000 Each Occurrence; Personal Injury $10,000,000
Privacy and Network Liability XL Catlin / Indian Harbor Insurance Co.	MTP 903348601	05/01/2018	Privacy Liability $10,000,000 each claim, $10,000,000 aggregate – Deductible $100,000; Network Security Liability $10,000,000 each claim, $10,000,000 aggregate – Deductible $100,000; Internet Media Liability $10,000,000 each claim; $10,000,000 aggregate – Deductible $100,000; Network Extortion $10,000,000 each claim, $10,000,000 aggregate – Deductible $100,000; Data Breach Response and Crisis Management – $10,000,000 each claim, $10,000,000 aggregate – Deductible $100,000; Cyber Extortion $10,000,000 each claim, $10,000,000 aggregate – Deductible $100,000; Maximum Policy Aggregate $10,000,000; Retroactive Date: (matches expiring program for first $5 million) Privacy Liability – May 1, 2005, Internet Media Liability – May 1, 2005, Network Extortion – May 1, 2005 Retroactive Date for $5 Million excess $5 Million is 05/01/2016

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS

LAS VEGAS VALLEY WATER DISTRICT™

P B T K
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*

Board of Directors
Las Vegas Valley Water 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 Las Vegas Valley Water District (the District), a discretely presented component unit of Clark County, Nevada, as of and for the year ended June 30, 2017, 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 November 1, 2017.

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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

6100 Elton Avenue, Ste. 1000 • Las Vegas, Nevada 89107 • 702-384-1120 • fax 702-870-2474 • pbtk.com

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 internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Piercy Bowler Taylor & Kern

Las Vegas, Nevada
November 1, 2017

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following statements are summaries of certain provisions of the Bond Resolution. Such statements do not purport to be complete and reference is made to the 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 Bond Resolution are defined substantially as follows:

"BAB Credit" means the credit received by the District as provided in Section 6431 of the Tax Code, in lieu of any credit otherwise available to bond holders under Section 54AA(a) of the Tax Code.

"Bond Requirements" means the principal of and the interest on the Bonds, as such principal 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 Lien Obligations or Parity Lien Obligations 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 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 Lien Obligations or Parity Lien Obligations 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 Lien Obligations or Parity Lien Obligations to which such Qualified Swap relates, (a) for purposes of Sections 39 through 44 of the 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.

For purposes of computing the maximum annual principal and interest requirements and for purposes of any other computations for the issuance of additional superior or parity securities (including refunding securities), in making any calculation of the Bond Requirements to be paid for a period after the date of computation on any bonds with respect to which the District expects to receive a BAB Credit, such as the 2010A Bonds, "interest" for any Bond Year shall be treated as the amount of interest to be paid by the District on those bonds in that Bond Year less the amount of the BAB Credit then expected to be paid by the United States with respect to interest payments on those bonds in that Bond Year and required by the resolution or other instrument authorizing those bonds to be used to pay interest on those bonds in that Bond Year or to reimburse the District for amounts already used to pay interest on those bonds in that Bond Year. If the BAB Credit is not expected to be received as the date of such a calculation, "interest" shall be the total amount of interest to be paid by the District on the bonds without a deduction for the credit to be paid by the United States under Section 6431 of the Tax Code. The Chief Financial Officer of the District may certify in writing the expected amount and expected date of receipt of any BAB Credit, and that certificate shall be conclusive 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).

"Bonds" means the Las Vegas Valley Water District, Nevada, General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Water Bonds, Series 2018A.

"combined average annual principal and interest requirements" means (i) the sum of the Bond Requirements of the Bonds and any other Superior Lien Obligations and Parity Lien Obligations 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 the 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 Lien Obligation or Parity Lien Obligation 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 Lien Obligations and Parity Lien Obligations 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 Lien Obligations or Parity Lien Obligations 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 BAB Credit received by the District and 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 Lien Obligations or Parity Lien Obligations, 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 of the Bond Resolution. If any Superior Lien Obligation or Parity Lien Obligation 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 Lien Obligations or Parity Lien Obligations 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 Lien Obligations or Parity Lien Obligations is accepted by the District or if such index is no longer published, such other comparable 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 Clark County, Nevada against all taxable property within the boundaries of the District.

