

**NEW ISSUE
BOOK-ENTRY ONLY**

**RATINGS: Moody's: "Aa1"
S&P: "AAA"
See "RATINGS"**

In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2026 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2026 Bonds (the "Tax Code"), and interest on the 2026 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code, however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. See "TAX MATTERS."

**\$123,265,000
CLARK COUNTY WATER RECLAMATION DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
WATER RECLAMATION REFUNDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2026**

Dated: Date of Delivery

Due: July 1, as shown herein

The 2026 Bonds are issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The 2026 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 2026 Bonds. Purchases of the 2026 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2026 Bonds. See "THE 2026 BONDS--Book-Entry Only System." The 2026 Bonds bear interest at the rates set forth herein, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2027, to and including the maturity dates shown herein (unless the 2026 Bonds are redeemed earlier), to the registered owners of the 2026 Bonds (initially Cede & Co.). The principal of the 2026 Bonds will be payable upon presentation and surrender at the operations offices of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor as the paying agent for the 2026 Bonds. See "THE 2026 BONDS."

The maturity schedule for the 2026 Bonds appears on the inside cover page of this Official Statement.

The 2026 Bonds are subject to optional redemption prior to maturity as described in "THE 2026 BONDS - Prior Redemption."

Proceeds of the 2026 Bonds will be used to: (i) current refund certain outstanding obligations of the District; and (ii) pay the costs of issuing the 2026 Bonds. See "SOURCES AND USES OF FUNDS."

The 2026 Bonds constitute direct and general obligations of the District. The full faith and credit of the District is pledged for the payment of principal and interest, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See "SECURITY FOR THE 2026 BONDS - General Obligations." The 2026 Bonds are additionally secured by a pledge of certain Net Pledged Revenues described herein. See "SECURITY FOR THE 2026 BONDS - Net Pledged Revenues."

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

The 2026 Bonds are offered when, as, and if issued by the District, subject to the approval of legality of the 2026 Bonds by Taft Stettinius & Hollister LLP, Las Vegas, Nevada, and the satisfaction of certain other conditions. Taft Stettinius & Hollister LLP also has acted as special counsel to the District in connection with the Official Statement. Certain legal matters will be passed upon for the District by its internal General Counsel. It is expected that the 2026 Bonds will be available for delivery through the facilities of DTC, on or about July 29, 2026.

This Official Statement is dated July 8, 2026.

\$123,265,000
CLARK COUNTY WATER RECLAMATION DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
WATER RECLAMATION REFUNDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2026

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

Maturing (July 1)	Principal Amount	Interest Rate	Yield	CUSIP® Issue Number
2027	\$ 4,535,000	5.000%	2.320%	GG2
2028	4,810,000	5.000	2.400	GH0
2029	5,050,000	5.000	2.530	GJ6
2030	5,305,000	5.000	2.620	GK3
2031	5,535,000	5.000	2.710	GL1
2032	18,630,000	5.000	2.810	GM9
2033	19,645,000	5.000	2.900	GN7
2034	20,675,000	5.000	3.000	GP2
2035	21,750,000	5.000	3.070	GQ0
2036	5,515,000	5.000	3.140	GR8
2037	5,775,000	5.000	3.240 ^C	GS6
2038	6,040,000	5.000	3.350 ^C	GT4

^CYield to earliest optional redemption date of July 1, 2036.

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 2026 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 2026 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the Clark County Water Reclamation District (the "District"). The District maintains an internet website for various purposes; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2026 Bonds.

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

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2026 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 2026 Bonds and may not be reproduced or used in whole or in part for any other purpose.

The 2026 Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The 2026 Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE 2026 BONDS ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE INITIAL PURCHASER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE 2026 BONDS, THE INITIAL PURCHASER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE 2026 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CLARK COUNTY WATER RECLAMATION DISTRICT, NEVADA

District Board of Trustees

Tick Segerblom, Chair
Justin Jones, Vice Chair
April Becker, Member
James B. Gibson, Member
Marilyn Kirkpatrick, Member
William McCurdy II, Member
Michael Naft, Member

Other District Elected Officials

J. Ken Diaz, ex officio Treasurer
Lynn Marie Goya, ex officio Secretary

District Administration

Thomas A. Minwegen, General Manager
David J. Stoft, Chief Legal & Administrative Officer
Daniel Fischer, Chief Water Reclamation Operations Officer
Shawn P. Mollus, Chief Engineering Officer
Srinivas Chundu, Chief Information & Administrative Officer

DISTRICT MUNICIPAL ADVISORS

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

PFM Financial Advisors LLC
Seattle, Washington

BOND AND SPECIAL COUNSEL

Taft Stettinius & Hollister LLP
Las Vegas, Nevada

REGISTRAR AND PAYING AGENT

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

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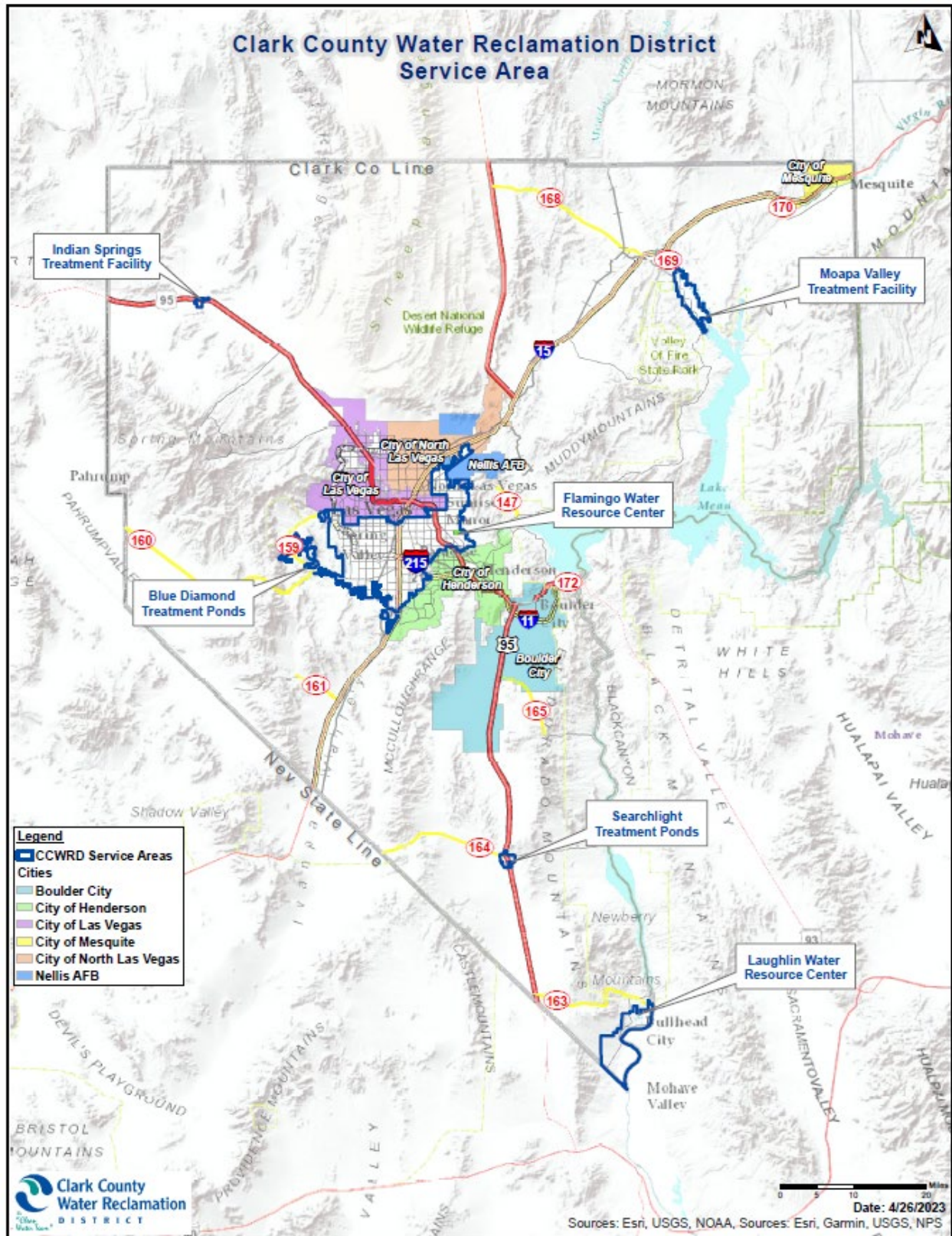
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SERVICE AREA MAP



OFFICIAL STATEMENT

\$123,265,000

**CLARK COUNTY WATER RECLAMATION DISTRICT, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
WATER RECLAMATION REFUNDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2026**

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover page and the appendices, is furnished by the Clark County Water Reclamation District, Nevada (the “District”), a political subdivision of the State of Nevada (the “State”), to provide information about the District and its \$123,265,000 General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2026 (the “2026 Bonds”). The 2026 Bonds will be issued pursuant to a bond resolution (the “2026 Bond Resolution”) adopted by the Board of County Commissioners, as ex officio Board of Trustees of the District (the “Board”), on June 2, 2026.

The offering of the 2026 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 2026 Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein. Detachment or other use of this “INTRODUCTION” without the entire Official Statement, including the cover page, inside cover page and appendices, is unauthorized. Unless otherwise provided, capitalized terms used herein are defined in APPENDIX B hereto.

The Issuer

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

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

from the District's service area in the future; should that occur, the District's service area will be reduced.

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

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

The 2026 Bonds; Prior Redemption

The 2026 Bonds are issued solely as fully registered certificates in the denomination of \$5,000, or any integral multiple thereof. The 2026 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 2026 Bonds. Purchases of the 2026 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2026 Bonds. See "THE 2026 BONDS - Book-Entry Only System." The 2026 Bonds are dated as of their date of delivery and mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page hereof. The payment of principal and interest on the 2026 Bonds is described in "THE 2026 BONDS--Payment Provisions."

Certain 2026 Bonds are subject to redemption prior to maturity at the option of the District as described in "THE 2026 BONDS--Prior Redemption."

Purpose

The 2026 Bonds are being issued to: (i) refund the District's General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015, maturing July 1, 2027 through July 1, 2038, inclusive, on the date of issuance of the 2026 Bonds; (ii) refund the District's General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2016, maturing July 1, 2032 through July 1, 2035, on the date of issuance of the 2026 Bonds (clauses (i) and (ii) of this paragraph being referred to herein as the "Refunding Project"); and (iii) pay the costs of issuing the 2026 Bonds. See "SOURCES AND USES OF FUNDS."

Security

General Obligations. The 2026 Bonds are direct and general obligations of the District, payable as to principal and interest from annual general (ad valorem) taxes (sometimes referred to herein as "General Taxes") levied against all taxable property within the District

(except to the extent any other monies are made available therefor), subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See “SECURITY FOR THE 2026 BONDS - General Obligations” and “PROPERTY TAX INFORMATION - Property Tax Limitations.”

Additional Pledged Revenues. The 2026 Bonds are additionally secured by a pledge of the Net Pledged Revenues of the District. Net Pledged Revenues consist of the District’s Gross Revenues (defined below) remaining after the deduction of Operation and Maintenance Expenses (defined below).

The 2026 Bond Resolution defines “Gross Revenues” to mean all income and revenues derived directly or indirectly by the District from the operation and use and otherwise pertaining to the System or any part thereof. “Operation and Maintenance Expenses” are generally defined as all reasonable and necessary current expenses of the District, paid or accrued, of operating, maintaining and repairing the System. A more detailed definition of “Operation and Maintenance Expenses” can be found in APPENDIX B - Summary of Certain Provisions of the 2026 Bond Resolution--Certain Definitions.

Lien Priority. Following the issuance of the 2026 Bonds and the completion of the Refunding Project, the 2026 Bonds will constitute a lien (but not necessarily an exclusive lien) on the Net Pledged Revenues on a parity with the lien thereon of \$383,910,000 of outstanding District bonds, consisting of: (i) the District’s General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2016, outstanding in the aggregate principal amount of \$59,565,000 (the “2016 Bonds”); and (ii) the District’s General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2023, outstanding in the aggregate principal amount of \$324,345,000 (the “2023 Bonds”). The 2016 Bonds and the 2023 Bonds are collectively referred to herein as the “Prior Bonds.” The 2026 Bonds are subject to the lien of any superior lien securities hereafter issued by the District in accordance with the terms of the 2026 Bond Resolution (“Superior Securities”). No Superior Securities currently are outstanding.

The District also has outstanding certain bonds with a lien on the Net Pledged Revenues that is subordinate to the lien thereon of the 2026 Bonds and the Prior Bonds. See “DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE - Outstanding Indebtedness and Other Obligations.”

Additional Bonds. The District may issue bonds or other obligations with a lien on the Net Pledged Revenues which is on a parity with the lien of the 2026 Bonds (“Additional Parity Securities”) in accordance with the terms of the 2026 Bond Resolution. See “SECURITY FOR THE 2026 BONDS - Additional Bonds.” The 2016 Bonds, the 2023 Bonds, and the 2026 Bonds and any Additional Parity Securities are collectively referred to herein as “Parity Securities.” The issuance of Additional Parity Securities or Superior Securities in the future would have the effect of diluting the security for the 2026 Bonds.

The 2026 Bond Resolution also allows the issuance of Superior Securities upon the satisfaction of certain conditions (see “SECURITY FOR THE 2026 BONDS - Additional Bonds”). Such Superior Securities, if issued, would not constitute general obligations of the District but would be secured solely by a lien on the Net Pledged Revenues superior to the lien thereon of the 2026 Bonds. The District currently has no plans to issue Superior Securities but reserves the right to do so at any time.

Authority for Issuance

The 2026 Bonds are being issued pursuant to the Project Act, NRS 350.500 through 350.720, as amended (the “Bond Act”), Chapter 348 of NRS (the “Supplemental Bond Act”), and the 2026 Bond Resolution.

Professionals

Taft Stettinius & Hollister LLP, Las Vegas, Nevada, has acted as Bond Counsel in connection with the 2026 Bonds. Taft Stettinius & Hollister LLP also has acted as special counsel to the District in connection with this Official Statement. Certain legal matters will be passed on by the internal General Counsel of the District. The financial advisors to the District in connection with the issuance of the 2026 Bonds are Hobbs, Ong & Associates, Inc., Las Vegas, Nevada and PFM Financial Advisors LLC, Seattle, Washington (the “Municipal Advisors”). See “MUNICIPAL ADVISORS.” The annual comprehensive financial report of the District (contained in APPENDIX A to this Official Statement) includes the report of BDO USA, P.C., certified public accountants, Las Vegas, Nevada. See “INDEPENDENT AUDITORS.” The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, will act as Registrar and Paying Agent for the 2026 Bonds (the “Registrar” and “Paying Agent”).

Tax Status

In the opinion of Taft Stettinius & Hollister LLP, Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2026 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2026 Bonds (the “Tax Code”), and interest on the 2026 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code, however, to the extent such interest is included in calculating the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. See “TAX MATTERS – Federal Tax Matters.”

Under the laws of the State in effect as of the date of delivery of the 2026 Bonds, the 2026 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. See “TAX MATTERS - State Tax Exemption.”

Continuing Disclosure Undertaking

The District will execute a continuing disclosure certificate (the “Disclosure Certificate”) at the time of the closing for the 2026 Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the 2026 Bonds and the District will covenant in the 2026 Bond Resolution to comply with its terms. The Disclosure Certificate will provide that so long as the 2026 Bonds remain outstanding, the District will annually provide the following information to the Municipal Securities Rulemaking Board: (i) certain financial information and operating data; and (ii) notice of certain material events. The form of the Disclosure Certificate is attached hereto as APPENDIX D.

Forward-Looking Statements

This Official Statement, particularly (but not limited to) any statements referring to budgeted, unaudited or estimated information for fiscal year 2026 or future years, contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not occur as assumed or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results. Those differences could be material and could impact the availability of funds to pay debt service on the 2026 Bonds.

Secondary Market

No guarantee can be made that a secondary market for the 2026 Bonds will develop or be maintained by the initial purchaser of the 2026 Bonds (the “Initial Purchaser”) or others. Thus, prospective investors should be prepared to hold their 2026 Bonds to maturity.

Additional Information

This introduction is only a brief summary of the provisions of the 2026 Bonds and the 2026 Bond Resolution; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the 2026 Bonds, the 2026 Bond Resolution, the Refunding Project, and the District are included in this Official Statement. All references herein to the 2026 Bonds, the 2026 Bond Resolution and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change.*

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

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

Hobbs, Ong and Associates, Inc.
6385 S. Rainbow Blvd., Suite 105
Las Vegas, Nevada 89118
Telephone: (702) 733-7223

PFM Financial Advisors LLC
107 Spring Street
Seattle, Washington 98104
Telephone: (206) 858-5360

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The proceeds of the 2026 Bonds are expected to be applied in the manner set forth in the following table.

Sources and Uses of Funds

	<u>Amount</u>
SOURCES:	
Principal amount of 2026 Bonds.....	\$123,265,000.00
Plus original issue premium.....	<u>15,231,551.85</u>
	<u>\$138,496,551.85</u>
USES:	
Refunding Project	\$137,677,487.22
Costs of issuance (including underwriting discount)	<u>819,064.63</u>
Total	<u>\$138,496,551.85</u>

THE 2026 BONDS

General

The 2026 Bonds will be issued as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. The 2026 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 2026 Bonds initially will be registered in the name of “Cede & Co.,” as nominee for DTC, the securities depository for the 2026 Bonds. Purchases of the 2026 Bonds are to be made in book-entry only form. Purchasers will not receive certificates evidencing their beneficial ownership interest in the 2026 Bonds. See “Book-Entry Only System” below.

Payment Provisions

Interest on the 2026 Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2027, by check or draft mailed or electronic transfer by the Paying Agent on or before the interest payment date (or if such day is not a business day, on or before the next succeeding business day) to the person in whose name each 2026 Bond is registered (i.e., Cede & Co.) on the 15th day of the calendar month preceding the interest payment date (the “Regular Record Date”), at the address shown on the registration records maintained by the Paying Agent as of the close of business on the Regular Record Date. However, if there is a default in payment or provision of interest due with respect to a 2026 Bond on any interest payment date, such interest thereafter will be paid to the registered owner of such 2026 Bond as of a special record date (the “Special Record Date”) to be established by the Registrar whenever moneys become available for payment of the defaulted interest. The Special Record Date will be fixed by the Paying Agent whenever money becomes available for payment of the defaulted

interest, and notice of the Special Record Date will be given to the registered owners of the 2026 Bonds not less than 10 days prior thereto sent electronically or otherwise to each registered owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date selected for the payment of the defaulted interest. Principal of the 2026 Bonds will be payable at maturity at the principal operations office of the Paying Agent (or at such other office designated by the Paying Agent) upon presentation and surrender thereof. Any 2026 Bond not paid upon presentation and surrender at or after maturity shall continue to draw interest at the rate stated in the 2026 Bond until the principal is paid in full. All such payments of principal and interest shall be made in lawful money of the United States of America. Payments to beneficial owners are to be made as described below in "Book-Entry Only System."

Notwithstanding the foregoing, payments of the principal of and interest on the 2026 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 2026 Bonds. Disbursement of such payments to DTC's Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and the Indirect Participants, as more fully described herein. See "Book-Entry Only System" below.

Prior Redemption

Optional Prior Redemption. The 2026 Bonds, or portions thereof, maturing on and after July 1, 2037, are subject to redemption prior to their respective maturities at the option of the District as directed by the General Manager or the Finance Manager, on and after July 1, 2036 in whole or in part at any time, from such maturities as are selected by the General Manager or the Finance Manager, and if less than all the 2026 Bonds of a maturity are to be redeemed, the 2026 Bonds of such maturity to be redeemed are to be selected by lot within a maturity (or in such other manner as the Registrar deems fair), at a price equal to the principal amount of each 2026 Bond or portion thereof so redeemed plus accrued interest to the redemption date.

Notice of Redemption. Unless waived by any registered owner of a 2026 Bond to be redeemed, notice of prior redemption shall be given by the Registrar, by electronic notice as long as Cede & Co. is registered owner of the 2026 Bonds and otherwise by first-class mail or electronic mail, at least 30 days but not more than 60 days prior to the Redemption Date to the Municipal Securities Rulemaking Board ("MSRB") and to the registered owner of any 2026 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 2026 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, electronically, or as otherwise provided in the 2026 Bond Resolution), and that after such Redemption Date interest will cease to accrue. Actual receipt of notice by the MSRB or any registered owner of 2026 Bonds shall not be a condition precedent to redemption of such 2026 Bonds. Failure to give such notice to the registered owner of any 2026 Bond designated for redemption, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other 2026 Bond.

Notwithstanding the foregoing, any notice of redemption may contain a statement that the redemption is conditional upon the receipt by the Paying Agent of funds on or before the

date fixed for redemption sufficient to pay the redemption price of the 2026 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 2026 Bonds called for redemption in the same manner as the original redemption notice was given.

Tax Covenant

In the 2026 Bond Resolution, the District covenants for the benefit of the Holders of the 2026 Bonds that it will not take any action or omit to take any action with respect to the 2026 Bonds, the proceeds thereof, any other funds of the District or any facilities financed with the proceeds of the 2026 Bonds if such action or omission (i) would cause the interest on the 2026 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the 2026 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Tax Code. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the 2026 Bonds until the date on which all obligations of the District in fulfilling the above covenant under the Tax Code have been met. The District makes no covenant with respect to taxation of interest on the 2026 Bonds as a result of the inclusion of that interest in the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code).

Defeasance

When all Bond Requirements (defined in APPENDIX B) of any 2026 Bond have been duly paid, the pledge, the lien, and all obligations under the 2026 Bond Resolution shall thereby be discharged and the 2026 Bond shall no longer be deemed to be outstanding within the meaning of the 2026 Bond Resolution. Due payment shall be deemed to be made when the District has placed in escrow or in trust with a Trust Bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities (defined in APPENDIX B) in which such amount may be initially invested wholly or in part) to meet all Bond Requirements of the 2026 Bond, as the same become due to the final maturities of the 2026 Bond, or upon any redemption date as of which the District shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the 2026 Bond for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the schedule. For purposes of this paragraph, “Federal Securities” shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof.

Book-Entry Only System

The 2026 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 2026 Bonds. The ownership of one fully registered 2026 Bond for each maturity set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee for DTC. See APPENDIX C - Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE 2026 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE 2026 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 2026 Bonds as further described in APPENDIX C to this Official Statement.

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DEBT SERVICE REQUIREMENTS

The following table sets forth, as of July 1, 2026: (i) the debt service requirements for the 2026 Bonds; (ii) the debt service requirements for the District's other outstanding general obligations after taking the Refunding Project into account (collectively, the "Other Outstanding GO Obligations"), all of which are revenue supported; and (iii) the combined debt service requirements for the 2026 Bonds and the Other Outstanding GO Obligations. See "DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE--Outstanding Indebtedness and Other Obligations."

Debt Service Requirements

Fiscal Year Ending June 30	<u>2026 Bonds</u>			<u>Other Outstanding GO Obligations⁽¹⁾</u>			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2027	--	\$ 2,602,261	\$ 2,602,261	\$ 2,394,422	\$ 10,504,906	\$ 12,899,328	\$ 15,501,589
2028	\$ 4,535,000	6,049,875	10,584,875	23,049,665	20,459,866	43,509,531	54,094,406
2029	4,810,000	5,816,250	10,626,250	24,155,533	19,496,423	43,651,956	54,278,206
2030	5,050,000	5,569,750	10,619,750	24,904,960	18,620,283	43,525,243	54,144,993
2031	5,305,000	5,310,875	10,615,875	25,648,323	17,740,955	43,389,278	54,005,153
2032	5,535,000	5,039,875	10,574,875	23,557,217	16,851,128	40,408,345	50,983,220
2033	18,630,000	4,435,750	23,065,750	8,542,175	16,221,897	24,764,072	47,829,822
2034	19,645,000	3,478,875	23,123,875	7,855,000	15,826,075	23,681,075	46,804,950
2035	20,675,000	2,470,875	23,145,875	8,260,000	15,423,200	23,683,200	46,829,075
2036	21,750,000	1,410,250	23,160,250	8,685,000	14,999,575	23,684,575	46,844,825
2037	5,515,000	728,625	6,243,625	28,165,000	14,268,675	42,433,675	48,677,300
2038	5,775,000	446,375	6,221,375	29,250,000	13,220,200	42,470,200	48,691,575
2039	6,040,000	151,000	6,191,000	30,965,000	12,120,125	43,085,125	49,276,125
2040	--	--	--	10,605,000	11,289,625	21,894,625	21,894,625
2041	--	--	--	11,150,000	10,745,750	21,895,750	21,895,750
2042	--	--	--	11,720,000	10,174,000	21,894,000	21,894,000
2043	--	--	--	12,325,000	9,572,875	21,897,875	21,897,875
2044	--	--	--	12,955,000	8,940,875	21,895,875	21,895,875
2045	--	--	--	13,620,000	8,276,500	21,896,500	21,896,500
2046	--	--	--	14,320,000	7,578,000	21,898,000	21,898,000
2047	--	--	--	15,055,000	6,843,625	21,898,625	21,898,625
2048	--	--	--	15,825,000	6,071,625	21,896,625	21,896,625
2049	--	--	--	16,635,000	5,260,125	21,895,125	21,895,125
2050	--	--	--	17,490,000	4,407,000	21,897,000	21,897,000
2051	--	--	--	18,385,000	3,510,125	21,895,125	21,895,125
2052	--	--	--	19,330,000	2,567,250	21,897,250	21,897,250
2053	--	--	--	20,320,000	1,576,000	21,896,000	21,896,000
2054	--	--	--	21,360,000	534,000	21,894,000	21,894,000
TOTAL	\$123,265,000	\$43,510,636	\$166,775,636	\$476,527,295	\$303,100,683	\$779,627,978	\$946,403,614

⁽¹⁾ Includes debt service on parity and subordinate obligations.

Source: The Municipal Advisors.

SECURITY FOR THE 2026 BONDS

General Obligations

General. The 2026 Bonds are direct and general obligations of the District, and the full faith and credit of the District is pledged for the payment of principal and interest due thereon, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See “PROPERTY TAX INFORMATION - Property Tax Limitations.” The 2026 Bonds are payable by the District from any source legally available at the times such payments are due, including the General Fund of the District. In the event, however, that such legally available sources of funds are insufficient, the District is obligated to levy a general (ad valorem) tax on all taxable property within the District for payment of the 2026 Bonds, subject to the limitations provided in the constitution and statutes of the State.

The District historically has not levied an ad valorem tax because District revenues have always been sufficient to pay debt service on all of the District’s bonds and obligations; however, in any year in which those revenues are insufficient to pay debt service, the District is obligated to levy ad valorem taxes to pay debt service. Due to the statutory process required for the levy of taxes, in any year in which the District is required to levy property taxes, there may be a delay in the availability of revenues to pay debt service on the 2026 Bonds. See “PROPERTY TAX INFORMATION - Property Tax Collections.”

The constitution and laws of the State limit the total ad valorem property taxes that may be levied by all overlapping taxing units within each county (e.g. the State, the County, the Clark County School District, any city, or any special district, including the District) in each year. Those limitations are described in “PROPERTY TAX INFORMATION - Property Tax Limitations.” In any year in which the total property taxes levied within the District by all applicable taxing units exceed such property tax limitations, the reduction to be made by those units must be in taxes levied for purposes other than the payment of their bonded indebtedness, including interest on such indebtedness. In addition, State law requires the abatement of property taxes in certain circumstances. See “PROPERTY TAX INFORMATION - Required Property Tax Abatements.”

Net Pledged Revenues

General. The 2026 Bonds are additionally secured by a lien (but not necessarily an exclusive lien) on the Net Pledged Revenues on a parity with the lien thereon of the Prior Bonds and any Additional Parity Securities issued in the future, and subject to the lien of any Superior Securities issued in the future. The 2026 Bond Resolution defines Net Pledged Revenues to mean the Gross Revenues remaining after the deduction of Operation and Maintenance Expenses. For precise definitions of “Net Pledged Revenues,” “Gross Revenues” and “Operation and Maintenance Expenses,” see APPENDIX B - Summary of Certain Provisions of the 2026 Bond Resolution - Certain Definitions.

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

It is the general intent of the District that rates and charges be adequate to provide for all costs (including debt service) and that the levy of ad valorem property taxes be avoided.

There has historically been no reliance on ad valorem taxes to support the District's operations and there is no current plan or intention to levy ad valorem property taxes to support the District's financial requirements. See "Rate Maintenance Covenant" below.

Net Pledged Revenues and Debt Service Coverage

General. The following table sets forth historical Net Pledged Revenues for fiscal years 2022 through 2025, estimated Net Pledged Revenues for fiscal year 2026, and budgeted Net Pledged Revenues for fiscal year 2027, compared to actual debt service paid on the District's then-outstanding Prior Bonds in fiscal years 2022 through 2025, estimated debt service paid on the District's outstanding Prior Bonds in fiscal year 2026, and budgeted debt service on the District's outstanding Prior Bonds in fiscal year 2027. *There is no assurance that the Net Pledged Revenues will continue to be realized in the historical amounts illustrated below, or that Net Pledged Revenues will continue to grow on a year-to-year basis.* Comparing the District's budgeted fiscal year 2027 Net Pledged Revenues of \$156,325,497 to the combined maximum annual parity debt service on the Prior Bonds and the 2026 Bonds (i.e., \$54,278,206 occurring in fiscal year 2029), results in a debt service coverage ratio of 2.88x.

Historical and Budgeted Net Pledged Revenues

Fiscal Year Ended June 30 th	2022 (Restated)	2023 (Actual)	2024 (Actual)	2025 (Actual)	2026 (Estimated)	2027 (Budgeted)
REVENUES:						
Sewer Service Charges ⁽¹⁾	\$174,717,951	\$182,293,172	\$191,276,955	\$208,439,395	\$231,994,357	\$238,605,510
Connection Fee Revenue	34,747,232	26,648,512	31,833,101	22,845,233	20,078,180	19,011,706
Reclaimed Water Sales	543,091	438,932	490,425	1,160,834	1,005,006	888,250
Investment Earnings ⁽²⁾	(27,151,876)	4,372,232	46,116,591	42,649,712	23,916,872	18,926,614
Other ⁽³⁾	157,488	191,239	1,325,600	6,759,526	6,084,928	5,265,000
Total Revenues	\$183,013,886	\$213,944,087	\$271,042,672	\$281,854,700	\$283,079,343	282,697,080
OPERATING EXPENSES ⁽⁴⁾						
	\$75,568,377	\$95,246,410	\$108,483,807	\$108,600,254	\$116,706,810	\$126,371,583
Net Pledged Revenues	\$107,445,509	\$118,697,677	\$162,558,865	\$173,254,446	\$166,372,533	\$156,325,497
Parity Debt Service ⁽⁵⁾	\$26,788,150	\$26,788,895	\$34,519,947	\$48,687,175	\$48,687,175	\$45,691,900
Parity Debt Service Coverage	4.01x	4.43x	4.71x	3.56x	3.42x	3.37x
Parity and Subordinate Debt Service ⁽⁶⁾	\$32,258,057	\$32,258,807	\$39,989,853	\$54,157,081	\$54,155,081	\$54,155,206
Parity and Subordinate Debt Service Coverage	3.33x	3.68x	4.07x	3.20x	3.07x	2.84x

(1) Includes revenues collected from sewer service charges and related fees, pretreatment and septage fees.

(2) Includes both restricted and unrestricted investment earnings. The District's investments are held in the District's name and are reported at fair value regardless of the length of time remaining to maturity. Investment revenue is increased or decreased in relation to this adjustment for unrealized gains or losses.

(3) Includes grant revenue. Does not include "Other non-operating revenue".

(4) Includes grant expenses. Does not include depreciation expense; interest expense on bonds; and "Other non-operating expenses."

(5) Represents actual debt service paid in fiscal years 2022 through 2025. Debt service for fiscal year 2026 is estimated and debt service for fiscal year 2027 is budgeted. Excludes debt service on all obligations with a subordinate lien on the Net Pledged Revenues.

(6) Represents actual debt service paid in fiscal years 2022 through 2025. Debt service for fiscal year 2026 is estimated and debt service for fiscal year 2027 is budgeted. Includes debt service on all obligations with a parity and subordinate lien on the Net Pledged Revenues.

Source: Derived from the District's ACFRs for fiscal years 2022 through 2025, the District's staff for estimated fiscal year 2026, and the District's 2027 budget for budgeted fiscal year 2027.

Rate Maintenance Covenant

In the 2026 Bond Resolution, the District covenants that it will charge against users or against purchasers of services or commodities pertaining to the System such fees, rates and other charges as shall be sufficient to produce Gross Revenues annually which, together with any other available funds, will be in each Fiscal Year of the District at least equal to the sum of:

- (a) An amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year;
- (b) An amount equal to the sum of the debt service due in such Fiscal Year on the then Outstanding Superior Securities (if any), the then Outstanding 2026 Bonds and any then Outstanding Parity Securities (including the Prior Bonds); and
- (c) Any other amounts payable from the Net Pledged Revenues and pertaining to the System, including, without limitation, debt service on any Subordinate Securities and any other securities pertaining to the System, operation and maintenance reserves, additional capital reserves and prior deficiencies pertaining to any account relating to Gross Revenues.

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

Subject to the provisions described in the foregoing paragraph, the District shall cause all fees, rates and other charges pertaining to the System to be collected as soon as reasonable and shall provide methods of collection and penalties to produce Gross Revenues that will be adequate to meet the requirements of the 2026 Bond Resolution.

Additional Bonds

Superior Securities. The 2026 Bond Resolution authorizes the issuance of Superior Securities on the condition that the tests described in “Issuance of Additional Parity Securities” below are met. Notwithstanding the foregoing sentence, the District may issue Superior Securities only as special obligations (i.e., payable only from Net Pledged Revenues) and not as general obligations of the District.

Issuance of Additional Parity Securities.

A. The 2026 Bond Resolution permits the issuance of Additional Parity Securities (other than refunding bonds, which must meet different requirements as discussed in APPENDIX B - Summary of Certain Provisions of the 2026 Bond Resolution--Issuance of Refunding Bonds); provided, however, that the following express conditions must be met prior to the authorization and issuance of any such Additional Parity Securities:

- (1) At the time of adoption of the instrument authorizing the issuance of the Superior Securities or Additional Parity Securities, the District shall not be in default in the payment of principal of or interest on the 2026 Bonds.

(2) The Net Pledged Revenues (subject to adjustments as discussed below) projected by the General Manager of the District, the Finance Manager, or an independent accountant or consulting engineer to be derived in the later of (i) the Fiscal Year immediately following the Fiscal Year in which the facilities to be financed with the proceeds of the Superior Securities or Additional Parity Securities are projected to be completed or (ii) the first Fiscal Year for which no interest has been capitalized for the payment of any Superior Securities or Parity Securities (which include the 2015 Bonds, the 2016 Bonds, and the 2026 Bonds), including the Superior Securities or Additional Parity Securities proposed to be issued, will be sufficient to pay at least an amount equal to the principal and interest requirements (to be paid during that Fiscal Year) of all Outstanding Superior Securities, Outstanding Parity Securities, the Outstanding 2026 Bonds, and the Superior Securities or Additional Parity Securities proposed to be issued (excluding any reserves therefor).

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

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

For the purposes of paragraph A above, if any Superior Security or Parity Security bears interest at a variable interest rate and is not covered by a Qualified Swap, the rate of interest used in the foregoing test shall be the lesser of the maximum permitted rate of interest on those Superior Securities or Parity Securities or a rate equal to the "25 Bond Revenue Index" as most recently published in The Bond Buyer prior to the date a firm offer to purchase the then proposed Superior Securities or Parity Securities is accepted by the District or if such index is no longer published such other similar long-term bond index as the District reasonably selects. In addition, any such variable interest rate securities must meet the requirements of the insurer of the 2026 Bonds, if any.

For purposes of computing the Bond Requirements of variable interest rate Superior Securities or Parity Securities with respect to which a Qualified Swap is in effect, the interest payable on such variable interest rate securities (a) except as provided in clause (b) of this sentence, shall be deemed to be the interest payable on such variable interest rate securities in accordance with the terms thereof plus any amount required to be paid by the District to the Qualified Swap Provider pursuant to the Qualified Swap or minus any amount required to be paid by the Qualified Swap Provider to the District pursuant to the Qualified Swap; or (b) for

purposes of computing combined average annual principal and interest requirements, for purposes of computing the maximum annual principal and interest requirements, and for purposes of any other computation for the issuance of additional superior or parity securities (including refunding securities) shall be deemed to be the amount accruing at the fixed rate as provided in the Qualified Swap. No computation of Bond Requirements under the 2026 Bond Resolution shall take into account payments due the Qualified Swap Provider on the termination of the Qualified Swap unless such payments on termination are then unconditionally due and payable in accordance with the terms of the related Qualified Swap.

Termination payments due under a Qualified Swap Agreement must be subordinate to the payments of the Bond Requirements of any 2026 Bonds, unless all of the Outstanding 2026 Bonds are insured by a bond insurer whose rating issued by S&P Global Ratings or Moody's Ratings or both (whichever has a rating in effect for the Outstanding 2026 Bonds) is equal to or better than the rating the 2026 Bonds would have without such insurance, and the insurer of the Outstanding 2026 Bonds consents to the lien position of such termination payment prior to the execution of such Qualified Swap Agreement.

Subordinate Securities. The 2026 Bond Resolution authorizes the District to issue additional securities payable from Net Pledged Revenues and constituting a lien thereon subordinate to the lien thereon of the 2026 Bonds and any Outstanding Parity Securities; provided, however, that the proceeds of any such Subordinate Securities shall be used only to pay the cost (including, without limitation, incidental expenses) of a project for the betterment, enlargement, extension, other improvement or equipment of the System, or any combination thereof.

Other Security Matters

No Repealer. State statutes provide that no act concerning the 2026 Bonds or their security may be repealed, amended, or modified in such a manner as to impair adversely the 2026 Bonds or their security until all of the 2026 Bonds have been discharged in full or provision for their payment and redemption has been fully made.

No Pledge of Property. The payment of the 2026 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the District, except the proceeds of general (ad valorem) taxes, the Net Pledged Revenues and any other monies pledged under the 2026 Bond Resolution for the payment of the 2026 Bonds. Other than the items specifically pledged under the 2026 Bond Resolution, no property of the District shall be liable to be forfeited or taken in payment of the 2026 Bonds.

No Recourse. No recourse shall be had for the payment of the Bond Requirements of the 2026 Bonds or for any claim based thereon or otherwise upon the 2026 Bond Resolution authorizing their issuance or any other instrument relating thereto, against any individual member of the Board or any officer or other agent of the Board or District, past, present or future, either directly or indirectly through the Board or the District, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise.

CERTAIN RISK FACTORS

General

The purchase of the 2026 Bonds involves certain investment risks that are discussed throughout this Official Statement. Such risks include, but are not limited to, the factors described below. Accordingly, each prospective purchaser of the 2026 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 2026 Bonds are general obligations of the District, the District may only levy property taxes to pay debt service on the 2026 Bonds in accordance with State law. For a description of the State laws regulating the collection of property taxes, see “PROPERTY TAX INFORMATION – Property Tax Collections.” Due to the statutory process required for the levy of taxes, in any year in which the District is required to levy property taxes, there may be a delay in the availability of property tax revenues to pay debt service on the 2026 Bonds. Accordingly, although other District revenues or other funds of the District may be available to pay debt service on the 2026 Bonds if Net Pledged Revenues are insufficient, time may elapse before the District receives property taxes levied to cover any insufficiency of Net Pledged Revenues.

Certain Risks Related to Property Taxes. Numerous other factors over which the District has no control may impact the timely receipt of ad valorem property tax revenues in the future. These include property tax limits described under the captions “SECURITY FOR THE 2026 BONDS – General Obligation” and “PROPERTY TAX INFORMATION – Property Tax Base and Tax Roll” and “ - Property Tax Limitations” and “ - Required Property Tax Abatements,” the valuation of property within the District, the number of homes which are in foreclosure, bankruptcy proceedings of property taxpayers or their lenders, and the ability or willingness of property owners to pay taxes in a timely manner.

Certain Risks Associated With the Net Pledged Revenues

General. The generation of sufficient Net Pledged Revenues is important to the timely payment on the 2026 Bonds. If the System becomes inoperable due to damage, destruction, environmental restriction or for any other reason, or if the District is unable to increase rates and charges for any reason or if the District incurs unanticipated expenses or reduced revenues due to power rate increases or for any other reason, Net Pledged Revenues may not be sufficient to pay debt service on the 2026 Bonds.

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

Limitation of Remedies

Judicial Remedies. Upon the occurrence of an Event of Default under the 2026 Bond Resolution, each owner of the 2026 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 2026 Bond Resolution (including General Taxes, if any) and not against any other fund or properties of the District.

The enforceability of the 2026 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 2026 Bond Resolution, to the extent enforceable, could result in delays in any payment of principal of and interest on the 2026 Bonds.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the 2026 Bonds and the obligations incurred by the District in issuing the 2026 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 2026 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

No Acceleration. There is no provision for acceleration of maturity of the principal of the 2026 Bonds in the event of a default in the payment of principal of or interest on the 2026 Bonds. Consequently, remedies available to the owners of the 2026 Bonds may have to be enforced from year to year.

PROPERTY TAX INFORMATION

Property Tax Base and Tax Roll

Based on certain assessed values posted by the State Department of Taxation ("Taxation"), the District calculated the assessed valuation of property within the District for the fiscal year ending June 30, 2027 (preliminary; subject to change until July 1, 2026) to be \$80,894,750,101 (which excludes the estimated assessed value of the CSGID, as further described below), which represents a 1.90% increase from the assessed valuation reported for the prior fiscal year. State law requires that the County assessor reappraise at least once every five years all real and secured personal property (other than certain utility owned property which is centrally appraised and assessed by the Nevada Tax Commission). While the law provides that in

years in which the property is not reappraised, the County assessor is to apply a factor representing typical changes in value in the area since the preceding year, it is the policy of the Clark County Assessor to reappraise all real and secured personal property in the County each year. State law requires that property be assessed at 35% of taxable value; that percentage may be adjusted upward or downward by the Legislature. Based on the assessed valuation of the District, for fiscal year 2027 (preliminary; subject to change until July 1, 2026), as calculated above, the taxable value of all taxable property within the District is \$231,127,857,431.

“Taxable value” is defined in the statutes as: (a) full cash value in the case of land; and (b) replacement cost less all applicable depreciation and obsolescence in the case of improvements to land and taxable personal property. 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. Depreciation of taxable personal property must be calculated in accordance with regulations of the Nevada Tax Commission, but in no case in an amount in excess of the full cash value. Adjusted actual age is actual age adjusted for any addition or replacement. The maximum depreciation allowed is 75% of the cost of replacement. When a substantial addition or replacement is made to depreciable property, its “actual age” is adjusted i.e., reduced to reflect the increased useful term of the structure. The adjusted actual age has been used on appraisals for taxes since 1986-87.

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

Ad Valorem Property Tax Data

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

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

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

History of Assessed Value

Fiscal Year Ending June 30	Total Assessed Value of Clark County ⁽¹⁾	Total Assessed Value of Incorporated Cities ⁽²⁾	Estimated Assessed Value of CSGID ⁽³⁾	Calculated District Assessed Value ⁽⁴⁾	Percent Change
2023	\$115,981,318,714	\$55,588,982,464	\$3,443,772	\$60,388,892,478	--
2024	132,090,463,013	63,708,056,017	3,458,880	68,378,948,116	13.23%
2025	146,284,576,844	70,698,365,720	3,519,325	75,582,691,799	10.54
2026	152,571,071,908	73,144,947,075	3,511,102	79,422,613,731	5.08
2027 ⁽⁵⁾	156,216,580,825	75,318,450,572	3,380,152 ⁽⁶⁾	80,894,750,101	1.90

- (1) Excludes the assessed values of the Boulder City Redevelopment Agency, the Clark County Redevelopment Agency, the City of Henderson Redevelopment Agency, the City of Las Vegas Redevelopment Agency, the City of Mesquite Redevelopment Agency and the City of North Las Vegas Redevelopment Agency in the following aggregate amounts: fiscal year 2021/22 - \$3,932,007,844; fiscal year 2022/23 - \$4,665,748,081; fiscal year 2023/24 - \$5,454,265,780; fiscal year 2024/25 - \$6,926,338,637; fiscal year 2025/26 - \$7,306,312,983; and fiscal year 2026/27 - \$7,735,517,851 (preliminary).
- (2) The five incorporated cities in Clark County are Boulder City, Henderson, Las Vegas, Mesquite and North Las Vegas.
- (3) The CSGID assessed value amounts have been calculated by the Clark County Assessor's office; and do not include the value of any centrally assessed properties that might be calculated by the State of Nevada.
- (4) The assessed valuations have been calculated as described in the paragraph preceding this table.
- (5) Preliminary values subject to change on or before June 30, 2026.
- (6) Value as of April 13, 2026; does not include Unsecured Tax Roll Net Assessed Value as of this evaluation.

Sources: Nevada Department of Taxation, *Local Government Finance: Property Tax Rates for Nevada Local Governments, Fiscal Years 2022-2023 – 2026-2027*; *Local Government Finance: Revenue Projections Fiscal Year 2026-2027*; and Clark County Assessor's Office.

Property Tax Collections

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

A history of the County's tax roll collection record appears in the following table. The District does not currently levy an ad valorem property tax. *Therefore, the figures in the following table represent property taxes that are not available to pay debt service on the 2026 Bonds.* The information is included only to provide information with respect to the historic collection rates for the County and may not be relied upon to predict what collection rates would be within the District should it levy an ad valorem property tax in the future.

Property Tax Levies, Collections and Delinquencies – Clark County, Nevada⁽¹⁾

Fiscal Year Ending June 30	County Tax Levied for the Fiscal Year ⁽²⁾	Current Tax Collections ⁽³⁾	Percentage of Levy (Current) Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as % of Current Levy
2020/21	\$2,164,823,444	\$2,154,604,595	99.53%	\$10,112,534	\$2,164,717,129	100.00%
2021/22	2,362,829,513	2,358,360,195	99.81	4,304,707	2,362,664,902	99.99
2022/23	2,577,888,022	2,563,697,681	99.45	13,875,864	2,577,573,545	99.99
2023/24	2,846,666,574	2,832,912,713	99.52	12,286,542	2,845,199,255	99.95
2024/25	3,134,280,345	3,118,611,483	99.50	10,164,646	3,128,776,129	99.82
2025/26 ⁽⁴⁾	3,403,548,608	3,356,867,295	98.63	n/a	3,356,867,295	98.63

(1) Subject to revision. Represents the real property tax roll levies and collections.

(2) The adjusted County Tax levied for the fiscal year.

(3) The taxes collected within the fiscal year of levy.

(4) As of March 31, 2026; collections still in progress.

Source: *Clark County, Nevada, Annual Comprehensive Financial Report, Year Ended June 30, 2025.*

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

Largest Taxpayers

The following table represents the ten largest property-owning taxpayers in the County based on fiscal year 2025-26 assessed valuations. The assessed valuations in this table represent both the secured tax roll (real property) and the unsecured tax roll (personal property).

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

Clark County Ten Largest Taxpayers⁽¹⁾
(Fiscal Year 2025-26)

Taxpayer	Type of Business	Assessed Value	% of Total Assessed Value ⁽²⁾
1. VICI Properties Inc. ⁽³⁾	Real Estate Investment	\$ 5,634,920,859	7.10%
2. The Blackstone Group ⁽⁴⁾	Investments	2,514,729,826	3.17
3. Caesars Entertainment Corporation	Hotels/Casinos	1,606,339,919	2.02
4. Wynn Resorts Limited	Hotels/Casinos	1,366,449,665	1.72
5. Station Casinos LLC	Hotels/Casinos	965,230,267	1.21
6. Howard Hughes Corporation	Developer	801,374,441	1.01
7. Genting Group	Hotels/Casinos	788,948,778	0.99
8. Boyd Gaming Corporation	Hotels/Casinos	661,579,697	0.83
9. MGM Resorts International	Hotels/Casinos	603,908,508	0.76
10. Witkoff	Real Estate	<u>571,276,125</u>	<u>0.72</u>
TOTAL		\$15,514,758,085	19.53%

(1) Excludes utility companies.

(2) Based on the District's fiscal year 2025-2026 estimated assessed value of \$79,422,613,731.

(3) VICI Properties purchased the following properties from MGM Resorts International in fiscal year ending June 30, 2023: Excalibur Hotel & Casino, Luxor Hotel & Casino, New York-New York Hotel & Casino, Park MGM Hotel & Casino, and Mirage Hotel & Casino.

(4) The Blackstone Group sold the Cosmopolitan of Las Vegas to MGM Resorts International in May 2022.

Source: Clark County Assessor's Office

Property Tax Limitations

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

Local Government Property Tax Revenue Limitation. State statutes limit the revenues local governments, other than school districts, may receive from ad valorem property taxes for purposes other than paying certain general obligation indebtedness which is exempt from such ad valorem revenue limits. These revenue limitations do not apply to ad valorem taxes levied to repay the 2026 Bonds, which are exempt from such ad valorem revenue limits. This rate is generally limited as follows. The assessed value of property is first differentiated between that for property existing on the assessment rolls in the prior year (old property) and new property. Second, the property tax revenue derived in the prior year is increased by no more than

6% and the tax rate to generate the increase is determined against the current assessed value of the old property. Finally, this tax rate is applied against all taxable property to produce the allowable property tax revenues. This cap operates to limit property tax revenue dependent upon changes in the value of old property and the growth and value of new property.

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

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

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

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

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 other 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 the last five fiscal years, the Abatement Act formula has resulted in a maximum percentage increase of tax liability for residential parcels and all other parcels as follows:

<u>Fiscal Year</u>	<u>Residential Parcels</u>	<u>All Other Parcels</u>
2020	3.0	4.8
2021	3.0	6.7
2022	3.0	7.7
2023	3.0	8.0
2024	3.0	8.0
2025	3.0	8.0
2026*	3.0	8.0

*Preliminary; subject to change.

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 (i) the tax-secured obligations were issued before July 1, 2005; or (ii) the governing body of the taxing entity and the County Debt Management Commission make findings that no increase in the rate of an ad valorem tax is anticipated to be necessary for payment of the obligations during their term. Ad valorem tax rate increases to pay debt service on the 2026 Bonds are exempt from the Abatement Act formulas.

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

Additional Abatement of Taxes for Severe Economic Hardship. In 2002, following voter approval of a State constitutional amendment, the Legislature enacted a law implementing an abatement of the tax upon or an exemption of part of the assessed value of an owner-occupied single-family residence to the extent necessary to avoid severe economic hardship to the owner of that residence. Pursuant to that legislation, the low-income owner (defined by law) of a single-family residence with an assessed value of \$175,000 or less may file a claim with the county treasurer to postpone the payment of all or part of the property tax 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 statute) constitutes a perpetual lien against the residence until paid. The postponed tax becomes due and payable if: the residence ceases to be occupied by the claimant or is sold; any non-postponed property tax becomes delinquent; if the claimant dies; or on the date upon which the postponement expires, as determined by the county treasurer.

Overlapping Tax Rates and General Obligation Indebtedness

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

History of Statewide and Representative Overlapping Tax Rates⁽¹⁾

<u>Fiscal Year Ended June 30</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Average Statewide Rate	<u>\$3.1037</u>	<u>\$3.1736</u>	<u>\$3.1096</u>	<u>\$3.1095</u>	<u>\$3.1062</u>
Paradise Town	\$0.2064	\$0.2064	\$0.2064	\$0.2064	\$0.2064
Clark County	0.6541	0.6541	0.6541	0.6541	0.6541
Clark County School District	1.3034	1.3034	1.3034	1.3034	1.3034
Clark County Fire Service Area	0.2197	0.2197	0.2197	0.2197	0.2197
Las Vegas Artesian Basin	0.0000	0.0000	0.0000	0.0000	0.0000
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⁾	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>	<u>0.1700</u>
TOTAL	\$2.9328	\$2.9328	\$2.9328	\$2.9328	\$2.9328

(1) Per \$100 of assessed valuation.

(2) Generally, the overlapping tax rate may not exceed \$3.64 pursuant to NRS 361.453; however, \$0.0200 of the State rate is exempt from the \$3.64 cap. See “Property Tax Limitations” above.

Source: Nevada Department of Taxation, *Local Government Finance: Property Tax Rates for Nevada Local Governments, Fiscal Years 2021-22 – 2025-26*.

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 July 1, 2026.

Estimated Overlapping Net General Obligation Indebtedness

Entity ⁽¹⁾	Total General Obligation Indebtedness	Presently Self- Supporting General Obligation Indebtedness	Net Direct General Obligation Indebtedness	Percent Applicable ⁽²⁾	Overlapping Net General Obligation Indebtedness ⁽³⁾
Clark County	\$3,095,650,000	\$3,095,650,000	\$0	51.78%	\$0
Clark County School District	3,730,713,000	315,790,000	3,414,923,000	51.78%	1,768,247,129
Las Vegas Valley Water District	2,704,801,366	2,704,801,366	0	52.34%	0
Las Vegas-Clark County Library District	0	0	0	70.43%	0
Big Bend Water District	0	0	0	100.00%	0
Virgin Valley Water District	5,304,160	5,304,160	0	100.00%	0
State of Nevada	1,278,355,000	265,427,000	1,012,928,000	36.42%	368,908,378
TOTAL	\$10,814,823,526	\$6,386,972,526	\$4,427,851,000		\$2,137,155,507

(1) Other taxing entities overlap the District and may issue general obligation debt in the future.

(2) Based on fiscal year 2027 preliminary assessed valuation in the respective jurisdiction (subject to change until July 1, 2026). The percent applicable is derived by dividing the assessed valuation of the governmental entity into the assessed valuation of the District.

(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.

Net Direct & Overlapping General Obligation Indebtedness

Total General Obligation Indebtedness	\$ 599,792,295 ⁽¹⁾
Less: Self-supporting General Obligation Indebtedness	\$ 599,792,295 ⁽¹⁾
Net Direct General Obligation Indebtedness	--
Plus: Overlapping Net General Obligation Indebtedness	<u>\$2,137,155,507</u>
Net Direct & Overlapping Net General Obligation Indebtedness	<u>\$2,137,155,507</u>

(1) As of July 1, 2026 and includes the issuance of the 2026 Bonds and the effect of the Refunding Project.

Selected Debt Ratios

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

<u>Selected Debt Ratios of the District</u>	
District Population ⁽¹⁾	1,073,926
Net Direct Debt ⁽²⁾	--
Net Overlapping Debt ⁽³⁾	<u>\$2,137,155,507</u>
Total Net Direct Debt and Overlapping Debt	<u>2,137,155,507</u>
Per Capita Net Direct Debt Plus Overlapping Debt	\$1,990.04
2027 Assessed Valuation ⁽⁴⁾	\$80,894,750,101
Net Direct Debt plus Overlapping Debt to Assessed Valuation	2.64%
2027 Taxable Value ⁽⁴⁾	\$231,127,857,431
Net Direct Debt plus Overlapping Debt to Taxable Value	0.92%

- (1) Calculated using population estimates for the County and subtracting the population of its incorporated cities (using State Demographer estimates as of July 1, 2025).
- (2) See "DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE--Outstanding Indebtedness and Other Obligations." Reflects the fact that all District debt currently is self-supporting.
- (3) Figure is estimated based on information supplied by other taxing authorities and does not include self-supporting general obligation debt. See the table entitled "Estimated Overlapping Net General Obligation Indebtedness" above.
- (4) See "Property Tax Base and Tax Roll" for an explanation of assessed value and taxable value and how it has been calculated for the District. Preliminary; subject to change until July 1, 2026.

Sources: Property Tax Rates for Nevada Local Governments - Department of Taxation, information compiled from individual taxing entities and the Nevada State Demographer's population estimates for July 1, 2025.

THE DISTRICT

History and Organization

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

Service Area. The District's service area includes generally all of the unincorporated portions of the County, except the land within the boundaries of the CSGID. The incorporated cities in the County which are generally excluded from the District's service area are the cities of Boulder City, Henderson, Las Vegas, North Las Vegas and Mesquite. Based upon estimates prepared by the State Demographer's office, the District estimates the population in its service area as of July 1, 2025, was approximately 1,073,926, representing approximately 43.56% of the County's estimated population.

Responsibilities and Facilities Generally. The District is responsible for the collection and treatment of wastewater in the unincorporated areas of the County including the famous Las Vegas "Strip." The District is one of four wastewater treatment agencies in the Las Vegas Valley. The District operates seven wastewater treatment facilities and the largest collection (pipeline) system in the State with over 2,400 miles of pipes.

As further described in "THE SYSTEM," the District receives an average flow of approximately 110.57 million gallons of wastewater per day ("mgd") at the main treatment facility located on East Flamingo Road; an average of 1.4 mgd of that amount is reclaimed for irrigation and industrial uses. The District produces a high-quality reclaimed water product for reuse and/or return to the environment by way of the Las Vegas Wash. This water is delivered for reuse and/or return to the environment by the District. The treatment and discharge requirements imposed upon the District by the State require extensive laboratory testing and documentation to ensure that standards are met each day.

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

Governing Body

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

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

<u>Name and Position</u>	<u>Term Expires</u>
Tick Segerblom, Chair	January 2027
Justin Jones, Vice Chair	January 2027
April Becker	January 2029
James B. Gibson	January 2027
Marilyn Kirkpatrick	January 2029
William McCurdy II	January 2029
Michael Naft	January 2029

Administration

The General Manager of the District is appointed by the Board. The District's Senior Management Team consists of: the General Manager; the Chief Legal and Administrative Officer; the Chief Water Reclamation Operations Officer of Plant Operations and Laboratory Services; the Chief Engineering Officer of Design and Construction Services; the Water Quality Advisor; the Deputy General Manager of Customer Care Services; the Chief Information and Administrative Officer of Technology Solutions and Financial Services; the Assistant General Manager of Collection Systems and Maintenance Services; and the Assistant General Manager of Asset Management and Reliability.

The following are brief biographies for the General Manager, the Chief Legal and Administrative Officer, the Chief Water Reclamation Operations Officer of Plant Operations and Laboratory Services, the Chief Engineering Officer of Design and Construction, and the Chief Information and Administrative Officer, each of whom is directly involved in the issuance of the 2026 Bonds.

Thomas A. Minwegen, General Manager. Mr. Minwegen is a distinguished leader in the water and wastewater sector with over 44 years of experience in the Las Vegas region. As General Manager of the Clark County Water Reclamation District (CCWRD) for the past 14 years, he has driven significant advancements in infrastructure, operations, and organizational culture. Under his leadership, CCWRD has successfully completed a \$1 billion capital improvement program in the prior seven (7) years and is currently executing another \$1 billion initiative to enhance water sustainability through further wastewater collection and treatment system improvements.

Mr. Minwegen's leadership has strengthened the "Clean Water Team," ensuring high-quality wastewater treatment for 1.25 million residents and over 38 million annual visitors while consistently exceeding regulatory standards. Through innovative technology and strategic planning, CCWRD plays a vital role in Southern Nevada's water resource management. CCWRD is the largest wastewater collection and treatment facility in the State of Nevada, the

largest discharger to the Colorado River, and is also recognized within the top ten largest wastewater facilities in the Southwest / West Region of the United States.

Mr. Minwegen reports to the District's Board of Trustees and collaborates with elected officials and the County Manager to develop responsible wastewater policies. Before joining CCWRD, Mr. Minwegen served 30 years with the Las Vegas Valley Water District, culminating in his role as Deputy General Manager of Engineering and Operations, where he led critical water infrastructure projects during the most prolific period of growth within Southern Nevada. Mr. Minwegen developed the utility's facilities planning, major engineering and construction programs, development expansion program, asset management, supervisory control and data acquisition systems, interaction with Homeland Security, and the water system production, operations, maintenance, automated mapping, facilities management, geographic information system, and global positioning survey programs. Mr. Minwegen was able to emulate his prior successful programs to effectively apply to the wastewater business.

A registered professional engineer in Nevada, Minwegen holds a Bachelor of Science in Civil Engineering from Bradley University. His industry influence extends to past leadership roles with the WaterReuse Association, American Water Works Association, and Water Research Foundation, reinforcing his commitment to water sustainability, innovation and company mission.

David J. Stoft, Chief Legal & Administrative Officer. Mr. Stoft received his Bachelor of Science in Finance from the University of Arizona, and his Juris Doctor from the University of Nevada Las Vegas Boyd School of Law. He is licensed to practice as an attorney in Nevada and holds an "inactive" license in Arizona. Mr. Stoft oversees all legal affairs of the District, including, but not limited to, litigation, contract review, property rights, construction, risk management, employment, labor, administrative law, and environmental law. Additionally, Mr. Stoft oversees the District's Records Management, Strategic Services, and Environmental Compliance Service Sections. Prior to joining the District, Mr. Stoft served 3 years as Corporate Counsel for a property development and management company after working for 8 years as a commercial litigator for a Nevada based law firm.

Daniel Fischer, Chief Water Reclamation Operations Officer. Mr. Fischer has been with the District in that position since November 25, 2013. Mr. Fischer earned a Bachelor of Arts degree in Chemistry in 1979 and a Master of Science degree in Environmental Analytical Chemistry in 1990, both at the University of Nevada Las Vegas. Mr. Fischer is responsible for all of the District's treatment plant operations, process control, and outlying area maintenance.. Prior to joining the District, Mr. Fischer managed various portions of the City of Las Vegas, Nevada wastewater treatment division for fourteen years. Before that, he managed laboratories engaged in environmental analytical services for twelve years.

Shawn P. Mollus, Chief Engineering Officer. Mr. Mollus holds a Bachelor of Science degree in construction engineering from Missouri Western State University in St. Joseph, Mo., and is a registered professional engineer in the states of Nevada (No. 9651) and Hawaii (No. 16700), as well as a registered State Water-Right Surveyor in the State of Nevada (No. 925). Prior to this appointment, Mr. Mollus served 30 years with the Las Vegas Valley Water District. He was the Director of Engineering, wherein he managed the local water infrastructure efforts during the most ambitious period of growth within Southern Nevada. His responsibilities included the oversight of the utility's facilities planning, the major engineering

and construction programs, the development expansion program, and oversaw the automated mapping, facilities management, geographic information system and global positioning survey programs for the company. Mr. Mollus is also a Certified Construction Documents Technologist with the Construction Specifications Institute. Prior to that, Mr. Mollus worked for the Energy Support Division of Holmes and Narver, Inc., at the Nevada Test Site, Mercury, NV, providing engineering and construction services in support of the Department of Energy's nuclear testing program.

Srinivas Chundu, Chief Information & Administrative Officer. Mr. Chundu has been with the District in that position since May 16, 2022. Mr. Chundu holds a Bachelor of Science degree in Electronics and has over 30 years of experience leading technology strategy, digital transformation, enterprise architecture, and operations. He is responsible for all the District's Information Technology initiatives, including infrastructure, cybersecurity, vendor management, and digital transformation. Prior to joining the District, Mr. Chundu held a range of leadership roles including Vice President of IT and Operations, Senior Practice Director, Practice Director, and Enterprise Architect.

Employees and Benefits

General. The District has 447 budgeted full time equivalent positions for fiscal year 2026. As of February 2026, there were 389 full-time regular employees, and 21 part-time employees. All supervisory and non-supervisory employees of the District (excluding management and confidential employees) are eligible for collective bargaining representation by the Service Employees International Union (the "SEIU"). The District negotiates with their employees as a team. The current bargaining agreement expires on June 30, 2026. NRS 288.230 prohibits strikes against local government employers, so no work stoppages are expected to occur.

The District and the SEIU have agreed to a minimum 2.0% and a maximum 3.0% cost of living adjustment, effective August 20, 2024 to June 30, 2026 . Negotiations for the next bargaining agreement is tentatively scheduled to begin in January 2026.

Benefits. The District provides group insurance (life, dental, vision and general health) at a minimal cost to permanent employees and also provides disability insurance, sick leave, vacation leave and holiday leave/pay to permanent employees. District policy allows employees to accumulate earned vacation and sick leave benefits to be paid upon separation from District service. As required, the District accrues benefits in the period they were earned. As of June 30, 2025, the District had recorded a liability of approximately \$1,096,097 for accumulated compensated absences. The District estimates recording a liability of approximately \$1,218,052 for accumulated compensated absences in its fiscal year ending June 30, 2026. See "INTRODUCTION – Forward Looking Statements." The District also provides workers compensation coverage in accordance with State law.