"Net Pledged Revenues" means the revenues received by the District from the sale or distribution of water, connection charges, or otherwise derived from the works or property of the District (including works and properties hereafter constructed or acquired) after payment therefrom of the reasonable and necessary costs of the operation and maintenance of the works and properties of the District and the general expenses of the District, including any BAB Credit received with respect to the 2010A Bonds, and after the payment from such Net Pledged Revenues of the annual debt service, sinking fund and reserve fund requirements of any Superior Obligations.

"Parity Lien Obligations" means the outstanding:

A. General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Water Bonds, Series 2010A (Taxable Direct Pay Build America Bonds) in the original principal amount of $75,995,000 (the "2010A Bonds");

B. General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Water and Refunding Bonds, Series 2010B in the original principal amount of $31,075,000;

C. General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Water Refunding Bonds, Series 2011D (Tax-Exempt) in the original principal amount of $78,680,000;

D. General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Water Refunding Bonds, Series 2012A in the original principal amount of $39,310,000;

E. General Obligation (Limited Tax) Water Bond (Additionally Secured by Pledged Revenues), Series 2014 in the original principal amount of $20,000,000;

F. General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Water Refunding Bonds, Series 2015A in the original principal amount of $172,430,000;

G. General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues), Water Refunding Bonds Series 2016B, in the original principal amount of $108,220,000;

H. General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues), Water Bond, Series 2016C, in the maximum principal amount of $15,000,000; and

I. General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues), Water Refunding Bonds, Series 2017A, in the original principal amount of $130,105,000; and

J. General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues), Water Bond, Series 2017C, in the maximum principal amount of $15,000,000; and

any other bonds or other securities hereafter issued on a parity with the Parity Lien Obligations.

"Paying Agent" means The Bank of New York Trust Company, N.A., or any successor serving as paying agent for the Bonds.

"Pledged Revenues" means, for all purposes of the Bond Resolution, "Net Pledged Revenues."

"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 Lien Obligations or Parity Lien Obligations 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 Lien Obligations or Parity Lien Obligations) 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 S&P Global Ratings 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.

"Registered owner" means the person in whose name a Bond shall be registered on the records of the District kept for that purpose by the Registrar in accordance with the provisions of this Resolution.

"Registrar" means The Bank of New York Mellon Trust Company, N.A. or any successor serving as registrar for the Bonds.

"Superior Lien Obligations" means the obligations of the District issued with a lien on the Net Pledged Revenues which is superior to the lien of the Bonds, and which are issued as special obligations of the District.

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

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 Lien Obligations, constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Net Pledged Revenues, subject to and after the prior lien on the Net Pledged Revenues for payment of the Superior Lien Obligations.

Flow of Funds

All moneys received by the District from the sale or distribution of water or otherwise derived from the works or property of the District shall be deposited into the Revenue Fund, and no disbursements shall be made from the Revenue Fund except as provided in the Bond Resolution. After making payments for the operation and maintenance expenses and general District expenses into the "Water Maintenance and Operation Fund," and transferring the required sums into the funds for any Superior Lien Obligations (i.e., including any superior bond fund, rebate fund and reserve fund as provided in the Bond Resolution) and concurrently with the requirements of the resolutions authorizing other Parity Lien Obligations:

(a) moneys in the Revenue Fund shall be transferred on the first day of each month commencing on the first day of the month after the month in which the Bonds are dated (after taking into account any accrued interest paid into the 2018A Bond Fund) there shall be set aside from the Revenue Fund, there shall be simultaneously transferred to and placed in the 2018A Bond Fund: (i) a sum at least equal to the amount, if paid monthly, of the interest coming due on the Bonds on the first interest payment date of the Bonds, and monthly thereafter a sum equal to 1/6 of the payment of the semiannual interest coming due on the Bonds, and (ii) a sum at least equal to the amount, if paid monthly, of the principal coming due on the Bonds on the first principal payment date of the Bonds, and monthly thereafter, a sum equal to 1/12 of the amount necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of principal of the Bonds then outstanding. The money credited to the 2018A Bond Fund shall be used to pay the Bond Requirements of the Bonds as the Bond Requirements become due.

(b) subsequent to the payments summarized in (a) above, there must be deposited into the "2018A Rebate Fund" (and the rebate funds for Parity Lien Obligations) the amounts required pursuant to Section 148 of the Tax Code and the regulations thereunder; and

(c) subsequent to the payments summarized in (a) and (b) above, there may be paid out of any moneys remaining in the Revenue Fund the payment of bond requirements of subordinate securities payable from the Net Pledged Revenues and hereafter authorized to be issued, including reasonable reserves for such securities.