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

information obtained from the publicly available documents provided by PERS and is not responsible for its accuracy.

All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing, multiple-employer defined benefit plan. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member's highest average compensation over 36 consecutive months. Benefit payments to which participants may be entitled under PERS include pension benefits, disability benefits, and death benefits. PERS has several tiers based on legislative changes effective with membership dates. The following table illustrates the PERS service credit multiplier.

PERS Benefit Multiplier

Membership Date	Before 07/01/01	<u>Service Credit Multiplier</u>		After 07/01/15	Highest Contiguous Average Over
		After 07/01/01	After 01/01/10		
Before July 1, 2001	2.50%	2.67%	2.67%	2.67%	36 months
After July 1, 2001, before January 1, 2010	--	2.67%	2.67%	2.67%	36 months
After January 1, 2010, before July 1, 2015	--	--	2.50%	2.50%	36 months
After July 1, 2015	--	--	--	2.25%	36 months

Similarly, legislative changes have created several tiers of retirement eligibility thresholds. The following table illustrates the PERS retirement eligibility thresholds.

Nevada PERS Retirement Eligibility

Membership Date	Regular		Police/Fire	
	Age	Years of Service	Age	Years of Service
Before January 1, 2010	65	5	65	5
	60	10	55	10
	Any	30	50	20
			Any	25
After January 1, 2010, before July 1, 2015	65	5	65	5
	62	10	60	10
	Any	30	50	20
			Any	30
After July 1, 2015	65	5	65	5
	62	10	60	10
	55	30	50	20
	Any	33 1/3	Any	33 1/3

Nevada law requires PERS to conduct a biennial actuarial valuation showing unfunded actuarial accrued liability ("UAAL") and the contribution rates required to fund PERS on an actuarial reserve basis. The actual employer and employee contribution rates are established in cycle with the State's biennium budget on the first full pay period of the even numbered fiscal years. By PERS policy, the system performs an annual actuary study. The most recent independent actuarial valuation report of PERS was completed as of June 30, 2025. The following table reflects some of the key valuation results from the last three PERS' actuary studies:

PERS Actuarial Report

Key Valuation Results	June 30, 2025	June 30, 2024	June 30, 2023
UAAL	\$19.95 billion	\$20.13 billion	\$18.80 billion
Market Value Funding Ratio	80.5%	78.1%	76.2%
Actuarial Value Funding Ratio	77.3%	75.6%	75.4%
Assets Market Value	\$70.8 billion	\$64.46 billion	\$58.32 billion
Assets Actuarial Value	\$68.03 billion	\$62.40 billion	\$57.77 billion

For the purpose of calculating the actuarially determined contribution rate, the UAAL is amortized as a level percent of payroll over a year-by-year closed amortization period where each amortization period is set at 20 years. Effective June 30, 2022, the outstanding balance of all Regular amortization bases, except for the initial base dated June 30, 2004, were combined and re-amortized over a closed 20-year period, and the outstanding balance of all Police/Fire amortization bases, including the initial base dated June 30, 2004, were combined and re-amortized over a closed 20-year period. Any new UAAL as a result of actuarial gains or losses or a change in actuarial assumptions or methods will be amortized over 20 years. The PERS Board also adopted a five-year asset smoothing policy for net deferred gains/losses.

The following presents the net pension liability of PERS as of June 30, 2025, and the County's proportionate share of the net pension liability of PERS as of June 30, 2024, calculated using the discount rate of 7.25%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25%) or one percentage point higher (8.25%) than the current discount rate:

Net Pension Liability

	1% Decrease in Discount Rate (6.25%)	Discount Rate (7.25%)	1% Increase in Discount Rate (8.25%)
PERS Net Pension Liability	\$29,055,348,823	\$18,067,886,503	\$9,003,110,455
District Share of PERS Net Pension Liability	\$119,455,103	\$74,312,242	\$37,029,307

Contribution rates to PERS are established in accordance with State statute. The statute allows for biennial increases or decreases of the actuarially determined rate. The State Legislature can increase the contribution rate for members by any amount it determines necessary. Pursuant to statute, there is no obligation on the part of the employers to pay for their proportionate share of the unfunded liability. The District is obligated to contribute all amounts due under PERS. A history of contribution rates, as a percentage of payroll, is shown below.

Contribution Rates

	Fiscal Years 2018 and 2019	Fiscal Years 2020 and 2021	Fiscal Years 2022 and 2023	Fiscal Years 2024 and 2025	Fiscal Years 2026 and 2027
Regular members					
Employer-pay plan	28.00%	29.25%	29.75%	33.50%	36.75%

The District's contributions for the years ended June 30, 2025 and 2024 were \$5,914,553 and \$4,909,303, respectively. The District estimates its contribution for the year ended June 30, 2026 will be approximately \$6,369,141. See "INTRODUCTION – Forward Looking Statements."

See Note I in the audited financial statements attached hereto as APPENDIX A for a summary description of PERS. In addition, copies of PERS' most recent annual financial report, including audited financial statements and required supplemental information, are available from the Public Employees Retirement System of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599, telephone: (775) 687-4200.

Other Post-Employment Benefits. The District participates in a County plan that makes certain post-retirement benefits ("OPEB") available to employees, if enrolled in PERS and an active employee at the time of retirement, under two different programs: (i) the Clark County Retiree Health Program (the "County Plan"); and (ii) the Public Employee Benefit Program ("PEBP"). Each plan provides medical, dental, and vision benefits to eligible active and retired employees and beneficiaries. Except for PEBP, benefit provisions are established and amended through negotiations between the respective unions and the employers. PEBP benefit provisions are established by the Legislature. For a discussion of the plans' benefits and costs, valuation of the OPEB program, its UAAL, annual required contributions ("ARC") and funding status as of June 30, 2025, see Note H in the audited financial statements attached hereto as Appendix A. The District historically has funded its OPEB liability on a pay-as-you-go basis; the amounts funded historically have been less than the ARC. For its fiscal years ending June 30, 2025, and June 30, 2024, the District made OPEB credit adjustments of \$(442,089) and \$(945,942), respectively, due to certain credit adjustments.

Risk Management

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

The District completed an annual appraisal of District structures in April 2025. The valuation conducted by HCA Asset Management of Bradenton, Florida, provided a thorough inventory of above-ground structures and replacement costs (which does not include below-ground structures). The District's property insurance policy was revised to reflect these valuations, establishing a blanket valuation of \$1,622,591,249. A complete schedule of values is updated annually to reflect newly completed construction and is available for inspection in the District's offices. See "INTRODUCTION--Additional Information."

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

As of June 30, 2025, a liability of \$2,409,849 was accrued to provide for unpaid claims. The accrued liability represents the approximate maximum number of claims expected for the year. For the last four fiscal years, no settlement amount has exceeded the insurance coverage. The District has designated and set aside an amount for future workers' compensation

losses in its investment balances. At June 30, 2025 and 2024, the designated amount was \$382,184 and \$382,184, respectively. See Note G in the audited financial statements attached hereto as APPENDIX A.

THE SYSTEM

General

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

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

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

Collection and Conveyance System

The principal District collection system currently conveys wastewater from the unincorporated portions of the Las Vegas Valley, a small portion of the cities of Las Vegas and North Las Vegas, and Nellis Air Force Base, Laughlin, Searchlight, Moapa Valley, Blue Diamond, and Indian Springs. The system covers approximately 249 square miles and consists of over 2,400 miles of pipeline ranging from 4 inches to 84 inches in diameter. The general flow pattern in the service area is by gravity in a southerly and easterly direction. The District operates 24 lift stations for service areas that require pumping. All major sewers within the system were constructed after 1954. Approximately 63 percent of the sewers have been installed since 1988. The system consists of two basic segments, a corridor running north to south along the eastern side of the Las Vegas Valley and a second segment that runs west to east along the southern side of the Las Vegas Valley. The two segments intersect each other near the southeastern corner of the service area where the District's facilities are located.

Treatment Facilities

Flamingo Water Resource Center. The FWRC is located east of Boulder Highway on Flamingo Road and is the District's main treatment facility. The facility includes a combination of treatment processes that have been brought online over the years as the District has grown. The original facility was completed in 1955 with a design capacity of 12 mgd. In 1973, the District increased the total secondary treatment capacity to 32 mgd. The facility used primary sedimentation and trickling filters to provide secondary treatment. In 1982, the District

completed its 90 mgd East Campus (formerly Advanced Wastewater Treatment facility) to provide tertiary treatment of effluent through filtration and subsequent disinfection before it is discharged to the Las Vegas Wash. The construction of an 18.5 mgd primary treatment facility, which operated parallel with existing secondary treatment facilities, was completed in 1987. In 1996, the District completed construction of an activated sludge system at the West Campus (formerly Central Plant facility) to increase the District's secondary treatment capacity to 88 mgd. The facility provides for the biological removal of ammonia, nitrogen, and phosphorus and replaces the secondary processes described above. In 2009, the activated sludge system was expanded again and a new solids dewatering facility using centrifuge technology was constructed. In late 2014, the 30 mgd Membrane and Ozone Facility was commissioned to replace aging tertiary processes at the East Campus.

Approximately 98 percent of the District's tertiary treated effluent is returned to Lake Mead via the Las Vegas Wash and is used as return flow credit against Nevada's Colorado River water allocation. The remaining 2 percent of the effluent is pumped to a nearby power generation station for industrial uses and to the County's Silver Bowl park for irrigation uses.

The Desert Breeze Water Resource Center (the "DBWRC"), for the western portion of the District's service area, is a facility built in partnership with the Las Vegas Valley Water District. The Water Reclamation District operates the center and LVVWD distributes the reclaimed water to golf courses in local residential developments. The DBWRC is currently not in operation.

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

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

Fiscal Year	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
July	102.12	114.18	110.64	110.07	117.75
August	103.15	112.23	110.64	111.75	116.15
September	102.59	109.79	109.22	115.43	114.48
October	101.73	106.58	110.94	111.72	115.54
November	99.13	104.75	106.35	109.60	111.76
December	96.37	104.50	104.32	109.01	106.42
January	98.48	100.59	104.30	107.69	103.10
February	97.05	102.07	103.76	107.97	103.21
March	100.42	103.72	104.62	109.56	105.03
April	104.07	106.28	105.60	111.99	109.04
May	105.77	105.74	106.36	113.01	110.94
June	109.55	106.70	106.34	114.45	113.39
Annual Average	101.70	106.43	106.92	111.02	110.57

Source: Clark County Water Reclamation District, District Plant Operations Service Group.

Service Areas Outside of the Las Vegas Valley. The District is responsible for maintaining facilities and collection systems within other service areas outside of the Las Vegas Valley. Normal maintenance consists of adjusting manholes to grade, clearing easements of trash and vegetation, stabilizing embankments, replacing outdated facilities, and responding to emergency repair needs. Duties include cleaning the main lines and wet wells, monitoring

lagoons and sampling the wastewater to assure compliance with associated wastewater discharge permits. These areas have been divided into two sections; the Southern Service Area which includes Laughlin and Searchlight; and the Northern Service Area which includes Desert Breeze, Blue Diamond, Indian Springs, and Overton (Moapa Valley).

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

Northern Service Area. The DBWRC and Moapa Valley Treatment Facility are the only facilities in the Northern service area with full-time staff. The Desert Breeze Water Resource Center staff operate and maintain the collection and treatment facilities for Blue Diamond and Indian Springs. The Blue Diamond Treatment Ponds have a rated capacity of 0.044 mgd and consist of an asphalt-lined, aerated primary pond and a Rapid Infiltration Basin (RIB). The Indian Springs Treatment Facility has a rated capacity of 0.500 mgd and provides service to Creech Air Force Base and the township of Indian Springs. The facility consists of screenings removal and aerated ponds designed for biological nutrient removal of ammonia and nitrogen. Effluent from the facility is discharged to a RIB. The Moapa Valley Treatment Facility has a rated capacity of 0.750 mgd and treatment processes consist of screenings removal and activated sludge for biological nutrient removal of ammonia and nitrogen. Effluent from the facility is discharged to RIBs.

NPDES and Other Permits

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

Flamingo Water Resource Center. The discharge permit has expired but is administratively continued as described above. This permit covers two outfall points into the Las Vegas Wash, one from the West Campus and one from the East Campus.

Desert Breeze Water Resource Center. The discharge permit has expired but is administratively continued as described above.

Searchlight Treatment Ponds. The discharge permit has expired but is administratively continued as described above.

Laughlin Water Resource Center. The discharge permit was reissued July 1, 2022. It will expire June 30, 2027.

Blue Diamond Treatment Ponds. The discharge permit has expired but is administratively continued as described above.

Moapa Valley Treatment Facility. The discharge permit has expired but is administratively continued as described above.

Indian Springs Treatment Facility. The discharge permit has a new reissue date of April 1, 2026. It will expire March 31, 2031.

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

Permit Compliance. The District holds and operates under dozens of effluent discharge, construction dewatering, industrial stormwater, water appropriation, air quality, and various other environmental permits. The District recently received Peak Performance Awards from the National Association of Clean Water Agencies for full compliance with its discharge permits at all four operating mechanical treatment plants. Also, the District's recent annual rate of sanitary sewer overflows, 0.21 spills/100 miles of sanitary sewer is well below the Environmental Protection Agency standard for a well-operated system of 2 spills/100 miles.

Other Regulatory Matters

General. The District is subject to certain regulations imposed by the federal government or the State. For example, as described in more detail above, the District's treatment plants are operated under effluent discharge permits issued by NDEP. See "THE SYSTEM--NPDES and Other Permits" above. Those permits generally limit the quantities of certain chemicals and other substances that may be discharged from the System. If more stringent effluent standards or other environmental regulations were established in the future, the District could be required to make substantial capital improvements or could be required to increase operation and maintenance costs. Should that occur, the System's costs would increase; such increased costs could reduce the amount of Net Pledged Revenues available to pay debt service on the 2026 Bonds.

Marking of Laterals and Mains. Pursuant to NRS 455.125, the District is required to provide any person responsible for the excavation or demolition of an area that may contain a sewer service lateral or sewer main with the District's best available information regarding the location of the connection of the sewer service lateral to the sewer main. The District is not permitted to charge the person conducting the excavation or demolition for such services. The District includes amounts to cover such costs in its annual operating budget. For fiscal year 2025, the District budgeted \$1,140,501 for such costs.

Other Services and Contracts

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

Capital Plan

The District develops a five-year CIP in conjunction with its budget process. The CIP is a planning document and does not authorize or fund projects; the District authorizes individual projects on an as-needed basis. The current CIP (covering fiscal years 2026 through 2030) currently totals \$794.3 million (in 2026 dollars). The CIP reflects the various capital projects that are expected to be designed and constructed over the next five years in order to keep pace with growth, rehabilitate existing infrastructure and provide facilities necessary to comply with Federal and State water quality standards. The current CIP provides for the following expenditures in each year: FY 2026 - \$239.1 million; FY 2027 - \$160.9 million; FY 2028 - \$149.5 million; FY 2029 - \$87.8 million; and FY 2030 - \$150.0 million. The District also annually prepares a five-year capital equipment list as a part of the CIP. Capital equipment represents permanent assets with a value in excess of \$ 5,000 and an expected useful life in excess of one year. This includes equipment and vehicles. The FY 2025-26 budget for capital equipment is \$13 million. Budgeted capital equipment expenditures total approximately \$65 million (in 2026 dollars) for fiscal years 2026 through 2030.

Rates and Charges

General. The Project Act grants authority to the Board to set rates and charges for use of its sanitary sewer facilities, and to adjust those rates and charges as it deems appropriate after holding a public hearing. Bills for service are due and payable upon presentation and are conclusively deemed to have been presented five (5) days after mailing. Bills become delinquent if not paid by the due date and are subject to penalty, interest and lien thereafter. Pursuant to NRS Chapter 318, the District's charges may become a perpetual lien upon a property, subordinate only to the liens of general taxes and special assessments. The District may elect to have delinquent accounts collected on the County tax roll.

Annual Sewer Service Charges. Annual sewer service charges generally comprise more than eighty percent (80%) of the District's operating revenues each year. It is the District's practice to utilize operating revenues for the operations, maintenance, repair and rehabilitation of District facilities. The District's billing system allocates proportional customer rates, both residential and commercial using an EPA approved methodology the equivalent residential unit (ERU). An ERU is a unit of measurement equivalent to the wastewater loading typically generated by a single-family residence estimated to average ninety thousand (90,000) gallons per year. In accordance with the BOT authorized Service Rules, a single-family residence is one (1) ERU.

Commercial customers are assigned charges based upon their customer classification, type of billing unit, and related ERU factor. Commercial billing units ERU factors range between 0.10 to 1.5 depending on customer classification.

The District bills annual sewer service on July 1 for the coming fiscal year. Customers are permitted to make payments annually, semi-annually, or quarterly. Additionally, the District provides an option for a monthly payment plan to all qualifying low-income families. At this time, none of the District's customers opt for the monthly plan. The July 1 billing includes an account charge that is applied to each account to a maximum of sixteen-dollars (\$16.00) annually in the amount of four-dollars (\$4.00) for each quarterly billing.

The following table sets forth the District's current and future Board approved schedule of annual sewer service charges within its service area.

Schedule of Annual Sewer Service Rates

Effective Date	Sewer Service Rate Per ERU ⁽¹⁾ or Single Family Residence
07/01/25 – 06/30/26	295.36
07/01/26 – 06/30/27	307.16
07/01/27 – 06/30/28	319.44
07/01/28 – 06/30/29	333.84
07/01/29 – 06/30/30 ⁽²⁾	343.02

(1) Equivalent Residential Units: 1 ERU = 90,000 Gallons.

(2) Beyond 06/30/2029, the annual sewer service rate will adjust annually by two and three-quarter percent (2.75%)

Source: Clark County Water Reclamation District.

Connection Fees. Connection fees are a one-time, upfront fee assessed per ERU to each new connection or existing commercial customers adding billing units. Connection fees are due and payable prior to the District issuing a system development approval, which authorizes the customer to begin construction. It is the practice of the District to use connection fee revenues to fund new capacity related capital improvement projects in response to community growth.

Connection fees are currently \$3,020 per ERU and are subject to annual adjustment based upon a Board approved formula or the current Engineering News Record but will not be decreased from the prior year.

Other Charges. In addition to the annual sewer charges, The District has the authority, to assess an extra strength surcharge to users who discharge wastewater having concentrations exceeding Domestic Strength limits. The surcharge is dependent upon the type and amount of chemical discharged and are outlined in the July 1, 2025 District Service Rules 1.3.13, adopted by the Board and effective on July 1, 2025. Commercial customers assessed these charges may include hospitals, car washes and large commercial laundry facilities.

The District operates an industrial pretreatment program under the USEPA Federal Pretreatment Program (40 CFR). Pretreatment fees are set by the Board for each user class. The District's pretreatment program has more than 5,000 users. Pretreatment fees by user class are as follows: Significant Industrial and Categorical Users - \$1,000 per permit; Industrial Users - \$300 per permit. Grease Interceptors and Sand/Oil Interceptors - \$100 per interceptor.

The Board sets the rates and requirements for the District's Septage Program by resolution. Presently, the Water Reclamation District processes septage received from twenty (20) customers. Fees are charged to issue truck permits and for estimated gallons received.

Reclaimed Water Sales. The District also sells reclaimed water for beneficial uses, including irrigation and industrial purposes to customers pursuant to terms established by a Board resolution. Reclaimed water is sold pursuant to applications showing a beneficial use and compliance with the NPDES permit. Users of reclaimed water are required to meet State regulatory requirements and provide facilities for delivery and storage of the reclaimed water. The rate charged for reclaimed water in the Las Vegas Valley area recently increased from \$1.05 per 1,000 gallons to \$2.33 per 1,000 gallons to more closely reflect the value of water in our extreme drought. The District bills monthly for reclaimed water usage with payment due upon receipt. The District reserves the right to reduce or curtail the use of reclaimed water in order to provide sufficient return flow credits to satisfy demand for water from the Colorado River and any applicable provisions under the Southern Nevada Water Authority Cooperative Agreement. The Board also may take into account the most prudent management of water resources and give priority to uses deemed most critical to general public welfare. The District also reserves the right to review existing and potential water uses at five-year intervals and to reduce the quantity of reclaimed water delivered after notice and hearing.

Customer Information

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

History of ERUs Served⁽¹⁾

User Type	2020/21 (Restated)	2021/22 (Restated)	2022/23 (Actual)	2023/24 (Actual)	2024/25 (Actual)
Residential Services⁽²⁾					
Subtotal	249,124	252,747	256,874	259,996	264,819
Commercial Services⁽³⁾					
Subtotal	445,838	450,977	456,957	477,671	480,720
TOTAL	694,962	703,724	713,831	737,667	745,539

- (1) Equivalent Residential Units: 1 ERU = 90,000 gallons. Number of ERUs billed on July 1 of the year shown are for collection in that fiscal year. For example, the ERUs billed on July 1, 2024, are collected in fiscal year 2024/25.
- (2) Residential Services consists of: Single Family, Multiple Resident, Mobile Homes and Recreational Vehicle Parks.
- (3) Commercial Services consists of: Hotels/Resorts/Casinos, Restaurants and/or on-premise bars, Theme Parks, Hospitals-Medical and Surgical, Convalescent Homes, Schools, Churches, Dry Cleaners, Bars (with and without food), Retail Stores, Service Stations, Offices, Laundromats, Warehouses, Beauty Salons and Medical/Dental Clinics.

Source: Clark County Water Reclamation District.

The following table sets forth a five-year history of the number of customer accounts (classified according to commercial and residential accounts) and the associated number of Equivalent Residential Units ("ERUs") used. In fiscal year 2025, commercial customers comprised

approximately 3.6% of the District customer base and contained approximately 65.0% of the total ERUs.

History of Customer Accounts and ERUs

Fiscal Year Ending June 30	Commercial ERUs Billed	Residential ERUs Billed	Total ERUs Billed	Commercial Accounts	Residential Accounts	Total Accounts
2021 Restated	445,838	249,124	694,962	9,393	238,932	248,325
2022 Restated	450,977	252,747	703,724	9,538	245,865	255,403
2023	456,957	256,874	713,831	9,663	252,690	262,353
2024	477,671	259,996	737,667	9,760	257,529	267,289
2025	480,720	264,819	745,539	9,863	264,945	274,808

Source: Clark County Water Reclamation District.

The following table sets forth the ten largest customers in the District based upon ERUs billed as of July 1, 2025.

Ten Largest District Customers

Name	ERUs Billed July 1, 2025	Percent of Total ERUs ⁽¹⁾	Amount Billed July 1, 2025
Mandalay Bay Resort Casino	10,293	1.38%	\$ 2,816,416
City Center Las Vegas	10,045	1.34	2,732,544
MGM Grand Hotel	8,675	1.16	2,373,825
Caesars Palace	7,747	1.04	2,118,644
Fontainebleau Las Vegas	7,227	0.97	1,971,768
Resorts World	7,060	0.95	1,760,620
Bellagio Hotel & Casino	6,985	0.94	1,766,079
Venetian Hotel Casino	6,916	0.93	1,706,487
Wynn Las Vegas Hotel Casino	6,517	0.87	1,650,753
Nellis Air Force Base	<u>5,580</u>	<u>0.75</u>	<u>1,386,018</u>
TOTAL	77,045	10.33%	\$20,283,154

(1) Based on the FY 2025 ERU total of 745,539.

Source: Clark County Water Reclamation District.

DISTRICT FINANCIAL INFORMATION AND DEBT STRUCTURE

General

The District's operating revenues are derived primarily from annual sewer charges which generally have exceeded 80% of the District's annual operating revenues including connection fees over the last five years. Other sources of operating revenue include septic waste processing fees, pretreatment permit fees and the sale of reclaimed water. The major sources of nonoperating revenues are interest income and an apportionment from the County sales tax (described below).

In 1998, the Board of County Commissioners approved a 1/4 cent increase in the sales tax to fund improvements to water and sewer lines and facilities; the District receives a portion of this money. Through the end of fiscal year 2025, the District collected a total of \$29 million in sales tax revenues. Approximately \$29.3 million was budgeted for receipt during fiscal year 2025-26. Through January, 2026, the District had received approximately \$16.9 million in sales tax revenues. Use of the sales tax revenue generally is restricted to construction of new treatment facilities or the improvement or expansion of existing treatment facilities. *Proceeds received from the sales tax do not constitute a part of Net Pledged Revenues.*

Budgeting

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

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

Formal adjustments to the budget during the year are accomplished through an augmentation process prescribed by State law. The augmentation process requires the Board to approve increases above the levels originally approved; such approval is accomplished through the adoption of a resolution, by a majority vote of all members of the Board. This process is revenue driven; therefore, total expenditures cannot be increased without additional previously unbudgeted resources being clearly identified. A budget augmentation becomes effective upon delivery to Taxation an executed copy of the resolution providing therefor.

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

Operations and Maintenance Reserve. The District maintains an operations and maintenance reserve fund that is equal to 120 days of the prior year actual operation and maintenance expenditures. Operating reserves are designed to provide funds to safeguard against variability and timing of expenditures and receipts, unanticipated cash operating expenses, or less than expected revenues. As of July 1, 2025, the balance of this account was \$35,838,084 (excluding depreciation).

Budget Stabilization Reserve. State law provides for the creation of a fund to stabilize the operations of local governments, including public utilities. The District maintains a budget stabilization reserve in an amount equal to 10% of current budgeted operation and maintenance expenditures. Monies in this fund may only be used if the total actual revenue of the District falls short of the total anticipated revenue or the expenditures incurred by the District to mitigate the effects of natural disaster. The budget stabilization reserve fund also provides resources that allow for rate stability. As of July 1, 2025, the balance of this account was \$10,860,025.

Capital R&R Reserve. The repair and replacement of the District's conveyance and treatment facilities is critical to the ongoing operation of the District. A capital contingency reserve is funds set aside in case of emergency, should a piece of equipment or a portion of the District's infrastructure fail unexpectedly. This reserve fund amount is set at the lesser of: (1) two percent (2.0%) of the value of total asset original cost; or (2) \$50 million. As of July 1, 2025, the balance of this account was \$50,000,000.

Capital Expansion Reserve. The District established a capital expansion reserve in the event of an unanticipated need for capital expansion to an existing conveyance system or treatment facility or the possible need for an additional system or facility due to unexpected service area growth or need. The reserve will equal the lesser of: (1) the average of the next ten years budgeted expansion capital; or (2) \$25 million. As of July 1, 2025, the balance of this account was \$25,000,000.

Other Post-Employment Benefit Fund. As discussed in "THE DISTRICT--Employees and Benefits - Other Post-Employment Benefits," beginning in fiscal year 2008, As required by the Governmental Accounting Standards Board (GASB) Statement No. 4, the District began to record a liability, for Other Post- Employment Benefits (OPEB) obligations, in fiscal year 2008. GASB standards do not require employers to advance fund OPEB; however, the District initiated this reserve fund allowing for the opportunity to begin advance funding in the future. This reserve fund amount will be equal to the total OPEB Liability from the previous fiscal year. As of July 1, 2025, the balance of this fund was \$32,579,670 (equal to the UAAL less the net OPEB obligation).

Awards. The Government Finance Officers Association of the United States and Canada ("GFOA") awarded the District the Distinguished Budget Presentation Award for its budget for the fiscal year 2026 budget. This is the 28th year the District has received this award. The District submitted its 2027 budget for consideration and is currently under review by the GFOA.

Annual Fiscal Reports

General. The District prepares an Annual comprehensive financial report (“ACFR”) setting forth the financial condition of the District as of June 30 of each fiscal year, as recommended by Governmental Accounting Standards Board (“GASB”) guidelines. The ACFR generally contains three distinct sections: introductory; financial (approved by the Board); and statistical. The ACFR is the official financial report of the District. The latest completed ACFR is for the year ended June 30, 2025 (see Appendix A). See Note I to the audited financial statements attached hereto as Appendix A for a description of the District’s significant accounting policies. Pursuant to GASB Statement No. 14, the District is considered a component unit of the County and the financial statements of the District also are included in the County’s ACFR.

Certificate of Achievement. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive financial report for the fiscal year ended June 30, 2025. This was the 40th year the District has received this recognition. A certificate of achievement is valid for a period of one year only. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report with contents conforming to program standards. Such reports must satisfy both generally accepted accounting principals and applicable legal requirements.

Accounting

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

History of Revenues, Expenses and Changes in Net Position

General. The following table presents a history of the District's revenues, expenditures and changes in net position. The table presents audited results for the fiscal years ended June 30, 2022 through 2025, estimated amounts for the fiscal year ending June 30, 2026, and budgeted amounts for the fiscal year ending June 30, 2027. The information in the table for fiscal years 2022 through 2025 was derived from the District's ACFR for each of those years, the information in the table for estimated fiscal year 2026 was provided by District staff, and the information in the table for budgeted fiscal year 2027 was derived from the District's 2027 budget.

The information in this table should be read together with the District's audited financial statements for the year ended June 30, 2025, and the accompanying notes, which are included as Appendix A hereto. Financial statements for prior years can be obtained from the sources listed in "INTRODUCTION - Additional Information."

Summary of Revenues, Expenses and Changes in Net Position

Fiscal Year Ended June 30	2022 ⁽¹⁾ (Restated)	2023 (Actual)	2024 (Actual)	2025 (Actual)	2026 (Estimated)	2027 (Budget)
Operating Revenues:						
Sewer service charges	\$173,745,086	\$181,277,137	\$189,798,718	\$207,205,888	\$230,123,188	\$237,264,510
Connection fee revenue	34,747,232	26,648,512 ⁽²⁾	31,833,101	22,845,233	20,078,180	19,011,706
Reclaimed water sales	543,091	438,932	490,425	1,160,834	1,005,006	888,250
Pretreatment fees	546,446	422,725	443,956	431,763	910,920	516,000
Septage fees	426,419	593,310	1,034,281	801,744	960,249	825,000
Other	157,488	191,239	1,325,600	6,759,526	6,084,928	5,265,000
Total Operating Revenues	210,165,762	209,571,855	224,926,081	239,204,988	259,162,471	263,770,466
Operating Expenses:						
Salaries	28,422,465	29,633,055	32,066,668	34,337,666	35,761,590	36,422,779
Benefits	6,561,359	14,145,072	18,004,587	17,492,015	19,142,727	19,171,704
Utilities	10,318,823	11,619,289	14,043,836	13,568,252	15,964,048	16,525,480
Outside services	8,494,970	10,955,237	11,371,373	8,736,153	11,199,173	15,033,578
Chemicals	6,508,310	8,726,810	9,303,873	9,048,315	10,229,138	11,378,023
Maintenance	5,670,355	10,846,715	10,200,236	9,240,054	8,903,312	11,324,976
Other expenses	3,609,737	3,502,701	4,518,229	9,576,701	8,920,518	8,850,762
Supplies	5,673,456	5,282,949	5,760,452	6,578,990	6,586,304	7,664,281
Impairments and other losses	308,902	534,582	3,214,553	22,108	--	--
Depreciation	92,370,393	92,164,360	91,619,169	100,093,459	101,193,747	105,241,497
Total Operating Expenses	167,938,770	187,410,770	200,102,976	208,693,713	217,900,557	231,613,080
Income From Operations	42,226,992	22,161,085	24,823,105	30,511,275	41,261,914	32,157,386
Non-Operating Revenues (Expenses)						
Investment income (loss)	(25,863,292)	4,422,156	45,582,652	41,303,050	23,584,310	18,560,796
Restricted investment gain (loss)	(1,288,584)	(49,924)	533,939	1,346,662	332,562	365,818
Sales tax apportionment	26,752,260	28,525,841	29,401,139	28,967,786	28,030,088	26,067,982
Interest expense	(13,654,649)	(13,011,974)	(28,295,028)	(26,446,058)	(28,366,120)	(27,157,696)
Other non-operating revenue (expenses), net	2,094,557	67,579	130,773	249,143	2,519,067	2,554,334
Total Non-Operating Revenues (Expenses)	(11,959,708)	19,953,678	47,353,475	45,420,583	26,099,907	20,391,234
Income Before Capital Contributions	30,267,284	42,114,763	72,176,580	75,931,858	67,361,821	52,548,620
Capital Contributions						
Contributed assets	40,459,648	37,760,747	48,849,403	51,011,710	46,400,130	48,256,136
Change in Net Position	70,726,932	79,875,510	121,025,983	126,943,568	113,761,951	100,804,756
Net Position, Beginning of the Year	1,994,456,358	2,065,183,290	2,145,058,800	2,266,084,783	2,393,028,351	2,506,790,302
Net Position, End of Year	\$2,065,183,290	\$2,145,058,800	\$2,266,084,783	\$2,393,028,351	\$2,506,790,302	\$2,607,595,058

(1) The District adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), effective June 30, 2023, and retrospectively restated for the period ended June 30, 2022.