No payment need be made into the 2018A Bond Fund if the amounts in the 2018A Bond Fund total a sum at least equal to the entire amount of the outstanding Bonds as to all Bond Requirements to their respective maturities both accrued and not accrued, in which case moneys in such Fund in an amount, except for any interest or other gain to accrue from any investment of moneys in Federal Securities from the time of any such investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond Requirements, shall be used, together with any such gain from such investments, solely to pay such Bond Requirements as the same become due.

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 2018A Bond Fund or the 2018A Rebate Fund the full amount above stipulated from Net Pledged Revenues, then an amount shall be paid first into the 2018A Bond Fund and second into the 2018A Rebate Fund at such time equal to the difference between that paid from the Net Pledged Revenues and the full amount so stipulated, from the first Net Pledged Revenues available therefor. If Parity Lien Obligations (other than the 2008A Bonds) are outstanding, and if the proceedings authorizing issuance of those securities require the replacement of moneys in a bond fund, reserve fund or rebate fund therefor, then the moneys 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 Lien Obligations, as moneys become available therefor, first into all of such bond and reserve funds and second into all such rebate funds.

Parity Lien Obligations

Parity Lien Obligations (including refunding bonds) may be issued if:

(a) at the time of the adoption of the resolution authorizing the issuance of such Parity Lien Obligations, the District is not in default in making any payments required to be made into the debt service, sinking or reserve funds for any outstanding obligations payable from the Net Pledged Revenues; and

(b) The Net Pledged Revenues (subject to adjustments as hereinafter provided) projected by the General Manager, 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 additional Parity Lien Obligations are projected to be completed or (ii) the first fiscal year for which no interest has been capitalized for the payment of any Parity Lien Obligations, including the Parity Lien Obligations 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 the Superior Lien Obligations, the outstanding Parity Lien Obligations, the Bonds, any other additional outstanding Parity Lien Obligations of the District and the Parity Lien Obligations proposed to be issued (excluding any reserves therefor).

In any determination of whether or not additional Parity Lien Obligations 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 Parity Lien Obligations.

In any determination of whether or not additional Parity Lien Obligations 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 any capitalized interest of any outstanding securities with a term of one year or less which the General Manager or the Chief Financial Officer of the District 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 A25 Bond Revenue Index@ most recently published in The Bond Buyer prior to the date of certification.

For the purposes of paragraph (b) above, if any Superior Lien Obligation or Parity Lien Obligation bears or is proposed to bear 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 Lien Obligations or Parity Lien Obligations 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 Lien Obligations or Parity Lien Obligations 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 the Bonds, unless all of the outstanding Bonds are insured by a bond insurer whose rating issued by S&P Global Ratings 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.

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 provided in the 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 Bond Resolution.

The Bonds and any Parity Lien Obligations hereafter outstanding 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.

Superior Lien Obligations

Additional Superior Lien Obligations may be issued if the proposed Superior Lien Obligations meet the earnings test for the issuance of Parity Lien Obligations listed above, meets the applicable earnings test required by the resolutions authorizing the issuance of the outstanding Superior Lien Obligations, and are issued as special obligations of the District.

Subordinate Bonds

The Bond Resolution provides that the District may issue bonds or securities payable from the Net Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

Tax Covenant

The District covenants 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 or refinanced 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 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 that such interest is required to be included in the adjusted current earnings adjustments applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income for taxable years of corporations beginning before January 1, 2018. 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

Subject to the limitation that rates and charges must be reasonable, the District covenants in the Bond Resolution to charge fees, rates and other charges for the service, facilities and water of the District which will be sufficient, after making allowances for contingencies and error in the estimates, to pay the following items of cost and expense in the order set forth: (a) costs of operating and maintaining the works and properties of the District; (b) the general expenses of the District; (c) the principal and interest on all Superior Lien Obligations as the same fall due (including any Superior Lien Obligations issued in the future); and (d) the principal and interest on all other bonds and other obligations of the District payable from the Net Pledged Revenues, including the Bonds, and the payments required to be made into the 2018A Bond Fund. In addition, the District covenants that rates and charges shall be so fixed that annually, after payment from revenues of the costs of operation and maintenance and the general expenses of the District, the remaining revenue before depreciation, amortization and interest chargeable to the income account, as shown by the books of the District for the latest prior fiscal year with respect to which such books have been examined and reported upon by an independent accountant employed by the District, shall be at least one (1) times the combined average annual debt service on all outstanding bonds, notes and other indebtedness payable out of Net Pledged Revenues.