(2) 2023 Connection fee revenue, net of refunds and allowances of \$72,201 and \$69,120.

Source: Derived from the District's ACFRs for the fiscal years 2022 through 2025, the District's staff for estimated fiscal year 2026 and the District's 2027 budget.

Outstanding Indebtedness and Other Obligations

Statutory Debt Limitation. State statutes limit the aggregate principal amount of the District's general obligation debt to 50% of the District's total reported assessed valuation (including the assessed valuation of all applicable redevelopment agencies). Based on the District's assessed valuation for 2026-27 of \$88,630,267,952 (including the assessed valuation of all applicable redevelopment agencies), the District is limited to general obligation indebtedness in the aggregate amount of \$44,315,133,976. As of July 1, 2026 (inclusive of the 2026 Bonds and the effect of the Refunding Project), the District has \$599,792,295 of general obligation debt outstanding), comprised of the 2016 Bonds, the 2023 Bonds, the 2026 Bonds, the 2009C Bond (described below), the 2011A Bond (described below), and the 2012A Bond (described below).

Outstanding Indebtedness and Other Obligations. The following table sets forth the District's outstanding obligations as of July 1, 2026 (including the issuance of the 2026 Bonds and the effect of the Refunding Project).

Outstanding Debt and Other Obligations

General Obligation (Revenue Supported Bonds) ⁽²⁾	Issue Date	Original Amount	Amount Outstanding ⁽¹⁾
Parity Obligations			
Water Reclamation Refunding Bonds, Series 2016	08/30/2016	269,465,000	\$ 126,750,000
Water Reclamation General Obligation, Series 2023	07/18/2023	340,000,000	324,345,000
Water Reclamation Refunding Bonds, Series 2026	07/29/2026	123,265,000	<u>123,265,000</u>
Total Parity Lien Obligations			\$574,360,000
Subordinate Obligations⁽³⁾			
Water Reclamation Bond, Series 2009C (State Revolving Fund Loan)	10/16/2009	5,744,780	931,586
Water Reclamation Bond, Series 2011A (State Revolving Fund Loan)	03/25/2011	40,000,000	12,483,712
Water Reclamation Bond, Series 2012A (State Revolving Fund Loan)	07/13/2012	30,000,000	<u>12,016,997</u>
Total Subordinate Lien Obligations			\$25,432,295
Total General Obligation (Revenue Supported) Bonds			\$599,792,295

(1) As of July 1, 2026 and inclusive of the issuance of the 2026 Bonds and the effect of the Refunding Project.

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

(3) Secured by a lien on the Net Pledged Revenues that is subordinate to the lien thereon of the bonds listed as Parity Obligations.

Source: The District.

Additional Indebtedness

The District may issue general obligation bonds by means of authority granted to it by its electorate or the State Legislature or, under certain circumstances, without an election as provided in existing statutes. General obligation bonds secured by pledged revenues do not require an election if it is determined prior to issuance that the revenues pledged will be sufficient to pay all of the debt service on the proposed bonds. However, the District must satisfy the conditions described in “SECURITY FOR THE 2026 BONDS--Additional Bonds” prior to the issuance of any Additional Parity Securities. See “SOURCES AND USES OF FUNDS--The Refunding Project.” The District may issue Additional Parity Securities at any time in the future in compliance with State law and the 2026 Bond Resolution. At this time, management is evaluating the need to issue additional debt or raise service and development rates to finance projects within its current five-year capital plan.

The District also may issue bonds secured solely by Net Pledged Revenues upon satisfaction of the conditions described in “SECURITY FOR THE 2026 BONDS--Additional Bonds.” The District currently does not anticipate issuing any such Superior Securities but reserves the right to do so at any time.

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the 2026 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and interest on the 2026 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code.

The Tax Code imposes several requirements which must be met with respect to the 2026 Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the 2026 Bonds. These requirements include: (a) limitations as to the use of proceeds of the 2026 Bonds; (b) limitations on the extent to which proceeds of the 2026 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 2026 Bonds above the yield on the 2026 Bonds to be paid to the United States Treasury. The District covenants and represents in the 2026 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 2026 Bonds from gross income and alternative minimum taxable income under federal income tax laws in effect when the 2026 Bonds are delivered. Bond Counsel’s opinion as to the exclusion of interest on the 2026 Bonds from gross income and alternative minimum taxable income 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 2026 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 15% alternative minimum tax on the “adjusted financial statement income” of “applicable corporations” (as those terms are defined in Sections 56A and 59(k), respectively, of the Tax Code). “Applicable corporations” are generally corporations with average annual adjusted financial statement income over a three-year period of \$1 billion or more. “Adjusted financial statement income” generally means the net income or loss of a corporation (including interest on the 2026 Bonds) as set forth on the corporation’s applicable financial statement, adjusted as provided in Section 56A of the Tax Code. Corporations should consult their tax advisors about whether the corporation is an “applicable corporation” and if the corporation is such an applicable corporation, about the calculation of “adjusted financial statement income” and the alternative minimum tax for the corporation.

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the 2026 Bonds. Owners of the 2026 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 2026 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. All of the 2026 Bonds were sold at a premium, representing a difference between the original offering price of those 2026 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 on the 2026 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 2026 Bonds. Owners of the 2026 Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the 2026 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 2026 Bonds, the exclusion of interest on the 2026 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2026 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 2026 Bonds. Owners of the 2026 Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2026 Bonds. If an audit is commenced, the market value of the 2026 Bonds may be adversely affected. Under current audit procedures the Service will treat the District as the taxpayer and the 2026 Bond owners may have no right to participate in such procedures. The District has covenanted in the 2026 Bond Resolution not to take any action that would cause the interest on the 2026 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 Municipal Advisors, the Underwriters, Bond Counsel or Special Counsel is responsible for paying or reimbursing any Bondholder with respect to any audit or litigation costs relating to the 2026 Bonds.

State Tax Exemption

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.

LEGAL MATTERS

Litigation

Based on its review and search of the court dockets for the Eighth Judicial District Court for the State of Nevada, Clark County, and the United States District Court of Nevada in Clark County, and based on due investigation, the District’s internal General Counsel states that, as of the date of this Official Statement, there is no litigation or controversy of any nature now pending or threatened, (i) restraining or enjoining the issuance, sale, execution or delivery of the 2026 Bonds or (ii) in any way contesting or affecting the validity of the 2026 Bonds or any proceedings of the District taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the 2026 Bonds. The District is, however, subject to certain pending and threatened litigation regarding various other matters arising in the ordinary course of operation of the District. See “THE SYSTEM - Other Regulatory Matters.” Based on its review and search of the court dockets referenced above, and based on due investigation, it is the opinion of the District’s internal General Counsel that the pending or threatened litigation will not result in final judgments against the District which would, individually or in the aggregate, materially adversely affect the District’s financial position, its ability to pay debt service on the 2026 Bonds or its ability to perform its obligations to the owners of the 2026 Bonds.

Approval of Certain Legal Proceedings

The approving opinion of Taft Stettinius & Hollister LLP, as Bond Counsel, will be delivered with the 2026 Bonds. A form of the bond counsel opinion is attached to this Official Statement as APPENDIX E. The opinion will include a statement that the obligations may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights generally, and by equitable principles, whether considered at law or in equity. Taft Stettinius & Hollister LLP has also acted as Special Counsel to the District in

connection with this Official Statement. Certain matters will be passed upon for the District by its internal 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 County may not include any amount as exemplary or punitive damages and is limited to \$200,000 per cause of action. The limitation does not apply to federal actions brought under federal law such as civil rights actions under 42 U.S.C. Section 1983 and actions under The Americans with Disabilities Act of 1990, or to actions in other states.

MUNICIPAL ADVISORS

The Municipal Advisors have not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the County, 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.

INDEPENDENT AUDITORS

The audited basic financial statements of the Clark County Water Reclamation District as of and for the year ended June 30, 2025, included herein as APPENDIX A, have been audited by BDO USA, LLP, certified public accountants, Las Vegas, Nevada, as stated in their report appearing herein.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have assigned the respective ratings to the Bonds shown on the cover page of this Official Statement. There is no assurance that such ratings will continue for any given period of time after they are received or that they will not be lowered or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Other than the District's obligations under the Disclosure Certificate, the District has not undertaken any responsibility to bring to the attention of the owners of the 2026 Bonds any proposed change in or withdrawal of such ratings or to oppose any such proposed revision. Any such change in or withdrawal of the ratings could have an adverse effect on the market price of the Bonds.

UNDERWRITING

The District sold the Bonds at a public sale on July 8, 2026, to J.P. Morgan Securities LLC (the "Initial Purchaser") at a purchase price of \$138,229,990.91 (consisting of the

par amount of \$123,625,000.00 plus original issue premium of \$15,231,551.85, less underwriting discount of \$266,560.94).

OFFICIAL STATEMENT CERTIFICATION

The undersigned official of the District hereby confirms and certifies that the execution and delivery of this Official Statement and its use in connection with the offering and sale of the 2026 Bonds have been duly authorized by the Board.

CLARK COUNTY WATER RECLAMATION
DISTRICT

By: /s/ Thomas A. Minwegen
General Manager

APPENDIX A

**ANNUAL COMPREHENSIVE FINANCIAL REPORT OF THE DISTRICT
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Annual Comprehensive Financial Report
For The Fiscal Years Ended June 30, 2025 and 2024



Clark County Water Reclamation District

A Component Unit of Clark County, Nevada

ANNUAL COMPREHENSIVE FINANCIAL REPORT



*The
"Clean Water Team"*

CLARK COUNTY WATER RECLAMATION DISTRICT

5857 East Flamingo Road

Las Vegas, Nevada 89122

(702) 434-6600

www.cleanwaterteam.com

FOR THE FISCAL YEARS ENDED

JUNE 30, 2025 AND 2024

Prepared by the Financial Services Group
Under the Supervision of
Brett Borek, Finance Manager

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Years Ended June 30, 2025 and 2024

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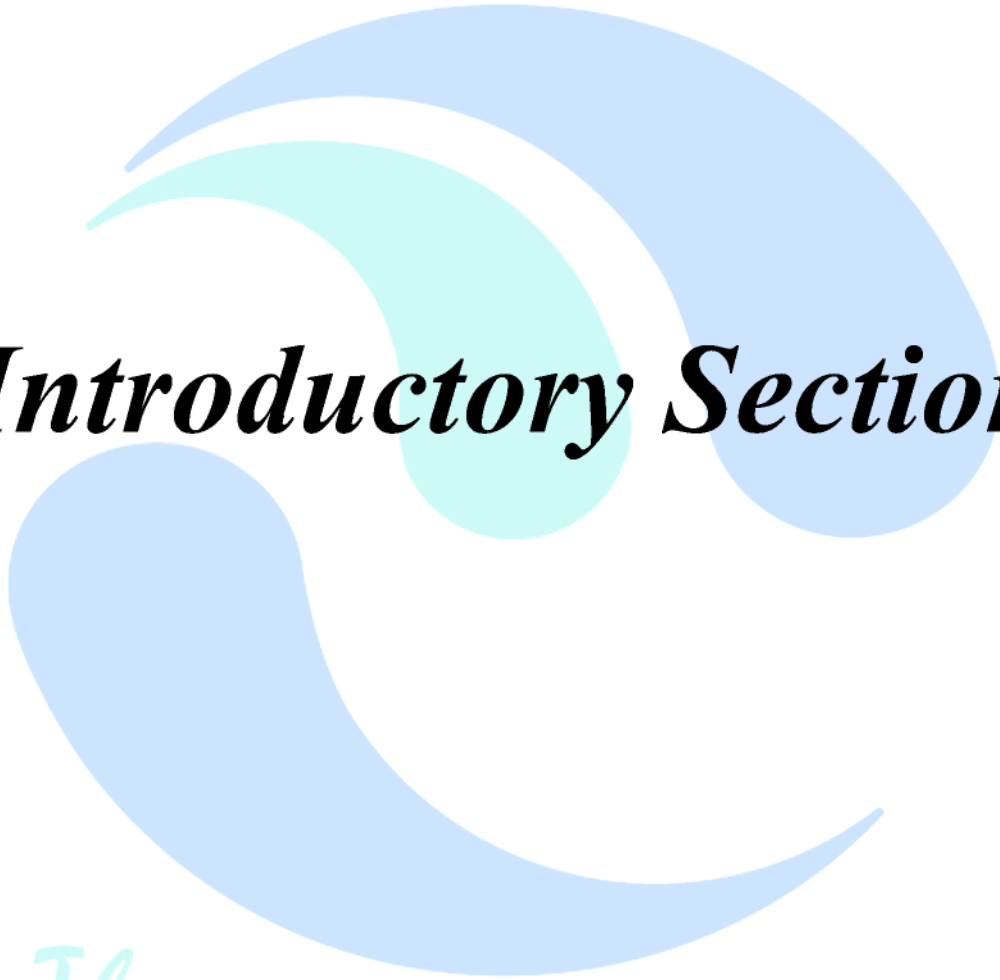
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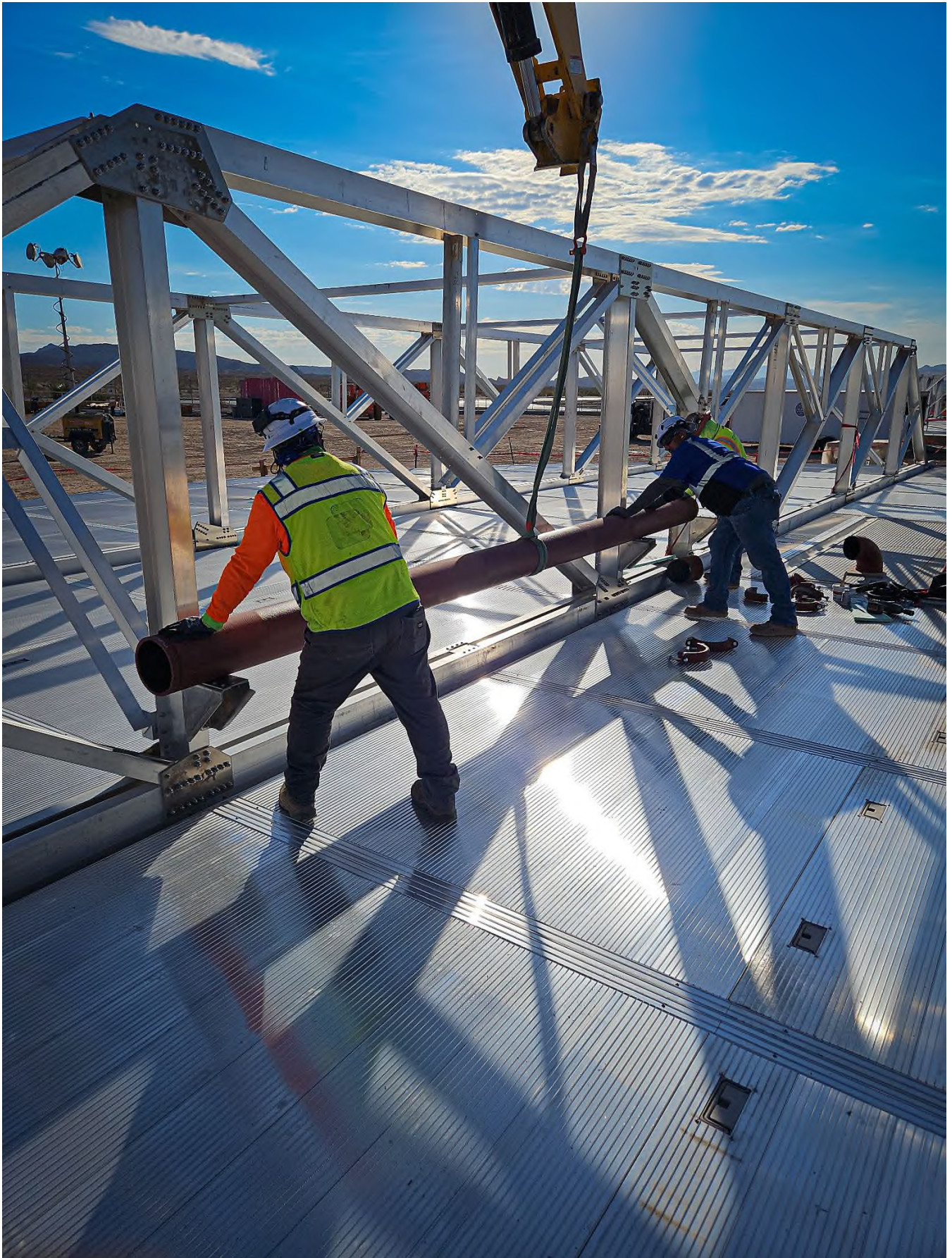


The Southern Nevada sunrise as expansion work continues at the Flamingo Water Resource Center

A stylized logo consisting of three overlapping, curved shapes. The top shape is light blue, the middle shape is a lighter cyan, and the bottom shape is a medium blue. They are arranged in a way that suggests a wave or a stylized letter 'S'.

Introductory Section

The
"Clean
Water Team"



Early morning shifts protect the construction staff from the summer heat

CLARK COUNTY WATER RECLAMATION DISTRICT ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Years Ended June 30, 2025 and 2024

Clark County Water Reclamation District Officials

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



(Left to Right) Justin Jones (Vice Chair), James B. Gibson, April Becker, Marilyn Kirkpatrick, William McCurdy II, Michael Naft, Tick Segerblom (Chair)

Other Elected Officials

J Ken Diaz

Treasurer

Lynn Goya

County Clerk

District Administrative Officials

Thomas A. Minwegen

General Manager

David Stoft

General Counsel

Daniel Fischer

Deputy General Manager, Plant Operations and Laboratory

Shawn Mollus

Deputy General Manager, Engineering and Construction

Brenda Pappas

Deputy General Manager, Human Resources and Customer Care

Srinivas Chundu

Chief Information Officer

Richard Donahue

Assistant General Manager, Collection System

Charlie Lee

Assistant General Manager, Asset Management and Reliability



Clark County Water Reclamation District

November 13, 2025

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

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

We wish to express our appreciation to the Board for their leadership and support in planning and coordinating the operations of the Clark County Water Reclamation District (the District). We are pleased to present the District's Annual Comprehensive Financial Report (Annual Report) for the fiscal years (FY) ended June 30, 2025 and 2024.

Nevada Revised Statute (NRS) 354.624 requires the District to issue a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. This Annual Report was prepared by the District's Financial Services Group following those principles and standards.

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

BDO USA, PC, a firm of Certified Public Accountants, has performed an independent audit of the District's basic financial statements for the fiscal years ended June 30, 2025 and 2024, and issued an unmodified ("clean") report thereof. The independent auditor's report is in the financial section of this report.

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

District Information

The purpose of the District is to ensure the collection, treatment, and reclamation of wastewater so it can be safely returned to the environment. The District was established as a General Improvement District under Nevada Revised Statute (NRS) 318 in 1954 and, as such, is a political subdivision of the State. The District, granted by authority, can levy taxes, sell bonds, create assessment districts, and has the right of eminent domain. The District's bond covenants stipulate that rates and charges be sufficient to cover operation and maintenance costs and general expenses, including principal and interest payments on outstanding bonds.

The District is governed by a seven-member ex officio Board of Trustees (the Board) comprised of the members of the Clark County Commission. The Commissioners are elected to the Clark County Commission from geographical districts for staggered four-year terms. The Board elects a chairperson and a vice-chairperson to serve as the Board's presiding officers. The Board has the power to set the District's rates and charges. Currently, the District's Chairperson is Commissioner Tick Segerblom, and the Vice-Chairperson is Commissioner Justin Jones.

Since the ex officio Board of Trustees can influence and control District operations, the District is considered a component unit of Clark County. Per NRS 354.475, the District, as a component unit, submits its tentative budget as part of the overall County budget for the next fiscal year to the Nevada State Department of Taxation by April 15. The budget, as submitted, contains the proposed expenses, and means of financing them. A special public hearing is set for the third Monday in May. After all changes have been noted and hearings closed, the Board adopts the budget on or before June 1.

As a General Improvement District, the District's cost of providing goods and services on a continuing basis is financed primarily through user charges. Because external customers are charged a fee for services, the District operates as an enterprise fund. To that end, rates and charges should be sufficient to meet all the District's revenue requirements (both operating and capital). The District follows the customer User Charge System guidelines set forth in Code of Federal Regulations Section 40 Part 35, which are requirements imposed on the District as an Environmental Protection Agency grant-assisted wastewater facility.

The District employs the accrual basis for recording and reporting financial transactions. Therefore, revenues and expenses are recorded in the period in which they are earned and incurred, respectively. During the year, funds will be encumbered upon approval of individual purchase orders. At year end, encumbrances lapse on unfilled orders for operations and maintenance items. Items or services received after year end are charged to the next fiscal year. The acquisition, repairs and improvement of the wastewater facilities required to provide services may be financed from existing cash resources, the issuance of bonds, state revolving loans, the receipt of grants, and other financing mechanisms.

The District's facilities consist of a network of over 2,300 miles of pipelines for the conveyance of wastewater to facilities for treatment in the unincorporated areas of Clark County including the resort destinations on the Las Vegas Strip. The District also operates facilities in service areas outside of the Las Vegas Valley, including Laughlin, Searchlight, Moapa Valley, Blue Diamond, and Indian Springs as shown on the Page IX Service Area Map. Wastewater is conveyed to the treatment facilities, where it undergoes a series of physical, biological, and chemical processes that produce effluent that meets or exceeds federal, state, and local discharge standards.

All major sewer lines within the system were constructed after 1954. Approximately 60% of the District's sewer lines have been installed since 1988. The District's wastewater treatment systems service 274,848 active accounts: 264,972 are residential accounts and 9,876 are commercial accounts. A total of 270,508 accounts are in the Las Vegas Valley, 2,833 are in Laughlin, and 1,507 are accounts in all other service areas.

Local Economy

Economic and business activities in the state have substantially returned to normal since the pandemic. Southern Nevada’s continued growth and diversification make it a prime region for business relocation. Studies have shown that Las Vegas and surrounding areas were the top destination for businesses fleeing California and others. Another survey also rated Nevada as one of the top states for new corporate investments based on a favorable tax and business climate.

According to CBER, Clark County is still displaying favorable economic conditions. Most if not all economic indicators including, but not limited to housing, gaming, unemployment, etc. for the region still looks favorable.

The County also hosted the second of ten planned formula 1 (F1) races. In addition, Las Vegas has positioned itself as a home for major league sports, including the NFL, NHL, WNBA, and soon MLB.

UNLV Center for Business and Economics Research (CBER) forecasts that Clark County population will grow steadily in the short term at rates of 1.4% and 2.0% respectively in both 2025 and 2026.

The table below shows Clark County visitor volume, McCarran International Total Passengers, and unemployment rates for the months of April, May and June for both 2024 and 2025. This shows that the economy of Las Vegas and Clark County although slightly declining, is still strong and resilient.

	April 2024	May 2024	Jun 2024	April 2025	May 2025	Jun 2025
Clark County Visitor Volume (millions)	3.71	3.85	3.69	3.53	3.62	3.29
McCarran International Airport Passengers (millions)	4.88	5.19	5.04	4.71	4.98	4.72
Unemployment Rates ^(NSA)	5.2%	5.6%	6.2%	5.2%	5.5%	5.8%

Source: Outlook CBER and CBER 2025 CBER Population Forecast

Long-Term Financial Planning and Major Initiatives

The District maintains both a Five-Year Capital Improvement Plan and a Long-Term Comprehensive Financial Plan. Included in both plans are the current and projected capital improvement program (CIP) costs, revenue and expense projections, and rate modeling. The District’s CIP includes rehabilitation and replacement of existing infrastructure, new infrastructure, and expansion of existing infrastructure due to service area growth or capacity requirements.

These comprehensive plans link the District’s physical development planning with the fiscal planning. The Five-Year Capital Improvement Plan and Long-Term Comprehensive Financial Plans allow for adjustments to be made based on changes in activity, requirements, and needs, while providing the District with the ability to maintain strong and stable cash reserves.

The District’s annual sewer service charges pay for services, supplies, personnel, debt service, and capital rehabilitation and replacement. The District uses a universal rate system, where all service areas are charged the same annual amount for sewer service fees per Equivalent Residential Unit (ERU). A single-family residence has a billing value of 1.0 ERU; all other residential and commercial accounts are derived from that base value. The District’s annual sewer service rate on July 1, 2024 was \$273.48 per ERU and increased on July 1, 2025 to \$295.36 per ERU.

System Development Approval (SDA) fees are connection fees the District charges for each ERU that connects to the wastewater facilities. SDA fees are due and payable in advance of connection to the District’s facilities. It is the practice of the District to apply SDA revenues to the District’s capital expansion program, capital equipment related to expansion of existing infrastructure due to service area growth or capacity requirements, and expansion related debt. Page VIII provides an overview of the District’s Sources and Uses of Funds.

As of June 30, 2025, the Five-Year Capital Improvement Plan (FY 2026 through FY 2030) totaled \$839.9 million. This estimated amount reflects the various capital projects that are expected to be designed and/or constructed over the next five years to rehabilitate existing infrastructure and to meet expansion needs. Of the total amount, the District plans to spend \$746.5 million in the Las Vegas Valley - \$478.4 million for rehabilitation and replacement and \$268.1 million on capacity expansion projects. Outside the Las Vegas Valley, the District plans to spend \$49.9 million for rehabilitation and replacement projects. Management of the CIP is budgeted at \$43.5 million. Capital equipment is budgeted at \$53 million for various new and replacement equipment.

CCWRD raised \$340 Million in General Obligation debt from the Capital markets in 2023 to help finance the district's CIP program. The bond funds were expended in February 2025.

Relevant Financial Policies

Debt Administration

In accordance with Subsection (1)(c) of NRS 350.013, the District annually submits its Debt Management Policy to the State Department of Taxation and the Debt Management Commission. The purpose of the policy is to manage the issuance of the District's debt obligations and to maintain the District's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities, and equipment.

It is the general intent of the District that revenue from rates and charges are adequate to cover all its costs and that ad valorem taxes be avoided. Historically, ad valorem taxes have not been relied on to support the District's operations or debt service. No plan or intention to call upon ad valorem taxes is in place to support the District's debt or other financial requirements. The District's Debt Management Policy can be viewed on the District's web site at <http://www.cleanwaterteam.com>.

Credit ratings indicate to potential investors whether an entity is considered a good credit risk. Credit ratings issued by the bond rating agencies are a major factor in determining the cost of borrowed funds in the municipal bond market and other debt financing mechanisms. The District currently holds a AAA bond rating with a stable outlook from Standard and Poor's and an Aa1 rating from Moody's Investor Services. These ratings reflect the District's strong management and financial position, stable revenues, and effective financial planning.

Each time the District issues bonds through a competitive sale, a Continuing Disclosure Certificate must be executed. The Continuing Disclosure Certificate outlines the District's responsibilities regarding compliance with Securities and Exchange Commission (SEC) Rule 15c2-12(b)(5). As of July 1, 2009, the Municipal Securities Rulemaking Board (MSRB) requires all municipal issuers to electronically file Annual Reports and Material Event Notices through the Electronic Municipal Market Access (EMMA) System which are available at <http://emma.msrb.org>. The District is in compliance with this requirement.

Designated Unrestricted Reserves

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

Restricted Reserves

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Clark County Water Reclamation District for its Annual Comprehensive Financial Report for the year ended June 30, 2024. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current report conforms to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Thomas A. Minwegen
General Manager



Brett R. Borek
Finance Manager

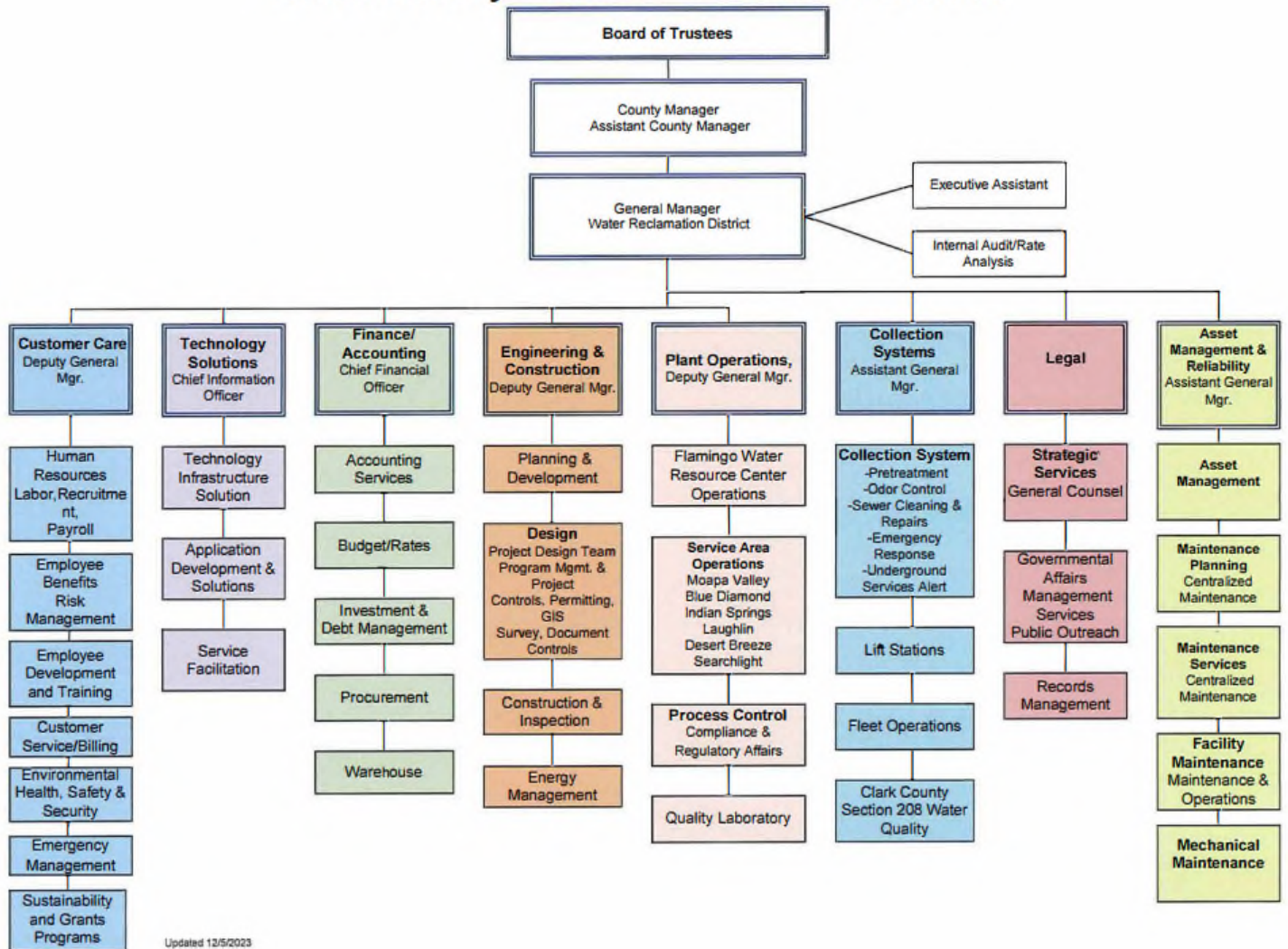
BOARD OF TRUSTEES

Tick Segerblom, Chair • Justin Jones, Vice Chair.

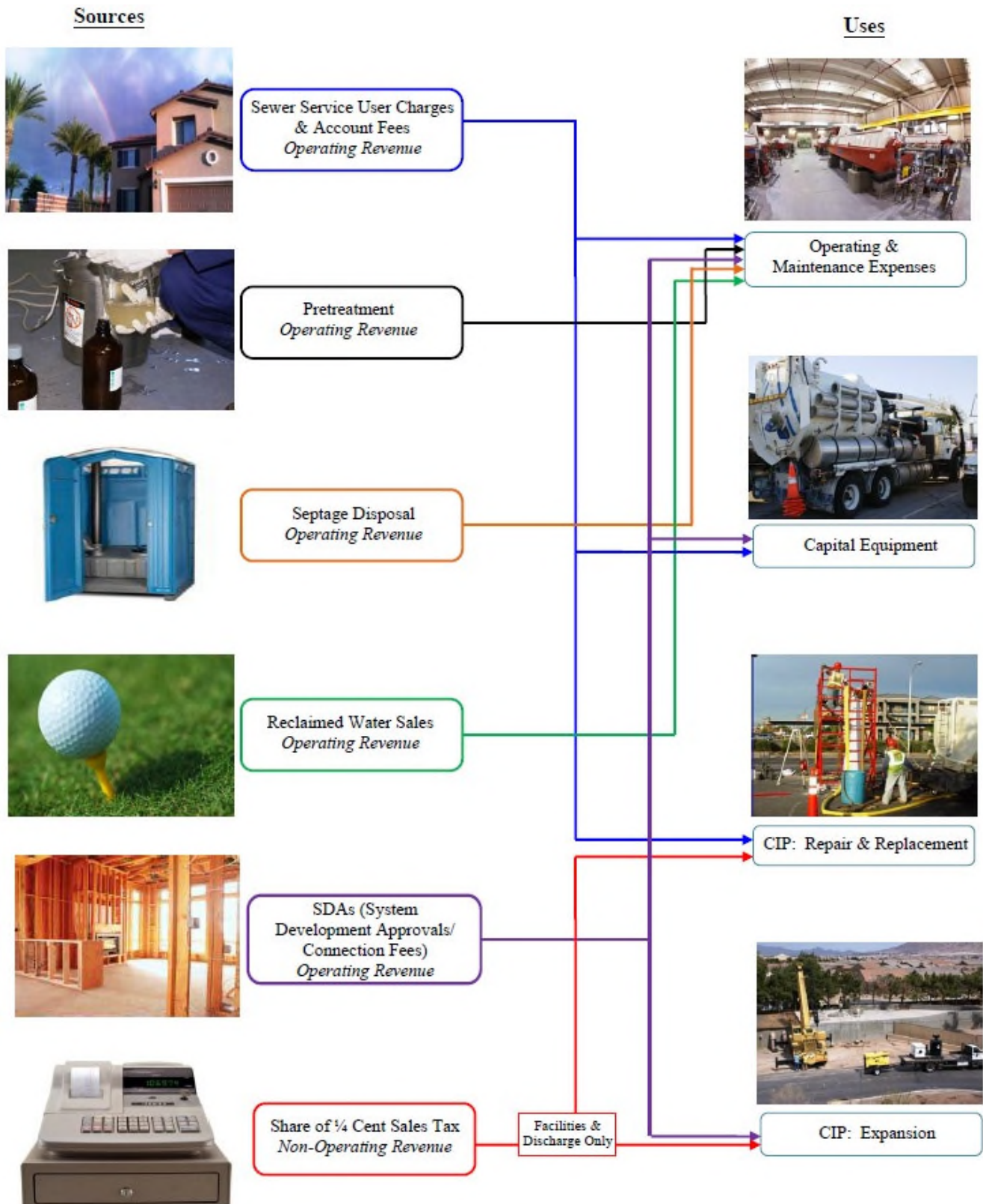
*April Becker • James B. Gibson • Marilyn Kirkpatrick • William McCurdy II • Michael Naft
Tom Minwegen, General Manager*

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cleanwaterteam.com

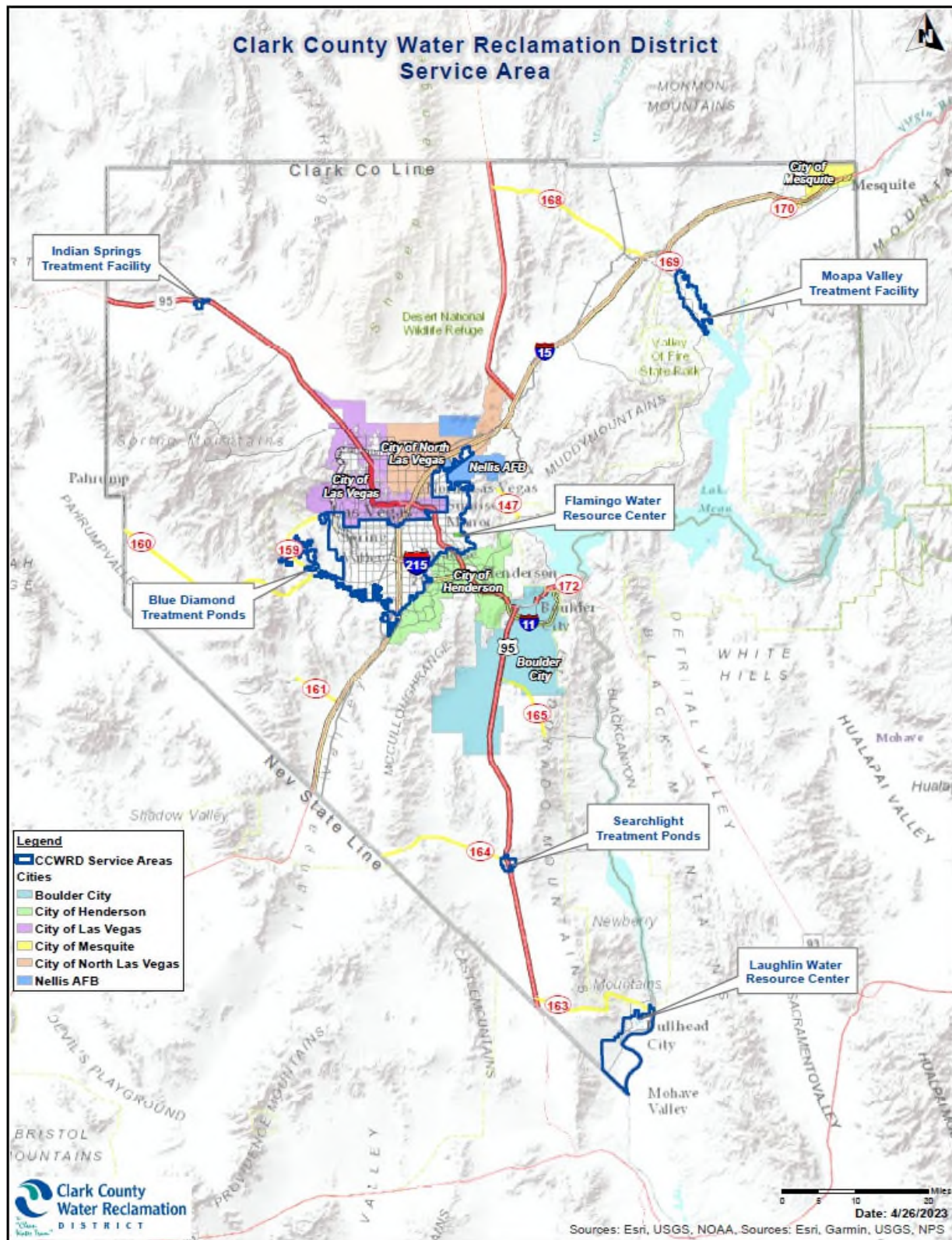
Clark County Water Reclamation District



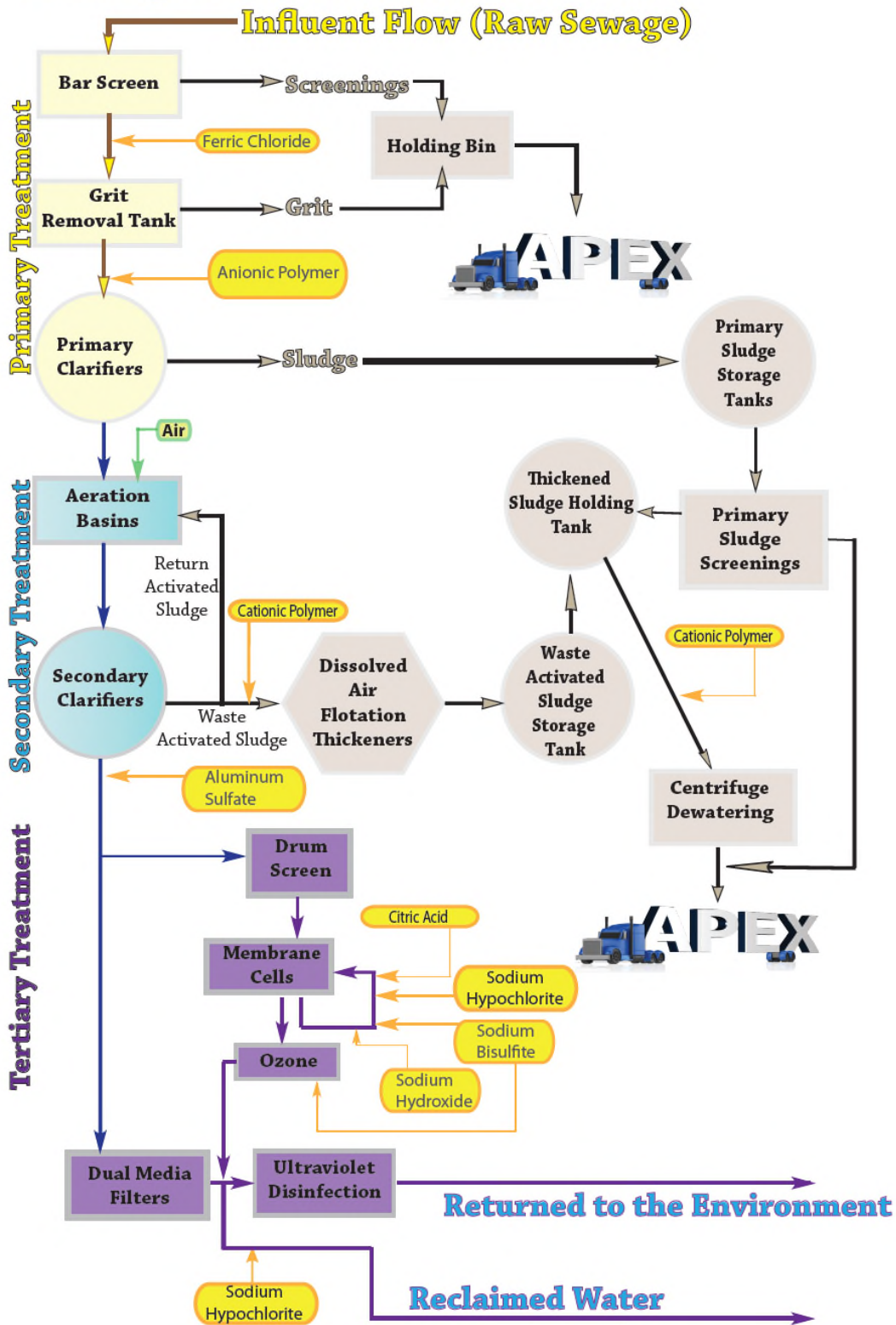
Clark County Water Reclamation District Sources and Uses of Funds



Clark County Water Reclamation District Service Area Map



Flamingo Plant Treatment Processes





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Clark County Water Reclamation District
Nevada**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Water leak testing of a clarifier at the main Flamingo Plant

A stylized wave logo consisting of three overlapping curved shapes. The outermost shape is light blue, the middle shape is a slightly darker blue, and the innermost shape is a light teal color. The waves are oriented towards the right.

Financial Section

The
"Clean
Water Team"



Tel: 702-784-0000
Fax: 702-784-0161
www.bdo.com

8548 Rozita Lee Avenue, Suite 300
Las Vegas, NV 89113

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Clark County Water Reclamation District (the District), a component unit of Clark County, Nevada, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2025 and 2024, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

BDO USA, P.C., a Virginia professional corporation, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in total OPEB liability – PEBP and Self-Funded/HPN, schedule of proportionate share of contractually required OPEB contribution information - PEBP, schedule of proportionate share of net pension liability, schedule of proportionate share of statutorily required pension contribution information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Capital Assets, Schedule of Revenues and Expenses Compared to Budget and Schedule of Cash Flows Compared to Budget are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 Schedule of Capital Assets, Schedule of Revenues and Expenses Compared to Budget and Schedule of Cash Flows Compared to Budget is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2025 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 solely 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 the effectiveness of the District's 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.

BDO USA, P.C.

Las Vegas, Nevada
November 13, 2025

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

As management of the Clark County Water Reclamation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our financial statements which follow this analysis.

Financial Highlights

- Total Net Position increased by \$126.9 million (5.6%) to \$2.4 billion at June 30, 2025. During fiscal year ended 2024, total Net Position increased by \$121.0 million (5.6%) for a total of \$2.3 billion.
- Change in Net Position increased by \$5.9 million (4.9%) to \$126.9 million for fiscal year 2025. During fiscal year ended 2024 Change in Net Position increased by \$41.2 million (51.5%) for a total of \$121.0 million.
- Capital Assets, Net of Accumulated Depreciation increased by \$295.5 million (13.0%) to \$2.6 billion at June 30, 2025. During fiscal year ended 2024, Capital Assets, Net of Accumulated Depreciation, increased by \$200.3 million (9.7%) for a total of \$2.3 billion.

Overview of the Financial Statements

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

The District is required to present three basic financial statements – The Statement of Net Position; The Statement of Revenues, Expenses and Changes in Net Position; and The Statement of Cash Flows.

The Statement of Net Position, which outlines the District's financial and capital resources, serves as the District's statement of financial position or balance sheet. Net Position equals assets, plus deferred outflows of resources, minus liabilities, minus deferred inflows of resources.

The Statement of Revenues, Expenses and Changes in Net Position presents basic information regarding the District's financial activities and provides insight to the user regarding the sources of funding for the District's operations.

The Statement of Cash Flows reports cash receipts and disbursements during the reporting year for operating activities, capital and related financing activities, and investing activities.

All statements are prepared in accordance with accounting principles generally accepted in the United States.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the District's financial statements. The notes to the financial statements can be found on pages 188 - 44 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's progress in funding its obligation to provide Postemployment Benefits Other Than Pensions (OPEB) to its employees and its proportionate share of net pension liability and schedule of contributions related to pension. Required supplementary information can be found beginning on page 47 of this report.

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

Financial Analysis

Net position over time may serve as a useful indicator of a government's financial condition. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$2.4 billion and \$2.3 billion in fiscal years 2025 and 2024, respectively. Net position increased 5.6% in fiscal year 2025 and increased 5.6% in fiscal year 2024. See Net Position (Table 1), for a summary of the District's net position over the last three years.

Table 1 - Net Position

	Year Ended June 30, 2025	Year Ended June 30, 2024	Increase (Decrease)		Year Ended June 30, 2023	Increase (Decrease)	
Current and other assets	\$ 692,849,603	\$ 883,701,606	\$ (190,852,003)	(21.6%)	\$ 583,719,180	\$299,982,426	51.4%
Capital assets	2,564,783,353	2,269,239,384	295,543,969	13.0%	2,068,949,848	200,289,536	9.7%
Total Assets	3,257,632,956	3,152,940,990	104,691,966	3.3%	2,652,669,028	500,271,962	18.9%
Deferred Loss on Bond Refunding	25,932,698	27,927,530	(1,994,832)	(7.1%)	29,922,362	(1,994,832)	(6.7%)
Deferred Outflows/OPEB	12,779,650	9,071,662	3,707,988	40.9%	9,854,324	(782,662)	(7.9%)
Deferred Outflows/Pension Plan	28,395,919	25,300,063	3,095,856	12.2%	29,009,286	(3,709,223)	(12.8%)
Current liabilities	96,372,473	91,729,960	4,642,513	5.1%	62,901,287	28,828,673	45.8%
Non-Current liabilities	808,021,522	834,937,440	(26,915,918)	(3.2%)	490,470,363	344,467,077	70.2%
Total Liabilities	904,393,995	926,667,400	(22,273,405)	(2.4%)	553,371,650	373,295,750	67.5%
Deferred Inflows/OPEB	16,690,018	19,222,061	(2,532,043)	(13.2%)	21,523,027	(2,300,966)	(10.7%)
Deferred Inflows/Pension Plan	10,628,859	3,266,001	7,362,858	225.4%	1,501,523	1,764,478	117.5%
Net Position:							
Net investment in capital assets	1,828,805,551	1,510,586,855	318,218,696	21.1%	1,678,044,240	(167,457,385)	(10.0%)
Restricted	36,724,209	185,049,081	(148,324,872)	(80.2%)	26,914,208	158,134,873	587.6%
Unrestricted	527,498,591	570,448,847	(42,950,256)	(7.5%)	440,100,352	130,348,495	29.6%
Total Net Position	\$ 2,393,028,351	\$ 2,266,084,783	\$ 126,943,568	5.6%	\$ 2,145,058,800	\$121,025,983	5.6%

As outlined in the above table, total net position is comprised of three distinct components: net investment in capital assets, restricted and unrestricted. By far, the largest portion of the District's net position of \$2.4 billion reflects its investment in capital assets. This portion, \$1.8 billion, represents the capital assets net of any outstanding debt that is directly attributable to the acquisition, construction or improvement of those assets. The District uses those capital assets to provide services to rate payers; consequently, those assets are not available for future spending.

An additional portion of the District's net position, approximately \$36.7 million, represents resources that are subject to constraints due to legislative restrictions or bond covenants. The remaining balance of \$527.5 million is unrestricted and may be used to meet ongoing obligations to rate payers and creditors that are not funded by restricted resources or for use in the event of a facility emergency.

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

Fiscal Year Ended 2025 Summary:

- Total assets increased \$104.7 million (3.3%) over fiscal year ended 2024 as a result of an increase in investments, property, plant and equipment, and construction in progress.
- Total liabilities decreased \$22.3 million (-2.4%) over fiscal year ended 2024 primarily due to an decrease in outstanding debt payable.

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

Fiscal Year Ended 2024 Summary:

- Total assets increased \$500.3 million (18.9%) over fiscal year ended 2023 as a result of an increase in cash and cash equivalents, investments, and construction in progress.
- Total liabilities decreased \$373.3 million (67.5%) over fiscal year ended 2023 primarily due to an increase in the outstanding debt payable.

Fiscal Year Ended 2023 Summary:

- Total assets increased \$76.9 million (3.0%) over fiscal year ended 2022 as a result of an increase in cash and cash equivalents and capital assets.
- Total liabilities increased \$34.8 million (6.7%) over fiscal year ended 2022 primarily due to an increase in the net pension liability of \$41.4 million.

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

Table 2 - Change in Net Position

	Year Ended June 30, 2025	Year Ended June 30, 2024	Increase (Decrease)		Restated Year Ended June 30, 2023	Increase (Decrease)	
Operating Revenues:							
Sewer service charges	\$ 207,205,888	\$ 189,798,718	\$ 17,407,170	9.2%	\$ 181,277,137	\$ 8,521,581	4.7%
Connection fees	22,845,233	31,833,101	(8,987,868)	(28.2%)	26,648,512	5,184,589	19.5%
Other	9,153,867	3,294,262	5,859,605	177.9%	1,646,206	1,648,056	100.1%
Total Operating Revenues	239,204,988	224,926,081	14,278,907	6.3%	209,571,855	15,354,226	7.3%
Non-Operating Revenues (Expenses):							
Sales tax apportionment	28,967,786	29,401,139	(433,353)	(1.5%)	28,525,841	875,298	3.1%
Investment income	42,649,712	46,116,591	(3,466,879)	(7.5%)	4,372,232	41,744,359	954.8%
Other	(26,196,915)	(28,164,255)	1,967,340	(7.0%)	(12,944,395)	(15,219,860)	117.6%
Total Non-Operating Revenues (Expenses)	45,420,583	47,353,475	(1,932,892)	(4.1%)	19,953,678	27,399,797	137.3%
Total Revenues, Net	284,625,571	272,279,556	12,346,015	4.5%	229,525,533	42,754,023	18.6%
Operating Expenses:							
Personnel	51,829,681	50,071,255	1,758,426	3.5%	43,778,127	6,293,128	14.4%
Other	56,770,573	58,412,552	(1,641,979)	(2.8%)	51,468,283	6,944,269	13.5%
Depreciation	100,093,459	91,619,169	8,474,290	9.2%	92,164,360	(545,191)	(0.6%)
Total Operating Expenses	208,693,713	200,102,976	8,590,737	4.3%	187,410,770	12,692,206	6.8%
Income Before Capital Contributions	75,931,858	72,176,580	3,755,278	5.2%	42,114,763	30,061,817	71.4%
Capital Contributions:							
Contributed assets	51,011,710	48,849,403	2,162,307	4.4%	37,760,747	11,088,656	29.4%
Change in Net Position	126,943,568	121,025,983	5,917,585	4.9%	79,875,510	41,150,473	51.5%
Net Position, Beginning of the Year	2,266,084,783	2,145,058,800	121,025,983	5.6%	2,065,183,290	79,875,510	3.9%
Net Position, End of Year	\$ 2,393,028,351	\$ 2,266,084,783	\$ 126,943,568	5.6%	\$ 2,145,058,800	\$ 121,025,983	5.6%

The primary source of operating revenues, sewer service charges, totaled \$207.2 million. Operating revenues also include connection fees, reclaimed water sales, pretreatment inspection fees, septage waste processing fees and County Recovery Grant Funds in support of the District's septage conversion program. Operating revenues fund all operational expenses including repair and maintenance, rehabilitation and replacement of the District's infrastructure and equipment, and related debt service.

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

The primary source of non-operating revenues was sales tax apportionment of \$29.0 million and investment income of \$42.6 million. Non-operating revenues are used to fund the expansion of capital infrastructure and equipment related to service area growth and capacity requirements and debt service.

Depreciation expense remained relatively flat at \$100.1 million, (9.2%) compared to \$91.6 million in 2024. Contributed assets totaled approximately \$51.0 million and \$48.8 million for fiscal years ended 2025 and 2024, respectively.

Fiscal Year Ended 2025 Summary:

- Total operating revenues increased by \$14.3 million (6.3%) compared to fiscal year ended 2024, driven primarily by sewer service revenue due to an increase in sewer service charges from \$253.20 to \$273.48 per ERU, (8.0%), and adding 7,559 new customers. County Recovery Grant Funds of \$6.3 million increased by \$5.2 million from the prior year. Connection fees decreased due to less year-over-year commercial developer activity.
- Total non-operating revenues (expenses) decreased \$1.9 million (-4.1%) over fiscal year ended 2024 as a result of an decrease in investment income of \$3.5 million and an decrease in interest expense of \$1.8 million.
- Total net revenues increased \$12.3 million 4.5% over fiscal year ended 2024.
- Total operating expenses excluding depreciation of \$100.1 million, increased \$0.1 million (0.1%) over fiscal year ended 2024 as a result of an increase in payroll expense of \$1.8 million and a reduction of all other combined expenses of \$1.6 million.
- Total expenses increased \$8.6 million (4.3%) over fiscal year ended 2024.

Fiscal Year Ended 2024 Summary:

- Total operating revenues increased by \$15.4 million (7.3%) compared to fiscal year ended 2023, driven by an increase in sewer service charges from \$246.44 to \$253.20 per ERU, (2.75%), and adding 10,124 new customers. Connection fees also increased due to more year-over-year developer activity.
- Total non-operating revenues (expenses) increased \$27.4 million (137.3%) over fiscal year ended 2023 as a result of an increase in investment income of \$41.7 million and an increase in interest expense of \$15.3 million, both due to the addition of \$336.6 million in general obligation bonds during the fiscal year.
- Total net revenues increased \$42.8 million (18.6%) over fiscal year ended 2023.
- Total operating expenses, excluding depreciation of \$91.6 million, increased \$13.2 million (14%) over fiscal year ended 2023 as a result of an increase in payroll expense of \$6.3 million and utility costs of \$2.4 million.
- Total expenses increased \$12.7 million (6.8%) over fiscal year ended 2023.

Fiscal Year Ended 2023 Summary:

- Total operating revenues were relatively flat compared to fiscal year ended 2022. Sewer service charges increased from \$239.84 to \$246.44 per ERU (2.75%) plus an additional 13,845 new customers which increased revenue by \$7.5 million. This increase was offset by the \$8.1 million decrease in connection fees due to slower developer activity in fiscal year 2023.
- Total non-operating revenues (expenses) decreased \$31.9 million (-266.8%) over fiscal year ended 2022 as a result of an increase in investment income of \$31.5 million due to the adjustment of investments to carrying value.
- Total net revenues increased \$31.3 million (15.8%) over fiscal year ended 2022.
- Total operating expenses excluding depreciation of 92.2 million, increased \$19.7 million (26.0%) over fiscal year ended 2022 as a result of an increase in pension expense of \$8.4 million and maintenance costs of \$5.2 million.
- Total expenses increased \$19.5 million (11.6%) over fiscal year ended 2022 as a result of an increase in pension expense of \$8.4 million and maintenance costs of \$5.2 million.

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

Capital Assets and Debt Administration

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

Table 3 - Capital Assets, Net of Accumulated Depreciation

	Year Ended June 30, 2025	Year Ended June 30, 2024	Increase (Decrease)		Restated Year Ended June 30, 2023	Increase (Decrease)	
Land and rights of way	\$ 17,188,246	\$ 17,188,246	\$ -	0.0%	\$ 17,522,961	\$ (334,715)	(1.9%)
Land improvements	66,139,490	6,497,732	59,641,758	917.9%	7,411,467	(913,735)	(12.3%)
Buildings and wastewater treatment facilities	477,287,164	488,151,780	(10,864,616)	(2.2%)	504,586,497	(16,434,717)	(3.3%)
Wastewater conveyance lines	1,271,952,783	1,241,198,495	30,754,288	2.5%	1,206,812,788	34,385,707	2.8%
Equipment	102,254,469	102,956,537	(702,068)	(0.7%)	108,672,718	(5,716,181)	(5.3%)
Subscription IT assets Infrastructure	3,797,068	3,713,256	83,812	2.3%	4,503,879	(790,623)	(17.6%)
Construction in progress	626,164,133	409,533,338	216,630,795	52.9%	219,439,538	190,093,800	86.6%
Total	<u>\$ 2,564,783,353</u>	<u>\$ 2,269,239,384</u>	<u>\$ 295,543,969</u>	13.0%	<u>\$ 2,068,949,848</u>	<u>\$ 200,289,536</u>	9.7%

The District's investment in capital assets as of June 30, 2025 was \$2.6 billion, net of accumulated depreciation. This represents an increase of \$295.5 million (13.0%) over the prior year. This investment in capital assets includes land, buildings, treatment facilities, wastewater conveyance lines, equipment, and construction in progress. See further analysis in Note D to the basic financial statements in this report.

Major capital asset events during fiscal year 2025 included the following:

- FWRC Demolition of Retired Facilities (\$66.4 million)
- FWRC Preliminary and Primary Treatment Improvements (\$28.3 million)
- Collection System Capacity Upgrade (\$9.1 million)

The District's investment in capital assets as of June 30, 2024 was \$2.3 billion, net of accumulated depreciation. This represents an increase of \$200.3 million (9.7%) over the prior year. This investment in capital assets includes land, buildings, treatment facilities, wastewater conveyance lines, equipment, and construction in progress. See further analysis in Note D to the basic financial statements in this report.

Major capital asset events during fiscal year 2024 included the following:

- FWRC Chemical Storage and Feed Facility (\$20.1 million)
- Collection System Metal Pipe Replacement (\$12.9 million)
- Las Vegas Boulevard Capacity Upgrade, Sunset to Mandalay Bay (\$5.7 million)

The District's investment in capital assets as of June 30, 2023 was \$2.1 billion, net of accumulated depreciation. This represents an increase of \$70.4 million (3.5%) over the prior year. This investment in capital assets includes land, buildings, treatment facilities, wastewater conveyance lines, equipment, and construction in progress. See further analysis in Note D to the basic financial statements in this report.

Major capital asset events during fiscal year 2023 included the following:

- Las Vegas Valley Manhole & Pipe Rehabilitation (\$22.2 million)
- Collection System Rehabilitation (\$10.6 million)
- FWRC Secondary Treatment Expansion Preloading (\$9.6 million)

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

Long-Term Debt

The acquisition, construction and rehabilitation of the District's infrastructure and facilities required to provide services are financed from existing cash resources, State Revolving Loans, grants, and the issuance of bonds. The District's General Obligation/Revenue backed bonds constitute direct and general obligations of the District. The full faith and credit of the

District is pledged to the payment of principal and interest thereon. Principal and interest are paid from net pledged revenues of the District and are secured by the District's ability to access ad valorem taxes. Net pledged revenues are defined as gross revenues of the District less operation and maintenance expenses. Historically, taxes have not been relied on to support the District's operations or debt service. No change in this practice is currently contemplated.

The District currently holds a AAA bond rating with a stable outlook from Standard and Poor's and an Aa1 rating from Moody's Investor Services. Neither of these ratings has changed in the past fiscal year.

The District assesses its financial plan on an annual basis. The District's bond covenants state that rates and charges be sufficient to cover operation and maintenance costs and general expenses, which include debt service (principal and interest). Debt proceeds, connection fees and sales tax revenues are spent first when funding capital projects. The District has the following outstanding debt that was used to finance the capital projects:

	Year Ended June 30, 2025	Year Ended June 30, 2024	Year Ended June 30, 2023
State Revolving Loan - ARRA (2009C)	\$ 1,397,376	\$ 1,707,905	\$ 2,018,434
State Revolving Loan (2011A)	16,265,480	18,688,815	21,036,715
State Revolving Loan (2012A)	14,766,489	16,546,538	18,285,374
2015 Series Refunding	79,660,000	84,160,000	88,445,000
2016 Series Refunding	217,035,000	227,700,000	237,845,000
2023 Series General Obligation	335,040,000	340,000,000	3,400,000
State Revolving Loan (CW2403)	79,383	-	-
State Revolving Loan (CW2506)	48,774	-	-
Total	<u>\$ 664,292,502</u>	<u>\$ 688,803,258</u>	<u>\$ 371,030,523</u>

Additional information on the District's long-term debt can be found in Note J to the basic financial statements in this report.

Economic Factors and Next Year's Budget and Rates

The District's FY 2024-25 Operations and Maintenance (O&M) and Capital Budgets provide funding to support the collection, treatment, and reclamation of commercial and residential wastewater for the service area. As an industrial operation, the District continues to have larger expenses for capital infrastructure, power, and chemicals. The FY 2024-25 budget addresses the needs of the District's rate payers and the general public and allows the District to meet its obligations in protecting the public health and providing reliable collection and treatment systems. With continued teamwork and sound fiscal management, the District will continue to be able to plan and prepare for the future proactively, effectively, and responsibly.

The goal of the O&M budget is to maintain stellar service levels while continuing to develop a budget that better reflects actual expense activity. The rates charged by the District are among the lowest in the Western region. The District depends solely on the rates charged for almost all its income.

CLARK COUNTY WATER RECLAMATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

A Community Advisory Committee (CAC) was convened in the summer of 2018 to determine annual sewer rates for the next 10 years. Also approved was a 2.75% annual rate increase by the Board in February 2019. This fixed our rates for the foreseeable future. On July 1, 2021, the annual sewer rate was raised to \$239.84 per ERU for fiscal year 2022, and to \$246.44 per ERU for fiscal year 2023. On July 1, 2023, the annual sewer rate increased to \$253.20 per ERU for fiscal year 2024.

Inflation and supply chain disruptions run amok in 2023, impacting our CIP by about \$370 million, the district approached the CAC again in 2023 to request a rate increase to help offset the inflationary and supply chain pressures. The board

approved the rate increase of 8.0% to \$273.48 in early 2024 to help mitigate the price pressures. The new rates take effect July 1, 2024, for FY 2025.