Qualified Swap Covenant

The District covenants in the Bond Resolution that, at least 15 days in advance of entering into a Qualified Swap, the District will give written notice to Moody's Investors Service and S&P Global Ratings, of such Qualified Swap and to provide Moody's Investors Service and S&P Global Ratings with the proposed documentation evidencing such Qualified Swap.

If a termination payment under a Qualified Swap is unconditionally due and payable in accordance with the terms of the Qualified Swap, and the District determines that payment of such termination payment on its due date would be unduly burdensome, the District will use its best efforts to issue bonds or other obligations and use the proceeds thereof for the purpose of paying such termination payment.

Any Qualified Swap entered into by the District will contain a provision requiring the Qualified Swap Provider to (i) maintain at least an “A” rating from S&P Global Ratings on its senior long-term debt obligations, or on the senior long-term debt obligations of the financial institution that guarantees the District’s obligations under the Qualified Swap, or (ii) to collateralize its obligations under the Qualified Swap in a manner reasonably acceptable to Moody’s Investors Service and S&P Global Ratings.

Other Protective Covenants

The District also covenants with the registered owners of the Bonds that (a) it will at all times operate its works and properties in a sound and economical manner and will maintain, preserve and keep the same property, or cause the same to be so maintained, preserved and kept, in good repair, working order and condition; (b) it will not sell, lease or otherwise dispose of as a whole, or substantially as a whole, the works or properties of the District (unless provision is made for the payments required by the Bond Resolution or unless the District continues to operate the works and properties); (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 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; (d) it will not furnish any free water or other service and will not charge any governmental entity lower rates than those charged other persons for similar services except that the District may under certain circumstances charge lower fees for water used for fire protection purposes; and (e) it will not issue any obligations having a priority over the Bonds for payment of principal and interest from general taxes.

Defeasance

When all the Bond Requirements of any Bond have been duly paid, the pledge, the lien and all obligations under the 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 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 therefore from any initial investments in Federal Securities, to meet all Bond Requirements of the Bonds as the same become due to the final maturity of the Bonds or to any redemption date as of which the District shall have obligated itself to exercise its prior redemption option. 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.

Amendment of the Bond Resolution

The Bond Resolution may be amended or supplemented without the consent of or notice to the holders of the Bonds for the purpose of curing any ambiguity or formal defect or omission in the Bond Resolution or to make any change to the Bond Resolution which the Board determines does not materially, adversely affect the holders of any outstanding bonds. The Bond Resolution may be amended or supplemented with the consent of the insurer of the Bonds, if any (as long as the insurer has not defaulted on its insurance policy with respect to such Bonds), in connection with any other amendment. The Bond Resolution may be amended or supplemented with the consent of the registered owners of 66-2/3% in aggregate principal amount of Bonds outstanding; but no amendment may permit the following without the consent of the insurer, if any, and registered owners of Bonds adversely affected thereby: (i) a change in the maturity or in the terms of redemption of the principal of any outstanding Bond or any installment of interest thereon; (ii) a reduction of the principal amount of any outstanding Bond, interest rate or redemption premium 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 favor any such amendment or modification; (iv) the establishment of priorities between Bonds issued and outstanding under the provisions of the Bond Resolution; or (v) any modification 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 Board reasonably determines that the Registrar or Paying Agent has become incapable of performing its duties, or that it is in the best interests of the District to replace the Paying Agent or Registrar, the Board may, upon notice mailed to each registered owner of the Bonds at his or her address last shown on the registration records, appoint a successor or 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 Bond Resolution does not require that the same institution serve 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.

Any corporation or association into which the Registrar or Paying Agent may be converted or merged, or with which they may be consolidated, or to which they may sell or transfer their corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer, to which they are a party, shall be and become the successor Registrar or Paying Agent under the Bond Resolution, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties to the Bond Resolution.

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the 2018 Bonds. The 2018 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 series and each maturity of the 2018 Bonds, each in the aggregate principal amount of such series and 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 3.6 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 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2018 Bonds ("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 2018 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 2018 Bonds, except in the event that use of the book-entry system for the 2018 Bonds is discontinued.