Contacting the District's Financial Management

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



Construction continues through the night at the main Flamingo Plant



Basic Financial Statements

The
"Clean
Water Team"

Clark County Water Reclamation District
Statements of Net Position
June 30, 2025 and 2024

Assets	2025	2024
Current Assets:		
Cash and cash equivalents	\$ 21,129,610	\$ 85,543,866
Accounts receivable, net of allowance for doubtful accounts of \$106,883 and \$106,883	13,832,494	11,310,006
Note receivable, current portion	553,968	601,642
Supply inventories	4,278,664	3,816,944
Interest receivable	4,723,998	4,119,777
Investments	590,487,666	570,838,389
Prepaid items	2,047,655	2,275,347
Total Unrestricted Current Assets	637,054,055	678,505,971
Restricted Current Assets:		
Cash and cash equivalents	45,114,370	195,161,258
Sales tax receivable	6,072,559	4,913,261
Total Restricted Current Assets	51,186,929	200,074,519
Total Current Assets	688,240,984	878,580,490
Non-Current Assets		
Capital Assets:		
Property, plant and equipment	3,636,712,802	3,464,412,238
Less accumulated depreciation	1,715,281,828	1,621,894,438
	1,921,430,974	1,842,517,800
Land and rights of way	17,188,246	17,188,246
Construction in progress	626,164,133	409,533,338
Total Capital Assets, Net	2,564,783,353	2,269,239,384
Note receivable, net of current portion	4,608,619	5,121,116
Total Non-Current Assets	2,569,391,972	2,274,360,500
Total Assets	3,257,632,956	3,152,940,990
Deferred Outflows of Resources:		
Deferred loss on bond refunding	25,932,698	27,927,530
Deferred amounts related to OPEB	12,779,650	9,071,662
Deferred amounts related to pension plan	28,395,919	25,300,063
Total Deferred Outflows of Resources	67,108,267	62,299,255

See accompanying notes to the basic financial statements

Clark County Water Reclamation District
Statements of Net Position (continued)
June 30, 2025 and 2024

Liabilities	2025	2024
Current Liabilities:		
Payable from Unrestricted Assets		
Accounts payable	\$ 4,395,304	\$ 3,626,556
Construction contracts payable	40,290,019	36,095,833
Accrued expenses	2,204,331	2,131,038
Accumulated compensated absences	1,218,052	1,096,097
Current portion of subscription liabilities	1,184,778	1,053,383
Current portion of other post employment benefits	596,396	691,335
Other liabilities	6,231,911	7,371,367
Total Payable from Unrestricted Assets	56,120,791	52,065,609
Payable from Restricted Assets		
Accrued debt interest payable	14,462,720	15,025,438
Current maturities of debt payable	25,788,962	24,638,913
Total Payable from Restricted Assets	40,251,682	39,664,351
Total Current Liabilities	96,372,473	91,729,960
Non-Current Liabilities:		
Long-term portion of accumulated compensated absences	7,079,265	6,649,116
Subscription liabilities, net of current portion	2,365,961	2,268,289
Accrued other post employment benefits	31,983,274	26,090,393
Net pension liability	74,312,242	77,406,001
Debt payable, net of current maturities	692,280,780	722,523,641
Total Non-Current Liabilities	808,021,522	834,937,440
Total Liabilities	904,393,995	926,667,400
Deferred Inflows of Resources:		
Deferred amounts related to OPEB	16,690,018	19,222,061
Deferred amounts related to pension plan	10,628,859	3,266,001
Total Deferred Inflows of Resources	27,318,877	22,488,062
Net Position:		
Net investment in capital assets	1,828,805,551	1,510,586,855
Restricted:		
Debt service	30,651,650	180,135,820
Capital projects	6,072,559	4,913,261
Unrestricted	527,498,591	570,448,847
Total Net Position	\$2,393,028,351	\$2,266,084,783

Clark County Water Reclamation District
Statements of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
Operating Revenues		
Sewer service charges	\$ 207,205,888	\$ 189,798,718
Connection fee revenue, net of refunds and allowances of \$158,157 and \$314,817	22,845,233	31,833,101
Reclaimed water sales	1,160,834	490,425
Pretreatment fees	431,763	443,956
Septage fees	801,744	1,034,281
Other	6,759,526	1,325,600
Total Operating Revenues	239,204,988	224,926,081
Operating Expenses		
Salaries	34,337,666	32,066,668
Benefits	17,492,015	18,004,587
Utilities	13,568,252	14,043,836
Outside services	8,736,153	11,371,373
Chemicals	9,048,315	9,303,873
Maintenance	9,240,054	10,200,236
Other expenses	9,576,701	4,518,229
Supplies	6,578,990	5,760,452
Other losses	22,108	3,214,553
Depreciation	100,093,459	91,619,169
Total Operating Expenses	208,693,713	200,102,976
Income From Operations	30,511,275	24,823,105
Non-Operating Revenues (Expenses):		
Investment income	41,303,050	45,582,652
Restricted investment income	1,346,662	533,939
Sales tax apportionment	28,967,786	29,401,139
Interest expense	(26,446,058)	(28,295,028)
Other non-operating revenue, net	249,143	130,773
Total Non-Operating Revenues (Expenses)	45,420,583	47,353,475
Income Before Capital Contributions	75,931,858	72,176,580
Capital Contributions		
Contributed assets	51,011,710	48,849,403
Change in Net Position	126,943,568	121,025,983
Net Position, Beginning of the Year	2,266,084,783	2,145,058,800
Net Position, End of Year	\$2,393,028,351	\$2,266,084,783

See accompanying notes to the basic financial statements

Clark County Water Reclamation District
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities:		
Cash flows from customers	\$ 237,242,671	\$ 224,812,209
Cash received from others	249,143	130,773
Payments to employees	(50,546,423)	(46,992,577)
Payments for services and supplies	(57,311,561)	(55,422,545)
Net Cash Provided by Operating Activities	129,633,830	122,527,860
Cash Flows from Capital and Related Financing Activities:		
Sales tax apportionment - restricted to capital expenditure by statute	27,808,488	29,351,657
Acquisition, construction or improvement of capital assets	(338,643,622)	(231,562,680)
Principal payments on subscription liabilities	(1,549,298)	(2,137,550)
Principal payments on debt for capital assets	(24,638,913)	(18,827,266)
Proceeds from debt for capital assets	128,157	375,263,941
Interest payments on debt for capital assets	(29,596,000)	(21,836,557)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(366,491,188)	130,251,545
Cash Flows from Investing Activities:		
Proceeds from sale of investments	388,882,564	225,733,705
Interest on investments	28,359,812	29,716,124
Purchases of investments	(394,846,162)	(321,814,672)
Net Cash Provided by (Used in) Investing Activities	22,396,214	(66,364,843)
Net (decrease) increase in cash and cash equivalents	(214,461,144)	186,414,562
Cash and cash equivalents, beginning of year	280,705,124	94,290,562
Cash and cash equivalents, end of year	\$ 66,243,980	\$ 280,705,124
Cash and Cash Equivalent Balances:		
Unrestricted cash and cash equivalents	21,129,610	85,543,866
Restricted cash and cash equivalents	45,114,370	195,161,258
Cash and Cash Equivalents, End of Year	\$ 66,243,980	\$ 280,705,124

See accompanying notes to the basic financial statements

Clark County Water Reclamation District
Statement of Cash Flows (continued)
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
Reconciliation of Income from Operations to Net Cash Provided by Operating Activities:		
Income from operations	\$ 30,511,275	\$ 24,823,105
Adjustments:		
Depreciation	100,093,459	91,619,169
Loss on capital asset disposal	292,376	3,797,207
Other non-operating revenues, net	249,143	130,773
(Increase) in receivables	(1,962,317)	(113,872)
(Increase) in supply inventories	(461,720)	(429,867)
(Increase) in prepaid items	(74,229)	(685,918)
(Increase) decrease in deferred outflows of resources for pensions	(3,095,856)	3,709,223
Decrease in deferred inflows of resources for pensions	7,362,858	1,764,478
(Decrease) in net pension liability	(3,093,759)	(1,701,206)
(Decrease) increase in deferred outflows of resources for OPEB	(3,707,988)	782,662
(Decrease) in deferred inflows of resources for OPEB	(2,532,043)	(2,300,966)
Increase in post employment benefits	5,797,942	572,362
Increase in accounts payable and accrued expenses	1,394,145	239,697
(Decrease) increase in other liabilities	(1,139,456)	321,013
Net Cash Provided by Operating Activities	\$ 129,633,830	\$ 122,527,860
Non Cash Investing and Capital and Related Financing Activities:		
Contributed assets	\$ 51,011,710	\$ 48,849,403
Adjustment of investments to carrying value	13,685,679	14,633,775
Assets acquired with subscriptions	2,080,286	1,376,869
Subscription liabilities	1,778,365	1,184,160
Capital asset acquisitions through contracts payable	32,679,316	31,724,224

See accompanying notes to the basic financial statements

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

I. Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

GASB Statement No. 61, The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14, The Financial Reporting Entity and No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, defines the financial reporting entity as the primary government and organizations for which the primary government is financially accountable. The District provides sewer services to the public for a fee, is fiscally independent of the County, and is a self-supporting entity. The District also receives separate Board approval for these financial statements and files them separately with the State of Nevada Department of Taxation; therefore, the District is the financial reporting entity.

Financial accountability is defined as: the appointment of a voting majority of a legally separate organization's governing body by the primary government and either the primary government can impose its will on that organization or the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government. If either of these (or both) are true, then the legally separate organization is reported as a component unit of the primary government.

Since the Clark County (the County) Board of County Commissioners is the ex officio Board of Trustees of the District, the County has the ability to influence and control operations of the District by approving budgets, setting sewer rates and connection fees, and issuing bond debt. The County reports the District as a component unit, and the financial statements of the District have been included in the County's Annual Comprehensive Financial Report (Annual Report). No entities were determined to be component units of the District.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus refers to what is being expressed in reporting an entity's financial performance and position. Two standards of measurement focus can be used: the flow of current financial resources, where the focus is on cash and/or assets that are expected to be converted to cash within the accounting period, and long-term capital assets and liabilities are not reported; and the flow of economic resources, where all assets available to the entity are measured, long-term assets and liabilities are reported, and depreciation is recorded as a cost of operations. The District uses the economic resources measurement focus.

The basis of accounting refers to when the effects of transactions or events should be recognized for financial reporting purposes. Effects can be recognized on either an accrual basis – when the transactions or events have taken place, or on the cash basis – when cash is received or paid. The District uses the accrual basis of accounting. Under this basis of accounting, all assets and liabilities associated with District operations are included in the Statement of Net Position. Revenues are recognized as soon as they are both measurable and earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

C. Definition of Operating and Non-Operating Revenues and Expenses

The District considers revenues earned through user charges and connection fees to be operating revenues. Expenses associated with operating and maintaining the physical facilities, billing, and collecting user charges and fees, and related administrative roles (executive management, information technology, human resources, finance, etc.) are considered operating expenses.

Revenues earned from sales taxes, capital and investing activities are considered non-operating revenue and are used to fund the District's Capital Improvement Program.

D. Budgetary Information

1. Budgetary Basis of Accounting

Prior to April 15, the County Manager submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The budget, as submitted, contains the proposed expenses and means of financing them. The Nevada State Department of Taxation notifies the County of its acceptance of the budget. A special public hearing is set, per Nevada Revised Statute (NRS), for the third Monday in May. After all changes have been noted and hearings closed, the Board of County Commissioners, ex officio Board of Trustees for the District, adopts the budget on or before June 1. The County reports the District as a component unit of the County and the District's annual budget is included in the County's annual budget. Increases to the budget (augmentations) are accomplished through a letter of adjustment submitted to the County Budget Director, to be included in the next quarterly economic condition survey. This process is revenue driven; therefore, total expenses cannot be increased without additional previously unbudgeted resources being clearly identified. The letter must be filed prior to fiscal year end. The NRS requires budget controls to be exercised at the function level. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. All operating appropriations lapse at the end of the fiscal year. Budgets are adopted on a basis consistent with GAAP.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

The District's cash and cash equivalents (defined as assets that can be readily converted to cash) are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Inventories and Prepaid Items

Supply inventories consist primarily of materials and supplies and are valued at average cost. Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items. The District uses the consumption method, where inventories and prepaid items are originally recorded as assets, and then expensed in the periods they are consumed.

3. Investments

The District's formal investment policy is designed to ensure conformity with NRS 355 and to limit exposure to investment risks. When investing monies, the Clark County Treasurer, ex officio Treasurer of the District, is required to be in conformity with NRS 355 and written policies adopted by the Board of County Commissioners dictate allowable investments and the safeguarding of those investments. The District's investments are held in the District's name and are reported at fair value regardless of the length of time remaining to maturity. Investment revenue is increased or decreased in relation to this adjustment for unrealized gains or losses.

4. Capital Assets

The Capital Improvement and Capital Expansion plans are projected for a minimum of a five-year period. The District’s five-year Capital Improvement Plan and Debt Management Policy along with a statement of current and contemplated debt (Indebtedness Report) are submitted to the Nevada State Department of Taxation and the Clark County Debt Management Commission annually in accordance with NRS 350.013(1)(c). Capital acquisitions are recorded at historical cost. Labor and supporting benefit costs expenses to support capital projects may be capitalized as part of the project cost. Capital assets with an infinite useful life, such as land, are not depreciated. Equipment with a historical cost of less than \$5,000 is not capitalized. The cost of normal maintenance and repairs of District assets that does not increase the functionality of an asset or materially extend the asset’s life are not capitalized. Betterments that extend the useful life of assets are capitalized and depreciated over the remaining useful lives of the related assets, as applicable. Contributed capital, generally wastewater conveyance lines constructed by private contractors and turned over to the District to maintain, is valued at its estimated acquisition cost on the date donated.

District assets including infrastructure and wastewater conveyance lines are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Classifications	Lives (in years)
Buildings	10-50
Land Improvements	10-20
Machinery and Equipment	1-10
Vehicles	5-10
Wastewater Conveyance Lines	50

5. Subscription-Based Information Technology Arrangements

The District is party to various subscription-based information technology arrangements (SBITAs). The District recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the financial statements. The District reports SBITA current expenditures in the Statement of Revenues, Expenses, and Changes in Net Position.¹ The District recognizes subscription liabilities with an initial term greater than twelve months. Remaining subscription terms range from 5 months to 9 years with fixed payments due quarterly and annually. For SBITAs with a maximum possible term of 12 months or less at commencement, the District recognizes expenses based on the provisions of the arrangement.

At the commencement of a SBITA, the District initially measures the subscription liability at the present value of expected subscription payments to be made over the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial measurement of the subscription liability, adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the IT asset or subscription term.

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) the subscription term, and (3) subscription payments.

The District uses the DebtBook IBR Template to calculate the incremental borrowing rate as the discount rate. The subscription term includes the non-cancellable period during which the District has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend if reasonably certain the District or vendor will exercise that option or to terminate if it is reasonably certain that the District or vendor will not exercise that option. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

The District monitors changes in circumstances that would require a remeasurement of a SBITA and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term obligations on the statement of net position.

The District capitalizes qualifying initial implementation costs of \$35,000 or more as part of the subscription asset. Preliminary project stage outlays are expensed as included. Operation and additional implementation stage activities are expensed as incurred unless they meet specific capitalization criteria.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. For this reporting period, the District has three items in this category. The first is the deferred loss on bond refunding. The loss is deferred and amortized over the life of the bonds. The second is the deferred amounts related to the pension plan. This amount is deferred and amortized over the average expected remaining service life of all employees that are provided with pension benefits. The third is the deferred amounts related to the other post-employment benefits (OPEB) plan. This amount is deferred and amortized over the average expected remaining service life of all employees that are provided with OPEB.

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For this reporting period, the District has several items that qualify for reporting in this category, relating to pensions and OPEB: 1) the differences between expected and actual experience and changes of assumptions, which are deferred and amortized over the average expected remaining service life, of all employees that are provided with pension and OPEB benefits, 2) the net difference between projected and actual earnings on investments, which are deferred and amortized over five years, and 3) contributions made subsequent to the measurement date, which are deferred for one year.

7. Net Position Flow Assumption

In the current reporting period, net position represents the difference between assets and liabilities, and deferred inflows and outflows in the following categories: net investment in capital assets, restricted and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets, and adjusted by any deferred loss or gain on bond refunding. Restricted net position is reported when limitations are imposed on their use through external restrictions imposed by creditors, grantors or laws and regulations of the State or Federal governments. Unrestricted net position are essentially all resources not included in the other components and can be used for any purpose. To calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's practice to consider restricted net position to have been depleted before unrestricted net position is applied. Funds set aside for payment of bond principal and interest are classified as restricted, due to debt service requirements. The unspent portion of bond proceeds, if any, are classified as restricted to payment of capital expenses per bond resolutions. Amounts accrued for sales tax receipts not received at year end are classified as restricted in accordance with Nevada statutes or NRS. Funds received during the year are used for capital expenses.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

F. Revenues and Expenses

1. Revenues/Tax Roll

Sewer services are billed in advance on July 1 for the upcoming fiscal year ending June 30. In accordance with NRS 318.201, Procedure for Collection of Service Charges on Tax Roll, the District may elect to have accounts receivable that are delinquent collected on the Clark County tax roll. For fiscal years ended 2025 and 2024, \$8,724,907 and \$8,098,183 of the delinquent accounts receivable were placed on the tax roll respectively. As of June 30, 2025, the outstanding tax roll balance, which includes all previous years, totaled \$9,060,893.

2. Compensated Absences

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

3. Pensions

The District uses the same basis used in the Public Employees’ Retirement System of Nevada’s (PERS) Annual Comprehensive Financial Report, for reporting its proportionate share of the PERS collective net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, including information related PERS fiduciary net position and related additions/deductions. Benefit payments (including refunds of employee contributions) are recognized by PERS when due and payable in accordance with the benefit terms. PERS investments are reported at fair value.

II. Detailed Note Disclosures

A. Cash and Cash Equivalents

Cash and Cash Equivalents	Balance as of June 30, 2025	Balance as of June 30, 2024
Book Balance – Cash	\$ 14,038,872	\$ 20,635,686
Money Market Funds	7,090,738	64,908,180
Total Reported Cash and Cash Equivalents	\$ 21,129,610	\$ 85,543,866
Bank Balance – Cash	\$ 14,595,123	\$ 21,637,175

The bank balance is fully insured or collateralized by the Office of the State Treasurer’s Nevada Collateral Pool. This program serves as an alternative method to allow local government agencies within the state to participate in pooled collateralization of their deposits in an efficient, cost effective and safe manner when collateralizing public funds. The State Treasurer manages and monitors all collateral for all public deposits.

Semiannually, the District transfers funds to the Clark County Treasurer for principal and interest payments on the District’s debt service. At June 30, 2025, and June 30, 2024, there was \$45,114,370 and \$43,231,399 held by the Clark County Treasurer on our behalf, respectively. These funds are considered restricted on the statement of net position.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

B. Investments

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

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 fair value hierarchy are as follows:

- Level 1. Inputs are unadjusted quoted prices for identical assets and 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 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 year end, the District's Level 1 investments (comprised of U.S. Treasury obligations) were valued based on quoted market prices provided by recognized broker dealers and Level 2 investments (comprised of U.S. Agency obligations, Money Market Funds, Corporate Notes, and Asset-Backed Securities) 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, 2025, the fair values of the District's investments were categorized by fair value level as follows:

Investment Type	Investments by Fair Value Level		
	Level 1	Level 2	Total
U.S. Treasuries	\$ 212,449,600	\$ -	\$ 212,449,600
U.S. Agency Obligations	-	204,355,933	204,355,933
Corporate Notes	-	153,644,133	153,644,133
Asset-Backed Securities	-	20,038,000	20,038,000
Reported as Investments	212,449,600	378,038,066	590,487,666
Money Market Funds	-	7,090,738	7,090,738
Reported as Cash Equivalents	-	7,090,738	7,090,738
Total Investments	\$ 212,449,600	\$ 385,128,804	\$ 597,578,404

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

At June 30, 2024, the fair values of the District's investments were categorized by fair value level as follows:

Investment Type	Investments by Fair Value Level		
	Level 1	Level 2	Total
U.S. Treasuries	\$ 265,594,500	\$ -	\$ 265,594,500
U.S. Agency Obligations	-	175,749,134	175,749,134
Corporate Notes	-	109,860,085	109,860,085
Asset-Backed Securities	-	19,634,670	19,634,670
Reported as Investments	265,594,500	305,243,889	570,838,389
Commercial Paper	-	24,580,750	24,580,750
Certificates of Deposit	-	15,013,650	15,013,650
Money Market Funds	-	25,313,780	25,313,780
Reported as Cash Equivalents	-	64,908,180	64,908,180
Total Investments	\$ 265,594,500	\$ 370,152,069	\$ 635,746,569

Credit Risk

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

At June 30, 2025, the District had the following investments (rating is based on Moody's index):

Investments	Reported Amount/ Fair Value	US Government Obligations	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	P-1	NR
U.S. Treasuries	\$ 212,449,600	\$ 212,449,600	\$ -	\$ 212,449,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Agency Obligations	204,355,933	204,355,933	-	161,102,313	-	-	-	-	-	28,433,920	14,819,700
Corporate Notes	153,644,133	-	-	2,348,760	33,970,190	42,097,020	50,504,963	24,723,200	-	-	-
Mortgage/ Asset-Backed Securities	20,038,000	-	20,038,000	-	-	-	-	-	-	-	-
Reported as Investments	590,487,666	416,805,533	20,038,000	375,900,673	33,970,190	42,097,020	50,504,963	24,723,200	-	28,433,920	14,819,700
Money Market Funds	7,090,738	-	7,090,738	-	-	-	-	-	-	-	-
Reported as Cash Equivalents	7,090,738	-	7,090,738	-	-	-	-	-	-	-	-
Total Investments	\$ 597,578,404	\$ 416,805,533	\$ 27,128,738	\$ 375,900,673	\$ 33,970,190	\$ 42,097,020	\$ 50,504,963	\$ 24,723,200	\$ -	\$ 28,433,920	\$ 14,819,700

At June 30, 2024, the District had the following investments (rating is based on Moody's index):

Investments	Reported Amount/ Fair Value	US Government Obligations	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	P-1	NR
U.S. Treasuries	\$ 265,594,500	\$ 265,594,500	\$ 240,631,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,963,500	\$ -
U.S. Agency Obligations	175,749,134	175,749,134	144,369,414	-	-	-	-	-	-	31,379,720	-
Corporate Notes	109,860,085	-	2,294,733	14,043,120	29,600,550	5,025,300	30,202,182	13,926,100	14,768,100	-	-
Mortgage/ Asset-Backed Securities	19,634,670	-	-	-	-	-	-	-	-	-	19,634,670
Reported as Investments	570,838,389	441,343,634	387,295,147	14,043,120	29,600,550	5,025,300	30,202,182	13,926,100	14,768,100	56,343,220	19,634,670
Commercial Paper	24,580,750	-	-	-	-	-	-	-	-	24,580,750	-
Certificates of Deposit	15,013,650	-	-	-	-	-	-	-	-	15,013,650	-
Money Market Funds	25,313,780	-	25,313,780	-	-	-	-	-	-	-	-
Reported as Cash Equivalents	64,908,180	-	25,313,780	-	-	-	-	-	-	39,594,400	-
Total Investments	\$ 635,746,569	\$ 441,343,634	\$ 412,608,927	\$ 14,043,120	\$ 29,600,550	\$ 5,025,300	\$ 30,202,182	\$ 13,926,100	\$ 14,768,100	\$ 95,937,620	\$ 19,634,670

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the County's Investment policy, \$ 597,578,404 was held on behalf of the District in 2025 and \$ 635,746,569 in 2024. Securities purchased by the County are delivered against payments and held in a custodial safekeeping account within the trust department of Wells Fargo Bank.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

Concentration of Credit Risk

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

Issuer	Investment Type	Reported Amount/ Fair Value	% of Total	Reported Amount/ Fair Value	% of Total
		June 30, 2025	June 30, 2025	June 30, 2024	June 30, 2024
US Treasury Notes	Treasury Note	\$ 212,449,600	35.6%	\$ 220,823,200	47.2%
Federal Home Loan Bank (FHLB)	U.S. Agencies	111,306,114	18.6%	114,810,368	14.3%
Federal Farm Credit Bank (FFCB)	U.S. Agencies	78,230,119	13.1%	42,008,866	6.6%
Bank of America	Corporate Notes	34,049,340	5.7%	-	0.0%
State Street	Corporate Notes	30,202,200	5.1%	-	0.0%
Toyota	Corporate Notes	29,941,800	5.0%	-	0.0%

Interest Rate Risk

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

At June 30, 2025, the fair values of the District's investments were categorized by segmented time distribution by maturity as follows:

Investment Type	Investment Maturities in Years				
	Fair Value	Less than 1	1 to 3	3 to 5	Greater than 5
U.S. Treasuries	\$ 212,449,600	\$ 74,658,050	\$ 117,375,150	\$ 20,416,400	\$ -
U.S. Agency Obligations	204,355,933	81,751,039	104,981,494	-	17,623,400
Corporate Notes	153,644,133	43,867,790	109,776,343	-	-
Asset-Backed Securities	20,038,000	-	20,038,000	-	-
Reported as Investments	590,487,666	200,276,879	352,170,987	20,416,400	17,623,400
Money Market Funds	7,090,738	7,090,738	-	-	-
Reported as Cash Equivalents	7,090,738	7,090,738	-	-	-
Total Investments	\$ 597,578,404	\$ 207,367,617	\$ 352,170,987	\$ 20,416,400	\$ 17,623,400

At June 30, 2024, the fair values of the District's investments were categorized by segmented time distribution by maturity as follows:

Investment Type	Investment Maturities in Years				
	Fair Value	Less than 1	1 to 3	3 to 5	Greater than 5
U.S. Treasuries	\$ 265,594,500	\$ 117,910,300	\$ 85,134,200	\$ 62,550,000	\$ -
U.S. Agency Obligations	175,749,134	77,568,130	72,465,004	9,293,200	16,422,800
Corporate Notes	109,860,085	14,768,100	92,797,252	2,294,733	-
Asset-Backed Securities	19,634,670	-	9,823,770	9,810,900	-
Reported as Investments	570,838,389	210,246,530	260,220,226	83,948,833	16,422,800
Commercial Paper	24,580,750	24,580,750	-	-	-
Money Market Funds	25,313,780	25,313,780	-	-	-
Certificates of Deposit	15,013,650	15,013,650	-	-	-
Reported as Cash Equivalents	64,908,180	64,908,180	-	-	-
Total Investments	\$ 635,746,569	\$ 275,154,710	\$ 260,220,226	\$ 83,948,833	\$ 16,422,800

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

C. Restricted Current Assets

The District's bond fund maintains periodic deposits sufficient to provide payments of principal and interest on debt, as such obligations mature, per NRS 350.660. The bond fund is required by the various bond covenants. Any unspent bond proceeds are restricted to payment of capital expenses per bond resolutions, and at this time, all bond proceeds have been spent.

Sales tax revenue, ¼ of 1% sales tax allocation, is restricted by statute to capital expenses for the expansion of existing plant infrastructure. The District received \$28,967,787 million in sales tax revenue during fiscal year 2025 and \$29,401,139 million during fiscal year 2024. Sales tax receivable is identified as a restricted current asset.

D. Capital Assets

Capital Assets are summarized as follows at June 30, 2025:

	Beginning Balance June 30, 2024	Increases	Decreases	Ending Balance June 30, 2025
Capital Assets, Being Depreciated:				
Buildings and wastewater treatment facilities	\$ 1,331,948,234	\$ 25,040,096	\$ (1,210,986)	\$ 1,355,777,344
Land improvements	15,085,902	65,210,993	-	80,296,895
Wastewater conveyance lines	1,705,015,272	66,389,744	(245,422)	1,771,159,594
Equipment	404,922,603	20,577,890	(4,077,057)	421,423,436
Subscription IT assets	7,440,227	2,080,286	(1,464,980)	8,055,533
Total Capital Assets Being Depreciated	<u>3,464,412,238</u>	<u>179,299,009</u>	<u>(6,998,445)</u>	<u>3,636,712,802</u>
Less Accumulated Depreciation for:				
Buildings and wastewater treatment facilities	(843,796,454)	(35,858,893)	1,165,167	(878,490,180)
Land improvements	(8,588,170)	(5,569,235)	-	(14,157,405)
Wastewater conveyance lines	(463,816,777)	(35,500,103)	110,069	(499,206,811)
Equipment	(301,966,066)	(21,212,061)	4,009,160	(319,168,967)
Subscription IT assets	(3,726,971)	(1,953,167)	1,421,673	(4,258,465)
Total Accumulated Depreciation	<u>(1,621,894,438)</u>	<u>(100,093,459)</u>	<u>6,706,069</u>	<u>(1,715,281,828)</u>
Net Capital Assets Being Depreciated	<u>1,842,517,800</u>	<u>79,205,550</u>	<u>(292,376)</u>	<u>1,921,430,974</u>
Capital Assets Not Being Depreciated:				
Land and rights of way	17,188,246	-	-	17,188,246
Construction in progress	409,533,338	332,346,946	(115,716,151)	626,164,133
Total Capital Assets, Not Being Depreciated	<u>426,721,584</u>	<u>332,346,946</u>	<u>(115,716,151)</u>	<u>643,352,379</u>
Total Capital Assets, Net	<u>\$ 2,269,239,384</u>	<u>\$ 411,552,496</u>	<u>\$ (116,008,527)</u>	<u>\$ 2,564,783,353</u>

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

Capital Assets are summarized as follows at June 30, 2024:

	Beginning Balance June 30, 2023	Increases	Decreases	Ending Balance June 30, 2024
Capital Assets, Being Depreciated:				
Buildings and wastewater treatment facilities	\$ 1,315,363,182	\$ 21,077,992	\$ (4,492,940)	\$ 1,331,948,234
Land improvements	15,085,902	-	-	15,085,902
Wastewater conveyance lines	1,636,485,439	68,623,007	(93,174)	1,705,015,272
Equipment	392,614,707	14,868,959	(2,561,063)	404,922,603
Subscription IT assets	6,751,644	1,376,869	(688,286)	7,440,227
Total Capital Assets Being Depreciated	<u>3,366,300,874</u>	<u>105,946,827</u>	<u>(7,835,463)</u>	<u>3,464,412,238</u>
Less Accumulated Depreciation for:				
Buildings and wastewater treatment facilities	(810,776,685)	(35,103,035)	2,083,266	(843,796,454)
Land improvements	(7,674,435)	(913,735)	-	(8,588,170)
Wastewater conveyance lines	(429,672,651)	(34,174,423)	30,297	(463,816,777)
Equipment	(283,941,989)	(19,691,956)	1,667,879	(301,966,066)
Subscription IT assets	(2,247,765)	(1,736,020)	256,814	(3,726,971)
Total Accumulated Depreciation	<u>(1,534,313,525)</u>	<u>(91,619,169)</u>	<u>4,038,256</u>	<u>(1,621,894,438)</u>
Net Capital Assets Being Depreciated	<u>1,831,987,349</u>	<u>14,327,658</u>	<u>(3,797,207)</u>	<u>1,842,517,800</u>
Capital Assets Not Being Depreciated:				
Land and rights of way	17,522,961	-	(334,715)	17,188,246
Construction in progress	219,439,538	236,708,785	(46,614,985)	409,533,338
Total Capital Assets, Not Being Depreciated	<u>236,962,499</u>	<u>236,708,785</u>	<u>(46,949,700)</u>	<u>426,721,584</u>
Total Capital Assets, Net	<u>\$ 2,068,949,848</u>	<u>\$ 251,036,443</u>	<u>\$ (50,746,907)</u>	<u>\$ 2,269,239,384</u>

E. Note Receivable

On January 19, 2010, the District entered into an agreement with the United States Air Force (USAF) for the purpose of connecting the Creech Air Force Base (CAFB) sewer system to the District's collection and treatment system. As agreed, the District is responsible for sewage collection and treatment for the community of Indian Springs. Compensation due to the District consists of two components: a sewer service charge and an initial service charge. On September 1, 2013 the District began receiving sewage flows from the CAFB sewer system. The initial service charge recovers the capital costs of \$9.4 million associated with the design and construction of the CAFB facilities as well as the capital recovery for 0.25 million gallons per day of capacity and is to be repaid monthly over a twenty-year term at an annual interest rate of 5.42% beginning September 1, 2013, as a note receivable.

The note receivable as of June 30 was as follows:

	2025	2024
Note receivable, net of current portion	\$ 4,608,619	\$ 5,121,116
Note receivable, current portion	553,968	601,642
Total Note receivable	<u>\$ 5,162,587</u>	<u>\$ 5,722,758</u>

As of June 30, 2025, and June 30, 2024, accrued interest recorded on the receivable was \$23,318 and \$78,240 respectively.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

F. Construction Commitments

As of June 30, 2025, the remaining obligated balance of construction contracts in progress was \$429,389,938. Construction contracts payable were as follows at June 30:

	2025	2024
Construction contracts retention	\$ 17,640,890	\$ 11,655,850
Construction contracts payable	22,649,129	24,439,983
Total construction payables	<u>\$ 40,290,019</u>	<u>\$ 36,095,833</u>

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

The District is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains a risk management program to assess coverage of potential risks of loss.

Under this program, the District believes it is more economical to manage risks internally regarding its workers' compensation coverage. The District hires a third-party to act as claims administrator of the worker's compensation program. The self-insurance coverage includes the purchase of an insurance policy to cover workers' compensation claims for the District that exceed \$750,000 per person. As of June 30, 2025, a liability of \$2,409,849 was accrued to provide for unpaid claims. The accrued liability represents the approximate maximum number of claims expected for the year. For the last four fiscal years, no settlement amounts have exceeded insurance coverage.

Changes in the District's claims liability amount in fiscal years 2025, 2024 and 2023 are as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims Incurred During Period	Prior Period Changes in Estimates	Current Year Payments on Claims	End of Fiscal Year Liability
2025	\$ 2,324,475	\$ 235,100	\$ 144,420	\$ (294,146)	\$ 2,409,849
2024	2,294,543	349,394	5,248	(324,710)	2,324,475
2023	2,379,504	309,394	(126,431)	(267,924)	2,294,543

The District has designated and set aside \$382,184 in its investment balances at June 30, 2025, and June 30, 2024, respectively for future workers' compensation losses. The District provides a surety bond to the Nevada Department of Insurance (NDI) in the amount of \$352,000.

For all other risks, such as general, automobile, and excess liabilities the District purchases insurance coverage subject to specified deductibles.

The District completed an update of the annual appraisal of District structures in May 2025. The valuation provided a thorough inventory of above-ground structures and replacement costs. The District's property insurance policy was revised to reflect these valuations, establishing a blanket valuation of \$1,622,591,249.

H. Postemployment Benefits Other than Pensions (OPEB)

Plan Information

In accordance with NRS, retirees of the District may continue insurance through the Clark County Retiree Health Program Plan (County Plan), if enrolled in PERS and an active employee at the time of retirement. Within the County Plan retirees may choose between the Clark County Self-Funded Group Medical and Dental Benefits Plan (Self-Funded Plan), and the Clark County Exclusive Provider Organization Plan (EPO), a self-funded health and welfare plan. This plan is a single-employer defined benefit OPEB plan.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

The Public Employee Benefit Program (PEBP), a multiple-employer cost-sharing defined benefit OPEB plan, was closed to enrollment for active employees as of September 1, 2008.

Each plan provides medical, dental and vision benefits to eligible active and retired employees and beneficiaries. Except for the PEBP, benefit provisions are established and amended through negotiations between the District and the employee union. PEBP benefit provisions are established and may be amended by the Nevada State Legislature. The Self-Funded/EPO plans are not administered as a qualifying trust or equivalent arrangement and are included in the Clark County Annual Report as an internal service fund (the Self-Funded Group Insurance Fund), as required by the NRS.

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

Clark County, Nevada	Public Employee Benefit Plan
PO Box 551210	901 South Stewart Street, Suite 101
500 S. Grand Central Parkway	Carson City, Nevada 89701
Las Vegas, NV 89155-1210	(800) 326-5496
(702) 455-0000	

Employees Covered by Benefit Terms

At June 30, 2025, OPEB plan membership consisted of the following:

	PEBP	Self-Funded /EPO	Total
Active members	-	361	361
Retiree (& widow)	23	96	119
Spouses of retirees	-	36	36
Total	23	457 *	480 *

*The total does not include spouse of retirees for the District’s financial reporting purposes.

Contribution Requirements

For the Self-Funded/EPO plans, contribution requirements of plan members and the District are established and may be amended through negotiations between the District Board of Trustees and the Service Employees International Union. The District pays approximately 90% of monthly premiums for active employee coverage, an average District share rate of \$1,066 and \$1,009 per active employee for the years ended June 30, 2025, and June 30, 2024, respectively. Retirees in the Self-Funded/EPO plans receive no direct subsidy from the District. Under state law, retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true claims cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the District.

The District is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who have enrolled in this plan. In 2025, retirees with five to fourteen years of service were required to pay an additional monthly premium from \$40 to \$401 per month. Retirees were eligible for a monthly subsidy ranging from a minimum of \$40 after fifteen years of service to a maximum of \$200 for twenty or more years of service with a Nevada state or local government entity. The subsidy is set by the Nevada State Legislature and can only be amended through legislation.

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

Actuarial Methods and Assumptions

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

The total OPEB liability for the Self-Funded/EPO, and PEBP plans was determined using the following actuarial assumptions (based on the results of an experience review completed in 2023), applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2024
Measurement date	June 30, 2024
Reporting date	June 30, 2025
Salary Increase Rate	3.50% per annum
Discount rate	3.93% per annum as of June 30, 2024 3.65% per annum as of June 30, 2023
Discount rate source	Bond Buyer 20-Bond GO index as of June 30
Postemployment benefit changes	None
Benefit-related costs shared with inactive employees	Required to contribute 100% of premium equivalent rates
Actuarial cost method	Entry Age Normal based on level percentage of salary
Healthcare cost trend rates	7.75% per annum, decreasing to an ultimate rate of 4.00%. Select trends are reduced 0.30% each year for nine years, and 0.10% thereafter until reaching the ultimate trend rate.

Mortality rates were based on the Pub-2010 table with the MP-2021 improvement scales

Changes in the assumptions and other inputs that affected the measurement of the District's total OPEB liability during the period ended June 30, 2024, were as follows:

Discount rate for the year ended June 30, 2024 was 3.93%.

No changes in the OPEB benefit terms affected the measurement of the District's total OPEB liability during the period ended June 30, 2025.

The District holds no assets in the OPEB trust and has no assumed asset allocations or expected real rate of return.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

Discount Rate

The sensitivity of the chosen discount rate, 3.93% for June 30, 2025 and 3.65% for June 30, 2024, used to estimate the District's OPEB liability (rounded in thousands) is illustrated as follows:

As of June 30, 2025:

	1% Decrease (2.93%)	Current Rate (3.93%)	1% Increase (4.93%)
PEBP	\$ 1,202,000	\$ 1,083,000	\$ 982,000
Self-Funded/EPO	37,935,000	31,497,000	26,457,000
Total OPEB Liability	<u>\$ 39,137,000</u>	<u>\$ 32,580,000</u>	<u>\$ 27,439,000</u>

As of June 30, 2024:

	1% Decrease (2.65%)	Current Rate (3.65%)	1% Increase (4.65%)
PEBP	\$ 1,174,000	\$ 1,046,000	\$ 939,000
Self-Funded/EPO	30,970,000	25,736,000	21,645,000
Total OPEB Liability	<u>\$ 32,144,000</u>	<u>\$ 26,782,000</u>	<u>\$ 22,584,000</u>

Healthcare Trend Rate

The District's total OPEB liability at June 30, 2025, calculated using the healthcare trend rate of 7.75%, as well as what the District's total OPEB liability (rounded in thousands) would be if it were calculated using a healthcare trend rate that is 1% lower (6.75%) or 1% higher (8.75%) than the current healthcare trend rate was as follows:

	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)
PEBP	\$ 987,000	\$ 1,083,000	\$ 1,194,000
Self-Funded/EPO	26,015,000	31,497,000	38,689,000
Total OPEB Liability	<u>\$ 27,002,000</u>	<u>\$ 32,580,000</u>	<u>\$ 39,883,000</u>

The District's total OPEB liability at June 30, 2024, calculated using the healthcare trend rate of 6.50%, as well as what the District's total OPEB liability (rounded in thousands) would be if it were calculated using a healthcare trend rate that is 1% lower (5.50%) or 1% higher (7.50%) than the current healthcare trend rate was as follows:

	1% Decrease (5.50%)	Current Rate (6.50%)	1% Increase (7.50%)
PEBP	\$ 944,000	\$ 1,046,000	\$ 1,148,000
Self-Funded/EPO	21,363,000	25,736,000	31,451,000
Total OPEB Liability	<u>\$ 22,307,000</u>	<u>\$ 26,782,000</u>	<u>\$ 32,599,000</u>

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

OPEB Liability

As of June 30, 2025, and June 30, 2024, the District reported a total OPEB liability of \$32,579,670 and \$26,781,728, respectively.

Because the District holds no assets in the OPEB trust, it has no fiduciary net position to report, and thus, the total OPEB liability equals the net OPEB liability.

At June 30, 2025, changes in the District's OPEB liability were as follows:

	PEBP	Self- Funded/EPO	Total
2024 Total OPEB Liability	\$ 1,046,264	\$ 25,735,464	\$ 26,781,728
Service cost	-	729,867	729,867
Interest cost	36,952	956,505	993,457
Differences between expected and actual experience	11,644	18,219	29,863
Change in assumptions and other inputs	55,460	4,576,470	4,631,930
Benefit payments	(67,742)	(519,433)	(587,175)
Net Change in Total OPEB Liability	36,314	5,761,628	5,797,942
2025 Total OPEB Liability	\$ 1,082,578	\$ 31,497,092	\$ 32,579,670

At June 30, 2024, changes in the District's OPEB liability were as follows:

	PEBP	Self- Funded/EPO	Total
2023 Total OPEB Liability	\$ 1,078,789	\$ 25,130,577	\$ 26,209,366
Service cost	-	824,350	824,350
Interest cost	37,069	907,747	944,816
Differences between expected and actual experience	-	-	-
Change in assumptions and other inputs	(6,334)	(502,516)	(508,850)
Benefit payments	(63,260)	(624,694)	(687,954)
Net Change in Total OPEB Liability	(32,525)	604,887	572,362
2024 Total OPEB Liability	\$ 1,046,264	\$ 25,735,464	\$ 26,781,728

For the years ended June 30, 2025, and June 30, 2024, the District's OPEB credit adjustment was (\$442,089) and (\$945,942), respectively.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

The District reported deferred outflows and inflows of resources related to OPEB as of June 30, 2025, as follows:

	PEBP		Self-Funded/HPN	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 3,290,250	\$ (10,542,376)
Changes of assumptions or other inputs	-	-	8,590,400	(6,147,642)
Employer contributions subsequent to the measurement date	-	-	899,000	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,779,650</u>	<u>\$ (16,690,018)</u>

The District reported deferred outflows and inflows of resources related to OPEB as of June 30, 2024, as follows:

	PEBP		Self-Funded/HPN	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ 3,573,375	\$ (12,036,233)
Changes of assumptions or other inputs	-	-	4,799,287	(7,185,828)
Employer contributions subsequent to the measurement date	-	-	699,000	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,071,662</u>	<u>\$ (19,222,061)</u>

Deferred outflows of resources related to OPEB resulting from contributions made after the measurement date but before June 30, 2025, totaling \$899,000 will be recognized as a reduction of the total OPEB liability in the subsequent fiscal period. It has been actuarially determined that PEBP has no deferred outflows or inflows of resources.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30:	PEBP	Self-Funded/EPO
2025	\$ -	\$ (1,073,924)
2026	-	(1,061,555)
2027	-	(1,061,555)
2028	-	(1,061,555)
2029	-	(1,061,555)
Thereafter	-	510,776
Total	<u>\$ -</u>	<u>\$ (4,809,368)</u>

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

I. Pension Plans

State of Nevada Public Employees' Retirements System

The District's employees are covered by the State of Nevada Public Employees' Retirement System (PERS). PERS was established in 1947, effective July 1, 1948, by the Nevada Legislature and is governed by the Public Employees Retirement Board whose seven members are appointed by the Governor. All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing multiple-employer defined benefit retirement plan. The District does not exercise any control over PERS. NRS 286.110 states that: "Respective participating public employers are not liable for any obligation of PERS."

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for plan members entering the System on or after January 1, 2010, and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed at 2.50% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this service time factor is 2.67% of average compensation. For plan members entering the System on or after January 1, 2010, there is a 2.50% service time factor for all years of service. Regular plan members entering the System on or after July 1, 2015, have a 2.25% service time factor. The System offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575-.579. Retirees are eligible for annual benefit increases starting the fourth year of initially receiving benefits. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years four, five, and six; increase to 3% in years seven, eight, and nine; 3.5% in years ten, eleven, and twelve; 4% for years thirteen and fourteen; and 5% in year fifteen and each year thereafter. If the benefit outpaces inflation in the period since retirement, the increase may be capped by a rolling three-year average of the Consumer Price Index (all items).

Retirees who enter the System on or after January 1, 2010, are eligible for annual benefit increases starting the fourth year of initially receiving benefits. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years four, five, and six; increase to 3% in years seven, eight, and nine; 3.5% in years ten, eleven, and twelve; and 4% in year thirteen and each year thereafter. If the benefit outpaces inflation in the period since retirement, the increase may be capped by a rolling three-year average of the Consumer Price Index (all items).

Retirees who enter the System on or after July 1, 2015, are eligible for annual benefit increases starting the fourth year of initially receiving benefits. Benefits are increased annually on the first day of the month following the anniversary of the commencement of benefits. The increases begin at 2% in years four, five, and six; increase to 2.50% in years seven, eight, and nine; then adjust to the lesser of 3% or the increase, if any, in the Consumer Price Index (all items) for the preceding calendar year following the tenth year and every year thereafter.

Regular members entering PERS prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with 30 years of service. Regular members entering PERS on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS and the Nevada Legislature. New hires, in agencies that did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer or can make contributions by a payroll deduction matched by the employer.

PERS’s basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee’s working lifetime in order to accumulate sufficient assets to pay benefits when due. PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The actuarial funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contribution requirement as a percentage of salary.

For the fiscal years ended June 30, 2025 and June 30, 2024, the Statutory employer/employee matching rate was 17.50% and the EPC rate was 33.50%.

PERS issues a publicly available Annual Comprehensive Financial Report that includes financial statements and required supplemental information. This report is available on the PERS website, www.nvpers.org under publications.

PERS collective net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

Actuarial Methods and Assumptions

The PERS net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.20% to 9.10%, depending on service Rates include inflation and productivity increases
Investment rate of return	7.25%, net of pension plan investment expense, including inflation
Discount rate	7.25%

The actuarial assumptions used in the June 30, 2024, valuation was based on the results of the experience study for the period July 1, 2016, through June 30, 2020.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

At June 30, 2024, assumed mortality rates for selected ages were as follows:

<u>Age</u>	<u>Regular Members</u>		<u>Expected Years of</u>	
	<u>Mortality Rates</u>		<u>Life Remaining</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
40	0.07%	0.04%	43.4	47.1
50	0.35%	0.24%	33.2	36.7
60	0.72%	0.43%	23.7	26.9
70	1.80%	1.19%	15.2	17.8
80	5.71%	3.75%	8.1	10

The mortality rates are based on the following:

- For healthy regular members: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 30% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.
- For disabled regular members: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 20% for males and 15% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.
- For beneficiaries: Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 15% for males and 30% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Investment Policy

The policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the PERS system.

The following was the Board adopted policy target asset allocation as of June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return</u>
U.S. stocks	34%	5.50%
International stocks	14%	5.50%
U.S. bonds	28%	2.25%
Private markets	12%	6.65%
Short-term investments	12%	0.50%
	100%	

CLARK COUNTY WATER RECLAMATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

Discount Rate

The discount rate used to measure the total pension liability was 7.25% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed plan contributions will be made in amounts consistent with statutory provisions and recognizing the plan’s current funding policy and cost-sharing mechanism between employers and members. For this purpose, all contributions that are intended to fund benefits for all plan members and their beneficiaries are included, except that projected contributions that are intended to fund the service costs for future plan members and their beneficiaries are not included.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

The following presents the District’s proportionate share of the net pension liability at June 30, 2024 and June 30, 2023, 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 at 6.25% and 1 percentage point higher at 8.25% than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (2025)	\$ 119,503,081	\$ 74,312,242	\$ 37,029,307
Net Pension Liability (2024)	\$ 120,455,103	\$ 77,406,001	\$ 41,877,853

Detailed information about PERS fiduciary net position is available in the PERS Annual Comprehensive Financial Report (Annual Report), available on the PERS website, www.nvpers.org under publications. PERS fiduciary net position and addition to/deductions from it have been determined on the same basis used in the PERS Annual Report. PERS financial

statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. PERS investments are reported at fair value. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Pension Liability

At the measurement dates of June 30, 2025, and June 30, 2024, the District’s proportionate share of the collective net pension liability represents 0.41129% and 0.42407% of the collective net pension liability, respectively. Contributions for employer pay dates within the fiscal years ending June 30, 2025, and June 30, 2024, were used as the basis for determining each employer’s proportionate share. Each employer’s proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

For the years ended June 30, 2025, and June 30, 2024, the District's pension expense was \$7,542,384 and \$9,687,049, respectively, and its reported deferred outflows and inflows of resources related to pensions were as follows:

	June 30, 2025		June 30, 2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$15,765,077	\$ -	\$10,089,400	\$ -
Changes of assumptions or other inputs	4,795,092	-	7,254,416	-
Net differences between projected and actual earnings on pension plan investments	-	7,320,713	-	724,522
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,466,609	3,308,146	2,041,694	2,541,479
Contributions subsequent to the measurement date	6,369,141	-	5,914,553	-
Total	<u>\$28,395,919</u>	<u>\$ 10,628,859</u>	<u>\$25,300,063</u>	<u>\$ 3,266,001</u>

At June 30, 2025, and June 30, 2024, the average expected remaining service life is 5.64 and 5.63 years, respectively.

Deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date but before June 30, 2025, totaling \$6,369,141 will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30:	
2026	\$ 1,671,049
2027	8,094,980
2028	605,039
2029	(8,965)
2030	1,035,816
Thereafter	0
Total	<u>\$ 11,397,919</u>

Changes in the District's net pension liability were as follows:

	2025	2024
Beginning net pension liability	\$ 77,406,001	\$ 79,107,207
Pension expense	7,542,384	9,687,049
Employer contributions	(5,914,553)	(4,909,303)
Net change in deferred outflows and inflows	(4,721,590)	(6,478,952)
Ending net pension liability	<u>\$ 74,312,242</u>	<u>\$ 77,406,001</u>

At June 30, 2025, and June 30, 2024, \$1,002,601 and \$934,906, respectively, was payable to PERS equal to the June 30, 2025 and June 30, 2024, required contributions, which were included in accounts payable.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

J. Long-Term Liabilities

General Obligation Bonds

Outstanding District general obligation bonds (additionally secured by pledged revenue) are rated an “AAA” by Standard & Poor’s Corporation and “Aa1” by Moody’s. The net proceeds of all bond issuances have been used to finance portions of one or more capital improvement projects. In February 2024, the District signed a State Revolving Loan, (CW2403), to fund the Indian Springs Collection System Design. The loan is a maximum amount of \$1,145,000 with 100% eligible for principal forgiveness subsidy. In November 2024, the District signed a State Revolving Loan, (CW2506), to fund Septic Conversions. The loan is a maximum amount of \$4,885,140 with 100% eligible for principal forgiveness subsidy.

At June 30, 2025, outstanding debt payable was as follows:

	2024	Advance Refunded / Bond Issuance	Payments	2025	Due Within One Year
State Revolving Loan - ARRA (2009C) 0.00% , due in semi-annual installments from 2012 through 2029 Original issue amount \$5,744,780 on 10/16/2009	1,707,905	-	310,529	1,397,376	310,529
State Revolving Loan (2011A) 3.1875% , due in semi-annual installments from 2014 through 2031 Original issue amount \$40,000,000 on 03/25/2011 (1)	18,688,815	-	2,423,335	16,265,480 (1)	2,501,195
State Revolving Loan (2012A) 2.3562% , due in semi-annual installments from 01/01/2016 through 2032 Original issue amount \$30,000,000 on 07/13/2012 (2)	16,546,538	-	1,780,049	14,766,489 (2)	1,822,238
2015 Series Refunding 3.25% - 5.00% general obligation bonds, due in annual installments from 2019 through 2038 Original issue amount \$103,625,000 on 08/04/2015	84,160,000	-	4,500,000	79,660,000	4,730,000
2016 Series Refunding 3.00% - 5.00% general obligation bonds, due in annual installments from 2019 through 2038 Original issue amount \$269,465,000 on 08/31/2016	227,700,000	-	10,665,000	217,035,000	11,210,000
2023 Series 5.00% - 6.00% general obligation bonds, due in annual installments from 2025 through 2054 Original issue amount \$340,000,000 on 07/18/2023	340,000,000	-	4,960,000	335,040,000	5,215,000
State Revolving Loan - (CW2403) 0.00% and 100% principal forgiveness upon project completion. Currently in drawdown phase. Maximum loan amount \$1,145,000, 30 year term Contract Date 02/20/2024	-	79,383	-	79,383	-
State Revolving Loan - (CW2506) 0.00% and 100% principal forgiveness upon project completion. Currently in drawdown phase. Maximum loan amount \$4,885,140. 5 year term Contract Date 11/14/2024	-	48,774	-	48,774	-
Total	<u>\$ 688,803,258</u>	<u>\$ 128,157</u>	<u>\$ 24,638,913</u>	<u>\$ 664,292,502</u>	<u>\$ 25,788,962</u>

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

(2) The 2012A bond was issued to the State of Nevada as collateral for a low interest loan through the State Revolving Loan Fund.

The original issue amount represents the total amount of authorization for the loan.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

Pledged Revenues

The District's General Obligation/Revenue Supported Bonds constitute direct and general obligations of the District, and the full faith and credit of the District is pledged to the payment of principal and interest thereon, subject to Nevada constitutional and statutory limitations on the aggregate amount of ad valorem taxes. The bonds are backed by the District's ability to levy general ad valorem taxes on all taxable property serviced by the District. The bonds are additionally secured by certain pledged revenues derived by the District after operation and maintenance expenses are deducted (Net Pledged Revenues). Historically, the District has not levied an ad valorem tax because the District's revenues have always been sufficient to pay debt service on all the District's bonds and obligations; however, in any year in which those revenues are insufficient to pay debt service, the District is obligated to levy ad valorem taxes to pay debt service. The total remaining principal and interest payments for the District's bonds was \$1,048,912,338 as of June 30, 2025. In fiscal year 2025, Net Pledged Revenues received totaled \$173,254,446 and the required debt service totaled \$54,157,081.

The following table outlines the total amount of annual debt service for years 2026 through 2030 and provides total debt service in five-year increments for year 2031 through final maturity.

Year Ending June 30	Principal	Interest	Total
2026	\$ 25,788,962	\$ 28,366,120	\$ 54,155,082
2027	26,997,510	27,157,696	54,155,206
2028	28,269,665	25,889,916	54,159,581
2029	29,635,533	24,706,923	54,342,456
2030	30,564,960	23,646,220	54,211,180
2031-2035	152,137,715	100,666,768	252,804,483
2036-2040	150,280,000	68,256,600	218,536,600
2041-2045	61,770,000	47,710,000	109,480,000
2046-2050	79,325,000	30,160,375	109,485,375
2051-2054	79,395,000	8,187,375	87,582,375
Total	<u>\$ 664,164,345</u>	<u>\$ 384,747,993</u>	<u>\$ 1,048,912,338</u>

The District holds no unused lines of credit, direct placements, or direct borrowings.

None of the debt is collateralized by physical assets. The bond documents do not contain terms related to significant events of default with finance-related consequences, termination events with finance-related consequences or subjective acceleration clauses.

PFM Asset Management LLC determined the District had no arbitrage liability to the Internal Revenue Service as of June 30, 2025.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Beginning Balance June 30, 2024	Additions	Reductions	Ending Balance June 30, 2025	Due Within One Year
Debt Payable:					
General obligation bonds	\$ 688,803,258	\$ -	\$ (24,638,913)	\$ 664,164,345	\$ 25,788,962
Notes payable	-	128,157	-	128,157	-
Plus deferred amounts for issuance premiums	58,359,296	-	(4,582,056)	53,777,240	-
Total Debt Payable	747,162,554	128,157	(29,220,969)	718,069,742	25,788,962
Net pension liability	77,406,001	7,542,384	(10,636,143)	74,312,242	-
OPEB liability	26,781,728	1,723,324	4,074,618	32,579,670	596,396
Subscription IT liabilities	3,321,672	1,778,365	(1,549,298)	3,550,739	1,184,778
Compensated absences	7,745,213	1,035,828	(483,724)	8,297,317	1,218,052
Long-Term liabilities	<u>\$ 862,417,168</u>	<u>\$ 12,208,058</u>	<u>\$ (37,815,516)</u>	<u>\$ 836,809,710</u>	<u>\$ 28,788,188</u>

Long-term liability activity for the year ended June 30, 2024, was as follows:

	Beginning Balance June 30, 2023	Additions	Reductions	Ending Balance June 30, 2024	Due Within One Year
Debt Payable:					
General obligation bonds	\$ 371,030,523	\$ 336,600,000	\$ (18,827,265)	\$ 688,803,258	\$ 24,638,913
Plus deferred amounts for issuance premiums	23,343,512	38,663,941	(3,648,157)	58,359,296	-
Total Debt Payable	394,374,035	375,263,941	(22,475,422)	747,162,554	24,638,913
Net pension liability	79,107,207	9,687,049	(11,388,255)	77,406,001	-
OPEB liability	26,209,366	1,769,166	(1,196,804)	26,781,728	691,335
Subscription IT liabilities	4,275,062	1,184,160	(2,137,550)	3,321,672	1,053,383
Compensated absences	7,493,088	821,635	(569,510)	7,745,213	1,096,097
Long-Term liabilities	<u>\$ 511,458,758</u>	<u>\$ 388,725,951</u>	<u>\$ (37,767,541)</u>	<u>\$ 862,417,168</u>	<u>\$ 27,479,728</u>

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

The future principal and interest SBITA payments as of June 30, 2025, are as follows:

Fiscal year	Principal	Interest	Total
2026	\$ 1,184,788	\$ 67,235	\$ 1,252,023
2027	1,191,152	40,271	1,231,423
2028	541,137	13,934	555,071
2029	434,580	8,021	442,601
2030	37,510	5,137	42,647
2031 - 2035	161,572	10,537	172,109
Total	<u>\$ 3,550,739</u>	<u>\$ 145,135</u>	<u>\$ 3,695,874</u>

K. Reserve Policies

Designated Unrestricted Reserves

The District currently maintains a single fund for all sewer revenues, expenses, and cash balances. However, financial obligations are separated into operating and capital cost centers. This segregation reflects the differing activities of the cost centers and allows for a clear picture of the District's operating and capital requirements and the funding sources available for each. Further, separately identifying operating and capital needs assists in establishing appropriate levels of operating and capital reserves, which are a necessary and appropriate part of fiscal prudent management for the District. Operating reserves are designed to provide a liquidity cushion against variability and timing of expenses and receipts, unanticipated cash operating expenses or less than expected revenues. The District's Operating and Maintenance Reserve is equal to 120 days of prior year actual O&M expenses.

The repair and replacement of the District's conveyance and treatment facilities is critical to the ongoing operation of the District and the safety of the community and environment. A capital contingency reserve is set aside in case of emergency, should a piece of equipment or a portion of the District's infrastructure fail unexpectedly. This reserve amount is set at the lesser of: (1) two percent (2.0%) of the value of total asset original cost; or (2) \$50 million.

The District established a capital expansion reserve in the event of an unanticipated need for capital expansion to an existing conveyance system or treatment facility or the possible need for an additional system or facility due to unexpected service area growth or need. The reserve will equal the lesser of: (1) the average of the next ten years budgeted expansion capital; or (2) \$25 million.

NRS 354.6115 provides for the creation of reserves to stabilize the operations of local governments, including public utilities. Monies the District transfers to this reserve may only be used if the total actual revenues of the District fall short of the total anticipated revenues or expenses incurred by the District to mitigate the effects of natural disaster. The District's budget stabilization reserve also provides resources that allow for rate stability. The District's Budget Stabilization Reserve is equal to 10% of actual operations and maintenance expenses from the previous fiscal year.

As required by GASB statement 75, the District began to record a liability for OPEB obligations in fiscal year 2018. GASB standards do not require employers to advance fund OPEB; however, the District initiated this reserve fund allowing for the opportunity to begin advance funding in the future. The reserve fund amount will be equal to the total OPEB liability from the previous year.

Funds are set aside in the worker's compensation insurance reserve for potential losses. The reserve is classified as designated unrestricted funds since their use is limited (but not mandated) to the payment of any claims. Annual worker's compensation insurance reserves are equal to the amount of the annual maximum out-of-pocket expense, per event in any given year, less the amount of the workers' compensation insurance security deposit.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

Restricted Reserves

Funds set aside for payment of general obligation debt and revenue bonds are classified as restricted assets since their use is limited by applicable bond covenants. A bond reserve account was established in compliance with the District's bond resolutions to meet possible deficiencies in debt service. The annual bond debt service reserve is equal to the largest annual principal and interest amount due for the remaining outstanding life of the bonds.

Pursuant to NRS 616B.330(2), each self-insured employer must deposit with the Commissioner of the State of Nevada, Division of Insurance, a bond, or other security, executed by the employer as principal, and by a corporation qualified under the laws of this State, payable to the State of Nevada, and conditioned upon the payment of compensation for injuries and occupational diseases to employees. The security amount and related reserve may change as directed by the Commissioner.

L. Contingencies

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

M. New Accounting Pronouncements

GASB issued Statement No. 99 Omnibus 2022 - Effective dates vary from immediate implementation to implementation effective fiscal years beginning after June 15, 2023. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. Management has completed its assessment of this position and has determined it has no material effect on financial position.

GASB issued Statement No. 100 Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62, effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Management has completed its assessment of this position and has determined it has no material effect on financial position.

GASB issued Statement No. 101, Compensated Absences, - Effective for fiscal years beginning after December 15, 2023. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Management has completed its assessment of this position and has determined it has no material effect on financial position.

GASB issued Statement No. 102, Certain Risk Disclosures - Effective for fiscal years beginning after June 15, 2024. The objective of this Statement is to improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. Management has completed its assessment of this position and has determined it has no material effect on financial position.

CLARK COUNTY WATER RECLAMATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

GASB Statement No. 103 – Financial Reporting Model Improvements - Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. Management has not yet completed its assessment of this statement.

GASB Statement No. 104 – Disclosure of Certain Capital Assets - Effective for year-end June 30, 2026. Earlier application is encouraged. The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. The disclosure requirements will improve consistency and comparability between governments. Management has not yet completed its assessment of this statement.

N. Net Investment in Capital Assets

At June 30, net investment in capital assets was as follows:

	<u>2025</u>	<u>2024</u>
Total capital assets	\$ 4,280,065,181	\$ 3,891,133,822
Less accumulated depreciation	<u>1,715,281,828</u>	<u>1,621,894,438</u>
Total Capital Assets, Net	2,564,783,353	2,269,239,384
Less:		
Outstanding principal of capital-related borrowings (limited to proceeds expended for capital purposes and excluding unspent proceeds)	367,597,502	376,943,258
Outstanding principal of debt used to refund capital-related borrowings	296,695,000	311,860,000
Outstanding balance of capital accounts payable and retainage payable	40,290,019	36,095,833
Unamortized original issue premiums on outstanding capital debt	53,777,240	58,359,296
Outstanding principal of subscription liabilities	<u>3,550,739</u>	<u>3,321,672</u>
Subtotal	761,910,500	786,580,059
Plus:		
Deferred loss on bond refunding	<u>25,932,698</u>	<u>27,927,530</u>
Net investment in capital assets	<u>\$ 1,828,805,551</u>	<u>\$ 1,510,586,855</u>

O. Subsequent Events

Events through November 13, 2025 were evaluated by management of the District who determined that no events occurred that require additional recognition or disclosure in these financial statements.