To facilitate subsequent transfers, all 2018 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 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018 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 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2018 Bonds documents. For example, Beneficial Owners of 2018 Bonds may wish to ascertain that the nominee holding the 2018 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 2018 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 2018 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 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 2018 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 2018 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, 2018 Bonds 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, 2018 Bonds 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 FOR THE DISTRICT

Upon issuance of the 2018 Bonds, the District proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Las Vegas Valley Water District, Nevada (the "District") in connection with the issuance of the District's General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Water Bonds, Series 2018A, in the aggregate principal amount of $100,000,000 (the "Bonds") issued pursuant to the bond resolution adopted by the Board of Directors of the District on May 1, 2018 (the "Resolution"). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District 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 Resolution 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 District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District 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. As of the date hereof, 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 District shall, or shall cause the Dissemination Agent to, not later than nine months following the end of the District's fiscal year of each year, commencing nine months following the end of the District's fiscal year ending June 30, 2018, provide to the MSRB in 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 District shall provide the Annual Report to the Dissemination Agent (if other than the District). 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 District may be submitted separately from the balance of the Annual Report.

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall file or cause to be filed in a timely manner with the MSRB, a notice in substantially the form attached as Exhibit "A".

(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 District, send written notice to the District 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 District, file a report with the District 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 District's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with accounting principles generally accepted in the United State of America as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board 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 last fiscal year only 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.

If the information in section 4(b) above can be derived from the financial statements required to be filed in 4(a) above, failure to file separate tables under section 4(b) above shall not constitute a default hereunder. Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The District shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The District shall file or cause to be filed with the MSRB, in a timely manner not in excess of 10 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[1];

(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. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The District'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 District 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.

SECTION 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist the District 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 District may amend this Disclosure Certificate and may waive any provision of this Disclosure

1 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.

Certificate, with the approving opinion of nationally recognized bond counsel but 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 District 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 District 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 District 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 District 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 District to file an annual report under Section 4 hereof or to file a report of a significant event under Section 5 hereof, 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 District to make such filing. Notwithstanding the foregoing, no action may be undertaken by any holder or beneficial owner of the Bonds with respect to the accuracy of the information contained in any such filing or otherwise without the approval in writing of holders or beneficial owners of at least 50% of the aggregate principal amount of the Bonds. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

No holder or beneficial owner may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the District satisfactory written evidence of their status as holder or beneficial owner and a written notice of and request to cure such failure, and the District shall have refused to comply therewith within a reasonable time.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no right in any other person or entity.

DATE: June 26, 2018.

LAS VEGAS VALLEY WATER DISTRICT, NEVADA

____

Chief Financial Officer

EXHIBIT “A”

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Bond Issuer:	Las Vegas Valley Water District, Nevada
Name of Bond Issue:	General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Water Bonds, Series 2018A
CUSIP:	517845
Date of Issuance:	June 26, 2018.

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Resolution adopted on May 1, 2018 and the Continuing Disclosure Certificate executed on June 26, 2018 by the District. The District anticipates that the Annual Report will be filed by ____________________.

Dated: __________

LAS VEGAS VALLEY WATER DISTRICT, NEVADA

By:____
Its:____

EXHIBIT "B"

History of Assessed Valuation - Las Vegas Valley Water District, Nevada
Property Tax Levies, Collections and Delinquencies - Clark County, Nevada
Ten Largest Taxpayers in the County and the District
Historic District Accounts
Top Ten Principal Ratepayers - Calendar Year 2017
District Historical Operating Results
District Outstanding Indebtedness

.

APPENDIX E

FORM OF APPROVING OPINION OF BOND COUNSEL

June 26, 2018

Las Vegas Valley Water District, Nevada
1001 South Valley View
Las Vegas, Nevada 89153

$100,000,000
Las Vegas Valley Water District, Nevada
General Obligation (Limited Tax)
(Additionally Secured by Pledged Revenues)
Water Bonds, Series 2018A

Ladies and Gentlemen:

We have acted as bond counsel to the Las Vegas Valley Water District (the "District"), Nevada (the "State"), in connection with the issuance of its "General Obligation (Limited Tax) (Additionally Secured by Pledged Revenues) Water Bonds, Series 2018A" in the aggregate principal amount of $100,000,000 (the "Bonds"), pursuant to an authorizing resolution adopted and approved by the District's Board of Directors on May 1, 2018 (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 such terms 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, the 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 in 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 Net Pledged Revenues. The Bond Resolution creates a valid lien on the Net Pledged Revenues pledged therein for the security of the Bonds on a parity with the lien thereon of any parity bonds or parity securities outstanding or hereafter issued, and subordinate to the lien on the Net Pledged Revenues of any superior bonds or superior securities

outstanding or hereafter issued. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Net Pledged Revenues 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 for taxable years of corporations beginning before January 1, 2018, 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 the 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 the laws of the State in effect as of 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 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 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 law that may hereafter occur.

Respectfully submitted

APPENDIX F

ECONOMIC AND DEMOGRAPHIC INFORMATION

This Appendix F contains general information concerning the historic economic and demographic conditions in the County and the District. This Appendix F 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 historical 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 shows the population growth of the County and the State since 1970. According to U.S. Census figures, between 2000 and 2017, the County's population increased approximately 60% and the State's population increased approximately 49%.

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	1.1
2013	2,031,723	2.2	2,800,967	1.8
2014	2,069,450	1.9	2,843,301	1.5
2015	2,118,353	2.4	2,897,584	1.9
2016	2,166,181	2.3	2,953,375	1.9
2017	2,193,818	1.3	2,986,636	1.0

Source: United States Department of Commerce Bureau of the Census (1970-2010 statistics as of April 1) and Nevada State Demographer's Office (2011-2017 estimates as of July 1st; 2017). Populations are subject to periodic revisions.

Income

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*
2012	$38,562	$39,211	$44,282
2013	38,028	38,939	44,493
2014	39,860	40,718	46,494
2015	41,915	43,118	48,451
2016	42,284	43,567	49,246

(1) As of November 2017. All figures subject to periodic revisions.
Source: United States Department of Commerce, Bureau of Economic Analysis.

Employment

The State of Nevada's Employment and Security Department ("DETR") began publishing labor force and industrial employment data using a new Bureau of Labor Statistics ("BLS") methodology for defined metropolitan statistical areas ("MSA") where applicable. The average annual labor force summary for the Las Vegas-Paradise MSA is as follows:

AVERAGE ANNUAL LABOR FORCE SUMMARY[1]
LAS VEGAS-HENDERSON-PARADISE MSA, NEVADA
(ESTIMATES IN THOUSANDS)

Calendar Year	***2013***	***2014***	***2015***	***2016***	***2017***
TOTAL LABOR FORCE	1,005.0	1,019.9	1,039.4	1,048.0	1,067.5
Unemployment	96.9	81.5	71.5	60.8	53.9
Unemployment Rate[2]	9.6%	8.0%	6.9%	5.8%	5.1%
Total Employment	908.1	938.4	968.0	987.2	1,013.6

(1) All figures are subject to change.
(2) The annual average U.S. unemployment rates for the years 2013 through 2017 are 7.4%, 6.2%, 5.3%, 4.9% and 4.4%, respectively.
Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation; and U.S. Bureau of Labor, Bureau of Labor Statistics.

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

INDUSTRIAL EMPLOYMENT[1]
LAS VEGAS-HENDERSON-PARADISE MSA, NEVADA (CLARK COUNTY)
(ESTIMATES IN THOUSANDS)

Calendar Year	***2013***	***2014***	***2015***	***2016***	***2017***
Natural Resources and Mining	0.3	0.4	0.3	0.3	0.4
Construction	41.1	45.4	51.1	55.3	63.7
Manufacturing	20.7	21.1	21.6	22.1	22.6
Trade (Wholesale and Retail)	120.0	124.1	128.3	128.3	129.0
Transportation, Warehousing & Utilities	36.6	38.3	40.5	41.5	40.3
Information	9.8	10.6	10.6	11.1	11.0
Financial Activities	43.3	43.6	46.0	48.3	50.3
Professional and Business Services	111.6	117.7	126.6	133.8	140.6
Education and Health Services	79.2	82.3	86.6	91.7	95.7
Leisure and Hospitality (casinos excluded)	109.6	115.7	121.4	127.6	131.0
Casino Hotels and Gaming	157.8	162.6	161.1	158.5	158.8
Other Services	24.4	25.4	26.7	30.7	32.5
Government	95.1	96.4	98.0	100.0	102.3
TOTAL ALL INDUSTRIES	849.4	883.4	918.7	949.2	978.1

(1) Totals may not add up due to rounding. Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple job holders. All numbers are subject to periodic revision.
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 ELEVEN LARGEST EMPLOYERS 3RD QUARTER 2017

Employer	*Employment Range*	*Industry*
Clark County School District	30,000 - 39,999	Public education
Clark County	8,500 - 8,999	Local government
Wynn Las Vegas	8,000 - 8,499	Casino hotel
Bellagio LLC	7,500 - 7,999	Casino hotel
MGM Grand Hotel/Casino	7,000 - 7,499	Casino hotel
Aria Resort & Casino LLC	7,000 - 7,499	Casino hotel
Mandalay Bay Resort and Casino	7,000 - 7,499	Casino hotel
The Venetian/Palazzo Casino Resorts LLC	6,000 - 6,499	Casino/hotel
University of Nevada – Las Vegas	6,000 - 6,499	University
Caesars Palace	5,000 - 5,499	Casino/hotel
Las Vegas Metropolitan Police Department	5,000 - 5,499	Local Government

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

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 single-family (including townhomes) building permits within the County and its incorporated areas.

RESIDENTIAL BUILDING PERMITS
CLARK COUNTY, NEVADA
(VALUES IN THOUSANDS)

Calendar Year	*2013*		*2014*		*2015*		*2016*		*2017*	
	Permits	*Value*	*Permits*	*Value*	*Permits*	*Value*	*Permits*	*Value*	*Permits*	*Value*
Las Vegas	1,538	$ 201,412	1,453	$ 202,296	1,663	$ 243,674	1,503	$ 309,105	1,622	$ 295,421
North Las Vegas	506	70,222	491	66,508	698	91,462	804	107,004	925	153,474
Henderson	1,352	185,094	1,318	196,285	1,696	255,663	2,197	317,413	2,391	340,826
Mesquite	202	33,066	196	34,323	206	40,564	246	56,274	329	73,396
Unincorporated Clark County	3,593	449,225	3,428	452,740	3,847	492,320	4,048	518,263	4,322	582,424
Boulder City[1]	10	3,401	16	5,199	22	6,977	3	962	21	4,633
TOTAL	7,201	$ 942,420	6,902	$ 957,351	8,132	$1,130,660	8,801	$1,309,021	9,610	$ 1,450,174

(1) Boulder City imposed a strict growth control ordinance effective July 1, 1979.
(2) As of December 31, 2017, except Unincorporated Clark County which are through November 30, 2017.
Sources: Building Departments: Las Vegas, North Las Vegas, Henderson, Mesquite, Clark County; and Boulder City.

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	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*[(1)]
Las Vegas	$ 411,022,949	$ 497,750,543	$ 596,103,559	$ 602,775,475	$ 690,905,467	$ 885,061,960
North Las Vegas	158,651,851	203,590,405	263,192,557	262,266,938	394,803,755	572,555,197
Henderson	243,753,376	359,371,027	385,009,871	423,923,070	595,334,431	564,711,541
Mesquite	28,789,392	38,879,662	38,059,247	45,697,056	66,907,918	86,004,824
Unincorporated Clark County	1,661,632,803	1,631,904,822	1,987,655,692	2,251,507,323	2,306,747,407	2,419,474,291
Boulder City	96,450,660	333,212,307	29,391,159	18,566,548	92,521,659	10,921,222
TOTAL	$ 2,600,301,031	$ 3,064,708,766	$ 3,299,412,085	$ 3,604,736,410	$ 4,147,220,637	$ 4,538,729,035
Percent Change	60.59%	17.86%	7.66%	9.25%	15.05%	9.44%

(1) As of December 31, 2017, except Unincorporated Clark County which are through November 30, 2017.

Sources: Building Departments: Las Vegas, North Las Vegas, Henderson, Mesquite, Clark County; and Boulder City.

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 (which later became Nellis Air Force Base) during World War II, and the subsequent creation of the Nevada Test Site. Currently, the following federal activities are located in the County.

Hoover Dam. Hoover Dam, operated by the 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.

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 over three million acres. 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. In recent years under the direction of the Department of Energy's (DOE) Nevada Operations Office, NNSS use has diversified into many other areas, including hazardous chemical spill testing, emergency response training, conventional weapons testing, and waste management projects which can best be conducted in the remote desert area. The NNSS has been designated as an Environmental Research Park where scientists and students can conduct research on environmental issues. Located 65 miles northeast of Las Vegas, the NNSS is a massive outdoor laboratory and national experimental center and comprises 1,360 square miles surrounded by thousands of additional acres of land which were withdrawn from the public domain to be used as a protected wildlife range and a military gunnery range, creating an unpopulated area of some 5,470 square miles. Federal employees and independent contractors are employed at NNSS.