Flamingo Plant effluent enters the Las Vegas Wash on its journey to Lake Mead



Required Supplementary Information

The
"Clean
Water Team"

Clark County Water Reclamation District
Required Supplementary Information
Postemployment Benefits Other than Pensions
Schedule of Changes in Total OPEB Liability
PEBP
Last Ten Fiscal Years *

	Plan Year Ended							
	2018	2019	2020	2021	2022	2023	2024	2025
Beginning Total OPEB Liability	\$ 2,075,432	\$ 1,879,552	\$ 1,618,893	\$ 1,685,115	\$ 1,788,537	\$ 1,772,758	\$ 1,078,789	\$ 1,046,264
Service cost	-	-	-	-	-	-	-	-
Interest cost	58,058	68,038	61,208	57,595	38,861	37,632	37,069	36,952
Differences between expected and actual experience	6,322	(402)	-	(160,697)	-	(486,922)	-	11,644
Changes in assumptions or other inputs	(180,776)	(250,919)	79,594	285,589	5,618	(183,596)	(6,334)	55,460
Benefit payments	(79,484)	(77,376)	(74,580)	(79,065)	(60,258)	(61,083)	(63,260)	(67,742)
Net Change in Total OPEB Liability	(195,880)	(260,659)	66,222	103,422	(15,779)	(693,969)	(32,525)	36,314
Ending Total OPEB Liability	<u>\$ 1,879,552</u>	<u>\$ 1,618,893</u>	<u>1,685,115</u>	<u>1,788,537</u>	<u>\$ 1,772,758</u>	<u>\$ 1,078,789</u>	<u>\$ 1,046,264</u>	<u>\$ 1,082,578</u>
Covered employee payroll ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability, End of Year as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

¹ PEBP is closed to new employees and thus has no covered payroll.

Notes to Schedule

Actuarial valuation date	June 30, 2024
Measurement date	June 30, 2024
Reporting date	June 30, 2025
Salary Increase Rate	3.50% per annum
Discount rate	3.65% as of June 30, 2023
	3.93% as of June 30, 2024
Discount rate source	Bond Buyer 20-Bond GO indexes of June 30
Postemployment benefit changes	None
Benefit-related costs shared with inactive employees	Required to contribute 100% of premium equivalent rates
Actuarial cost method	Entry Age Normal based on level percentage of salary
Healthcare cost trend rates	7.75% per annum, decreasing to an ultimate rate of 4.00%. Select trends are reduced 0.30% each year for nine years, and 0.10% thereafter until reaching the ultimate trend rate.

The District holds no assets in the OPEB trust and has no assumed asset allocations or expected real rate of return.

* The required supplementary information is presented for fiscal years 2018 through 2025, for which information measured in conformity with the requirements of GASB No. 75 is available. The schedule will ultimately present information for the last 10 fiscal years.

Clark County Water Reclamation District
Required Supplementary Information
Postemployment Benefits Other than Pensions
Schedule of Changes in Total OPEB Liability
Self-Funded/HPN
Last Ten Fiscal Years *

	Plan Year Ended							
	2018	2019	2020	2021	2022	2023	2024	2025
Beginning Total OPEB Liability	\$ 38,947,630	\$ 36,723,630	\$ 18,192,337	\$ 20,307,261	\$ 23,967,854	\$ 24,863,702	\$ 25,130,577	\$ 25,735,464
Service cost	2,063,444	1,945,617	765,312	915,412	960,486	953,978	824,350	729,867
Interest cost	1,162,967	1,377,271	720,839	733,017	541,947	552,770	907,747	956,505
Differences between expected and actual experience	(71,011)	(17,775,013)	-	(2,785,491)	-	4,173,743	-	18,219
Change in assumptions and other inputs	(4,911,726)	(3,683,170)	1,291,384	5,356,306	205,149	(4,960,641)	(502,516)	4,576,470
Benefit payments	(467,674)	(395,998)	(662,611)	(558,651)	(811,734)	(452,975)	(624,694)	(519,433)
Net Change in Total OPEB Liability	<u>(2,224,000)</u>	<u>(18,531,293)</u>	<u>2,114,924</u>	<u>3,660,593</u>	<u>895,848</u>	<u>266,875</u>	<u>604,887</u>	<u>5,761,628</u>
Ending Total OPEB Liability	<u>\$ 36,723,630</u>	<u>\$ 18,192,337</u>	<u>\$ 20,307,261</u>	<u>\$ 23,967,854</u>	<u>\$ 24,863,702</u>	<u>\$ 25,130,577</u>	<u>\$ 25,735,464</u>	<u>\$ 31,497,092</u>
Covered employee payroll	26,631,154	27,787,860	27,787,860	29,396,311	33,230,664	33,382,028	36,345,483	39,210,149
Total OPEB Liability, End of Year as a Percentage of Covered-Employee Payroll	137.90%	65.47%	73.08%	81.53%	74.82%	75.28%	70.81%	80.33%

Notes to Schedule

Actuarial valuation date	June 30, 2024
Measurement date	June 30, 2024
Reporting date	June 30, 2025
Salary Increase Rate	3.50% per annum
Discount rate	3.65% as of June 30, 2023
	3.93% as of June 30, 2024
Discount rate source	Bond Buyer 20-Bond GO indexes of June 30
Postemployment benefit changes	None
Benefit-related costs shared with inactive employees	Required to contribute 100% of premium equivalent rates
Actuarial cost method	Entry Age Normal based on level percentage of salary
Healthcare cost trend rates	7.75% per annum, decreasing to an ultimate rate of 4.00%. Select trends are reduced 0.30% each year for nine years, and 0.10% thereafter until reaching the ultimate trend rate.

The District holds no assets in the OPEB trust and has no assumed asset allocations or expected real rate of return.

* The required supplementary information is presented for fiscal years 2018 through 2025, for which information measured in conformity with the requirements of GASB No. 75 is available. The schedule will ultimately present information for the last 10 fiscal years.

Clark County Water Reclamation District
Required Supplementary Information
Postemployment Benefits Other than Pensions
Proportionate Share of Contractually Required OPEB Contribution Information - PEBP
Last Ten Fiscal Years *

Plan Year Ended June 30	Contractually required contribution	Contributions in relation to the contractually determined contributions	Contribution deficiency (excess)	Covered employee payroll ¹	Contributions as a percentage of covered employee payroll
2025	\$ 67,742	\$ 67,742	\$ -	N/A	N/A
2024	63,260	63,260	-	N/A	N/A
2023	61,083	61,083	-	N/A	N/A
2022	60,258	60,258	-	N/A	N/A
2021	79,065	79,065	-	N/A	N/A
2020	74,580	74,580	-	N/A	N/A
2019	77,376	77,376	-	N/A	N/A
2018	79,484	79,484	-	N/A	N/A

¹ PEBP is closed to new employees and thus has no covered payroll.

Notes to Schedule

Actuarial valuation date	June 30, 2024
Measurement date	June 30, 2024
Reporting date	June 30, 2025
Salary Increase Rate	3.50% per annum
Discount rate	3.65% as of June 30, 2023 3.93% as of June 30, 2024
Discount rate source	Bond Buyer 20-Bond GO index as of June 30
Postemployment benefit changes	None
Benefit-related costs shared with inactive employees	Required to contribute 100% of premium equivalent rates
Actuarial cost method	Entry Age Normal based on level percentage of salary
Healthcare cost trend rates	7.75% per annum, decreasing to an ultimate rate of 4.00%. Select trends are reduced 0.30% each year for nine years, and 0.10% thereafter until reaching the ultimate trend rate.

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Clark County Water Reclamation District
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability
Last Ten Fiscal Years

<u>Plan Year Ended June 30</u>	<u>Proportion of the net pension liability</u>	<u>Proportionate share of the net pension liability</u>	<u>Covered payroll</u>	<u>Proportionate share of the net pension liability as a percentage of covered payroll</u>	<u>Plan's fiduciary net position (in millions)</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2025	0.41129%	\$ 74,312,242	\$ 35,727,833	208.00%	\$ 64,455,600	78.11%
2024	0.42407%	77,406,001	33,006,480	234.52%	58,315,100	76.16%
2023	0.43815%	79,107,207	32,467,726	243.65%	54,514,000	75.12%
2022	0.41355%	37,712,792	29,598,158	127.42%	58,458,500	86.51%
2021	0.42379%	59,027,552	30,324,054	194.66%	46,735,100	77.04%
2020	0.42751%	58,295,035	29,396,311	198.31%	44,284,300	76.46%
2019	0.43208%	58,926,437	28,570,227	206.25%	41,431,700	75.24%
2018	0.42525%	56,558,019	27,155,077	208.28%	38,686,300	74.42%
2017	0.42768%	57,553,380	26,805,607	214.71%	35,002,000	72.23%
2016	0.40472%	46,378,911	24,779,783	187.16%	34,610,700	75.13%

Clark County Water Reclamation District
Required Supplementary Information
Proportionate Share of Statutorily Required Pension Contribution Information
Last Ten Fiscal Years

Plan Year Ended June 30	Statutorily required contribution	Contributions in relation to the statutorily determined contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2025	\$ 12,738,282	\$12,738,282	-	\$ 38,025,976	33.50%
2024	11,829,107	11,829,107	-	35,727,833	33.11%
2023	9,819,426	9,819,426	-	33,006,480	29.75%
2022	9,639,167	9,639,167	-	32,467,726	29.69%
2021	8,656,951	8,656,951	-	29,598,158	29.25%
2020	8,832,949	8,832,949	-	30,324,054	29.13%
2019	8,230,968	8,230,968	-	29,396,311	28.00%
2018	7,999,660	7,999,660	-	28,570,227	28.00%
2017	7,598,614	7,598,614	-	27,155,077	27.98%
2016	7,171,104	7,171,104	-	26,805,607	26.75%



Supplementary Information

The
"Clean
Water Team"

Clark County Water Reclamation District
Schedule of Capital Assets
Years Ended June 30, 2025 and 2024

	Capital Assets June 30, 2024	Current Year Cost Increases	Current Year Cost Decreases	Capital Assets June 30, 2025
Land and Rights of Way	\$ 17,188,246	\$ -	\$ -	\$ 17,188,246
Land Improvements	15,085,902	65,210,993	-	80,296,895
Total Land and Improvements	32,274,148	65,210,993	-	97,485,141
Buildings and Wastewater Treatment Facilities:				
Flamingo Water Resource Center	1,198,888,005	25,040,096	(1,210,986)	1,222,717,115
Laughlin Water Resource Center	86,586,465	-	-	86,586,465
Blue Diamond Treatment Ponds	2,168,226	-	-	2,168,226
Indian Springs Treatment Facility	19,115,950	-	-	19,115,950
Moapa Valley Treatment Facility	22,101,471	-	-	22,101,471
Searchlight Treatment Ponds	3,088,117	-	-	3,088,117
Total Buildings and Wastewater Treatment Facilities:	1,331,948,234	25,040,096	(1,210,986)	1,355,777,344
Wastewater Conveyance Lines:				
Flamingo Water Resource Center	915,324,133	15,407,336	-	930,731,469
Laughlin Water Resource Center	15,068,512	-	-	15,068,512
Indian Springs Treatment Facility	12,062,308	-	-	12,062,308
Moapa Valley Treatment Facility	32,583,294	-	-	32,583,294
Searchlight Treatment Ponds	3,671,225	-	-	3,671,225
Contributed Wastewater Lines	726,305,800	50,982,408	(245,422)	777,042,786
Total Wastewater Conveyance Lines:	1,705,015,272	66,389,744	(245,422)	1,771,159,594
Equipment	404,922,603	20,577,890	(4,077,057)	421,423,436
Subscription IT assets Infrastructure	7,440,227	2,080,286	(1,464,980)	8,055,533
Construction in Progress	409,533,338	332,346,946	(115,716,151)	626,164,133
Total	\$ 3,891,133,822	\$ 511,645,955	\$ (122,714,596)	\$ 4,280,065,181

Continued on next page

Clark County Water Reclamation District
Schedule of Capital Assets (concluded)
Years Ended June 30, 2025 and 2024

	Accumulated Depreciation June 30, 2024	Depreciation Increases	Depreciation Decreases	Accumulated Depreciation June 30, 2025	Net Capital Assets June 30, 2025
Land and Rights of Way	\$ -	\$ -	\$ -	\$ -	\$ 17,188,246
Land Improvements	8,588,170	5,569,235	-	14,157,405	66,139,490
Total Land and Improvements	8,588,170	5,569,235	-	14,157,405	83,327,736
Buildings and Wastewater Treatment Facilities:					
Flamingo Water Resource Center	752,570,862	33,111,710	(1,165,167)	784,517,405	438,199,710
Laughlin Water Resource Center	66,908,543	1,042,252	-	67,950,795	18,635,670
Blue Diamond Treatment Ponds	1,039,965	48,501	-	1,088,466	1,079,760
Indian Springs Treatment Facility	9,441,052	833,402	-	10,274,454	8,841,496
Moapa Valley Treatment Facility	12,015,205	689,341	-	12,704,546	9,396,925
Searchlight Treatment Ponds	1,820,827	133,687	-	1,954,514	1,133,603
Total Buildings and Wastewater Treatment Facilities:	843,796,454	35,858,893	(1,165,167)	878,490,180	477,287,164
Wastewater Conveyance Lines:					
Flamingo Water Resource Center	262,061,340	19,372,159	-	281,433,499	649,297,970
Laughlin Water Resource Center	5,350,468	310,286	-	5,660,754	9,407,758
Indian Springs Treatment Facility	3,357,988	218,612	-	3,576,600	8,485,708
Moapa Valley Treatment Facility	8,804,263	651,665	-	9,455,928	23,127,366
Searchlight Treatment Ponds	3,591,455	16,175	-	3,607,630	63,595
Contributed Wastewater Lines	180,651,263	14,931,206	(110,069)	195,472,400	581,570,386
Total Wastewater Conveyance Lines:	463,816,777	35,500,103	(110,069)	499,206,811	1,271,952,783
Equipment	301,966,066	21,212,061	(4,009,160)	319,168,967	102,254,469
Subscription IT assets Infrastructure	3,726,971	1,953,167	(1,421,673)	4,258,465	3,797,068
Construction in Progress	-	-	-	-	626,164,133
Total	\$ 1,621,894,438	\$ 100,093,459	\$ (6,706,069)	\$ 1,715,281,828	\$ 2,564,783,353

Continued from previous page

Clark County Water Reclamation District
Schedule of Revenues and Expenses Compared to Budget
Year Ended June 30, 2025
(with Comparative Actual Amounts for Year Ended June 30, 2024)

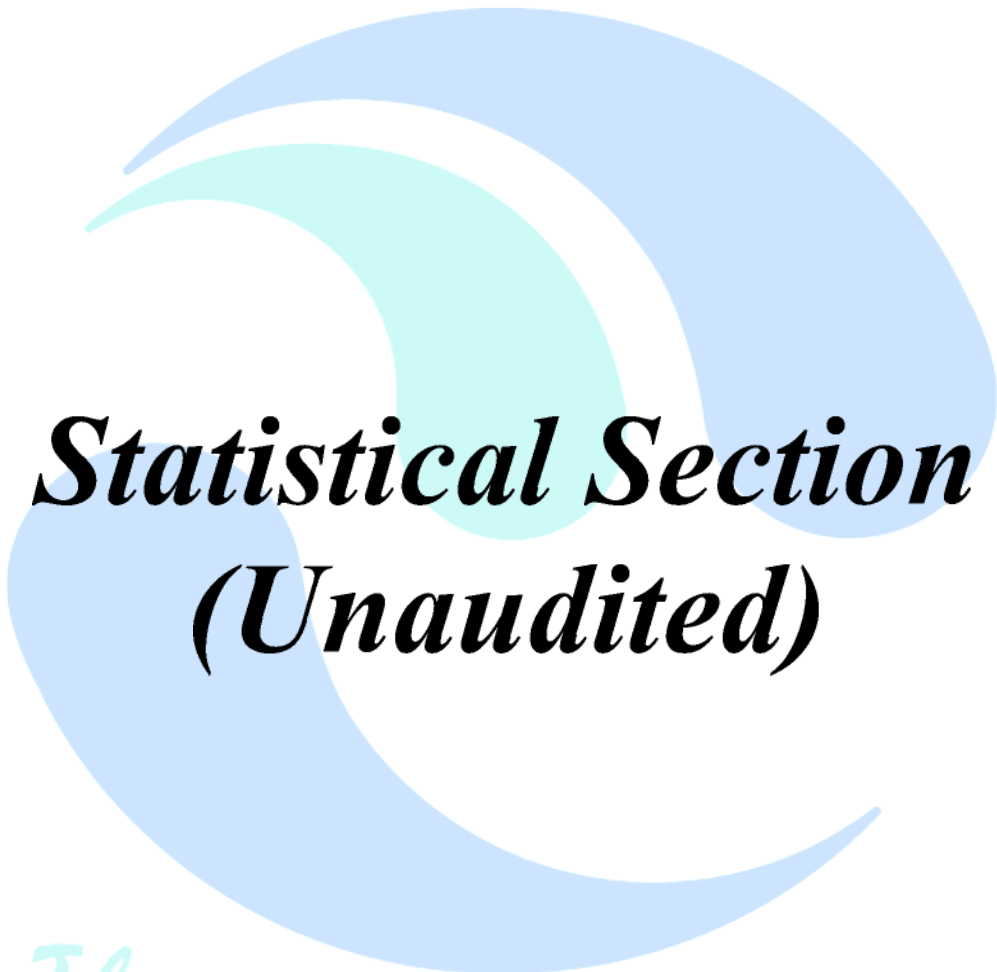
	2025 Budget	2025 Actual	Variance to Budget	2024 Actual
Operating Revenues:				
Sewer service charges	\$ 206,116,352	\$ 207,205,888	\$ 1,089,536	\$ 189,798,718
Connection fees, net of refunds and allowances	20,886,553	22,845,233	1,958,680	31,833,101
Reclaimed water sales	650,000	1,160,834	510,834	490,425
Pretreatment fees	447,946	431,763	(16,183)	443,956
Septage fees	456,500	801,744	345,244	1,034,281
Other	190,000	6,759,526	6,569,526	1,325,600
Total Operating Revenues	228,747,351	239,204,988	10,457,637	224,926,081
Operating Expenses:				
Salaries	34,566,722	34,337,666	(229,056)	32,066,668
Benefits	16,983,611	17,492,015	508,404	18,004,587
Utilities	17,473,100	13,568,252	(3,904,848)	14,043,836
Outside services	16,368,377	8,736,153	(7,632,224)	11,371,373
Chemicals	10,356,411	9,048,315	(1,308,096)	9,303,873
Maintenance	7,437,420	9,240,054	1,802,634	10,200,236
Other expenses	11,537,630	9,576,701	(1,960,929)	4,518,229
Supplies	5,218,387	6,578,990	1,360,603	5,760,452
Other losses	-	22,108	22,108	3,214,553
Depreciation	91,724,078	100,093,459	8,369,381	91,619,169
Total Operating Expenses	211,665,736	208,693,713	(2,972,023)	200,102,976
Income from Operations	17,081,615	30,511,275	13,429,660	24,823,105
Non-Operating Revenues (Expenses):				
Investment income	15,089,691	41,303,050	26,213,359	45,582,652
Restricted investment income (loss)	-	1,346,662	1,346,662	533,939
Sales tax apportionment	29,276,282	28,967,786	(308,496)	29,401,139
Interest expense	(29,518,168)	(26,446,058)	3,072,110	(28,295,028)
Grant revenue	5,000,000	-	(5,000,000)	-
Other non-operating revenue, net	1,172,355	249,143	(923,212)	130,773
Total Non-Operating Revenues (Expenses)	21,020,160	45,420,583	24,400,423	47,353,475
Income Before Capital Contributions	38,101,775	75,931,858	37,830,083	72,176,580
Capital Contributions				
Contributed assets	30,946,576	51,011,710	20,065,134	48,849,403
Change in Net Position	69,048,351	126,943,568	57,895,217	121,025,983
Net Position, Beginning of the Year	2,266,084,783	2,266,084,783	-	2,145,058,800
Net Position, End of Year	<u>\$ 2,335,133,134</u>	<u>\$ 2,393,028,351</u>	<u>\$ 57,895,217</u>	<u>\$ 2,266,084,783</u>

Clark County Water Reclamation District
Schedule of Cash Flows Compared to Budget
Years Ended June 30, 2025 and 2024

	2025 Budget	2025 Actual	Variance to Budget	2024 Actual
Cash Flows from Operating Activities:				
Cash flows from customers	\$ 228,747,351	\$ 237,242,671	\$ 8,495,320	\$ 224,812,209
Cash received from others	-	249,143	249,143	130,773
Payments to employees for services and benefits	(51,550,333)	(50,546,423)	1,003,910	(46,992,577)
Payments for services and supplies	(68,391,325)	(57,311,561)	11,079,764	(55,422,545)
Net Cash Provided by Operating Activities	108,805,693	129,633,830	20,828,137	122,527,860
Cash Flows from Capital and Related Financing Activities:				
Federal and State Grants	5,000,000	-	(5,000,000)	-
Sales tax apportionment	29,276,282	27,808,488	(1,467,794)	29,351,657
Acquisition, construction or improvement of capital assets	(364,061,332)	(338,643,622)	25,417,710	(231,562,680)
Principal payment on subscription liabilities	-	(1,549,298)	(1,549,298)	(2,137,550)
Principal payment on debt for capital assets	(24,638,913)	(24,638,913)	-	(18,827,266)
Proceeds from debt for capital assets	-	128,157	128,157	375,263,941
Interest payment on debt for capital assets	(29,518,168)	(29,596,000)	(77,832)	(21,836,557)
Net Cash Provided by (Used In) Capital and Related Financing Activities	(383,942,131)	(366,491,188)	17,450,943	130,251,545
Cash Flows from Investing Activities:				
Proceeds from sale of investments	496,107,020	388,882,564	(107,224,456)	225,733,705
Interest on investments	15,089,691	28,359,812	13,270,121	29,716,124
Purchases of investments	(228,628,000)	(394,846,162)	(166,218,162)	(321,814,672)
Net Cash Provided By (Used In) Investing Activities	282,568,711	22,396,214	(260,172,497)	(66,364,843)
Net Increase in Cash and Cash Equivalents	7,432,273	(214,461,144)	(221,893,417)	186,414,562
Cash and Cash Equivalents, Beginning of Year	253,948,243	280,705,124	26,756,881	94,290,562
Cash and Cash Equivalents, End of Year	\$ 261,380,516	\$ 66,243,980	\$ (195,136,536)	\$ 280,705,124
Cash and Cash Equivalents Balances:				
Unrestricted cash and cash equivalents	\$ 83,371,625	\$ 21,129,610	\$ (62,242,015)	\$ 85,543,866
Restricted cash and cash equivalents	178,008,891	45,114,370	(132,894,521)	195,161,258
Cash and Cash Equivalents, End of Year	\$ 261,380,516	\$ 66,243,980	\$ (195,136,536)	\$ 280,705,124



Massive influent pipes feeding the Flamingo Plant

A stylized graphic of two overlapping waves. The outer wave is light blue and the inner wave is light teal. They are both curved, with the inner wave nested inside the outer one.

Statistical Section (Unaudited)

The
"Clean
Water Team"

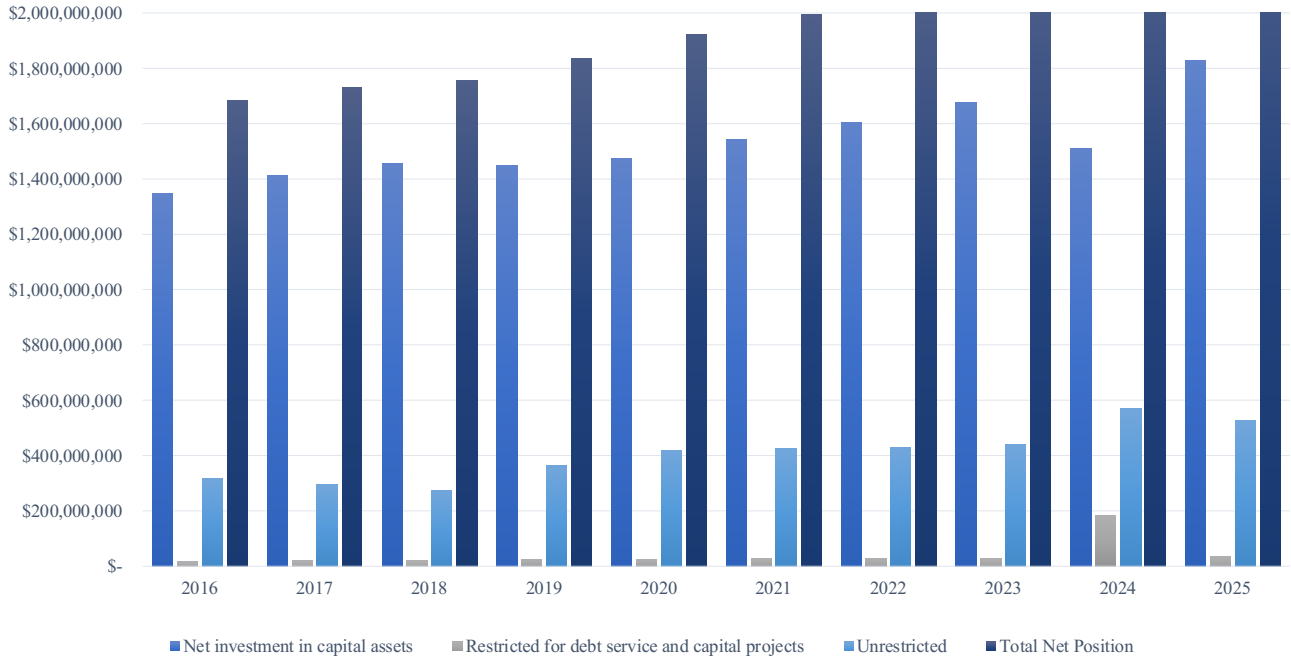
STATISTICAL SECTION

This section of the Clark County Water Reclamation District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</i>	60
Revenue Capacity <i>These schedules contain information to help the reader assess the District's most significant local revenue sources.</i>	63
Debt Capacity <i>This schedule presents 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.</i>	66
Operating Information <i>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.</i>	67
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</i>	71

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

	2016	2017	2018	2019	2020	2021	Restated 2022	2023	2024	2025
Net investment in capital assets	\$ 1,350,781,565	\$ 1,415,191,745	\$ 1,459,503,457	\$ 1,448,733,351	\$ 1,477,040,054	\$ 1,541,975,538	\$ 1,606,603,002	\$ 1,678,044,240	\$ 1,510,586,855	\$ 1,828,805,551
Restricted for debt service and capital projects	18,101,174	19,010,619	20,548,092	22,840,446	24,063,952	26,273,062	26,193,105	26,914,208	185,049,081	36,724,209
Unrestricted	317,912,961	297,922,927	277,420,165	365,583,196	421,134,617	426,207,758	432,387,183	440,100,352	570,448,847	527,498,591
Total Net Position	<u>\$ 1,686,795,700</u>	<u>\$ 1,732,125,291</u>	<u>\$ 1,757,471,714</u>	<u>\$ 1,837,156,993</u>	<u>\$ 1,922,238,623</u>	<u>\$ 1,994,456,358</u>	<u>\$ 2,065,183,290</u>	<u>\$ 2,145,058,800</u>	<u>\$ 2,266,084,783</u>	<u>\$ 2,393,028,351</u>

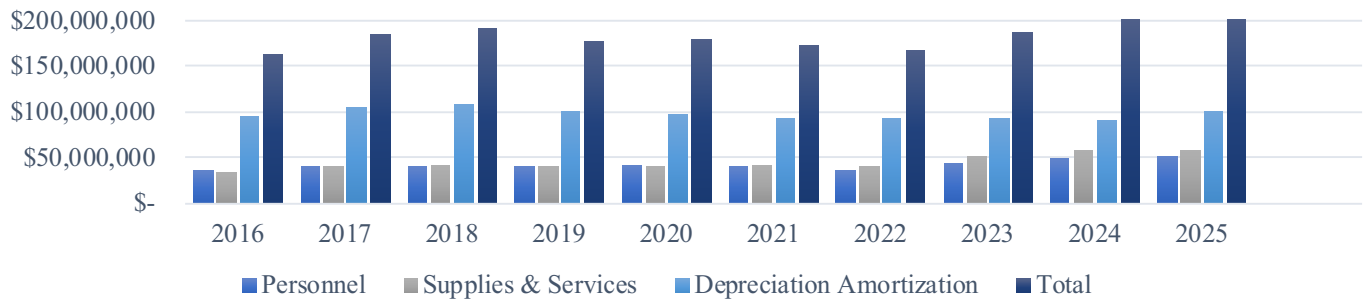


Clark County Water Reclamation District
Changes in Net Position
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	Restated 2022 *	2023	2024	2025
Operating Revenues:										
Service Fees	\$ 143,142,433	\$ 145,560,887	\$ 147,311,016	\$ 151,779,428	\$ 159,171,820	\$ 162,332,747	\$ 173,745,086	\$ 181,277,137	\$ 189,798,718	\$ 207,205,888
Connection Fees	19,481,062	23,329,406	26,788,540	30,463,343	24,942,388	25,948,289	34,747,232	26,648,512	31,833,101	22,845,233
Other	2,441,918	2,327,450	1,914,492	9,075,866	1,875,003	1,934,167	1,673,444	1,646,206	3,294,262	9,153,867
Total Operating Revenues	165,065,413	171,217,743	176,014,048	191,318,637	185,989,211	190,215,203	210,165,762	209,571,855	224,926,081	239,204,988
Non-Operating Revenues:										
Sales tax apportionment	17,717,754	18,544,504	19,623,239	20,802,775	20,167,397	21,887,964	26,752,260	28,525,841	29,401,139	28,967,786
Investment income (loss)	7,433,893	1,157,151	389,193	20,077,092	27,266,630	(285,800)	(27,151,876)	4,372,232	46,116,591	42,649,712
Other non-operating revenue, net	(1,247,980)	(1,245,427)	73,397	415,761	150,462	546,617	2,094,557	67,579	130,773	249,143
Total Non-Operating Revenues	23,903,667	18,456,228	20,085,829	41,295,628	47,584,489	22,148,781	1,694,941	32,965,652	75,648,503	71,866,641
Total Revenues	188,969,080	189,673,971	196,099,877	232,614,265	233,573,700	212,363,984	211,860,703	242,537,507	300,574,584	311,071,629
Operating Expenses:										
Salaries	24,504,234	25,990,677	26,020,723	26,521,049	27,534,545	27,137,305	28,422,465	29,633,055	32,066,668	34,337,666
Benefits	10,628,886	14,182,150	13,804,234	12,393,847	14,436,481	12,562,050	6,561,359	14,145,072	18,004,587	17,492,015
Utilities	10,830,647	10,945,924	10,922,926	10,562,923	9,905,705	9,260,644	10,318,823	11,619,289	14,043,836	13,568,252
Outside services	7,597,305	7,806,781	8,716,571	8,193,959	7,878,695	8,248,855	8,494,970	10,955,237	11,371,373	8,736,153
Chemicals	4,870,869	4,899,456	4,685,017	5,426,854	5,767,417	5,897,429	6,508,310	8,726,810	9,303,873	9,048,315
Maintenance	4,750,373	4,691,915	4,847,207	6,106,445	8,397,330	7,332,311	5,670,355	10,846,715	10,200,236	9,240,054
Other expenses	2,195,097	5,004,245	2,318,255	2,579,808	2,738,015	3,134,198	3,609,737	3,502,701	4,518,229	9,576,701
Supplies	4,158,204	6,179,214	4,608,702	5,103,413	5,282,847	4,966,851	5,673,456	5,282,949	5,760,452	6,578,990
Impairment and other losses	7,579,236	15,671,195	15,164,084	1,025,055	170,506	2,425,513	308,902	534,582	3,214,553	22,108
Depreciation	87,181,087	89,755,508	99,673,167	100,262,055	97,699,050	92,289,781	92,370,393	92,164,360	91,619,169	100,093,459
Total Operating Expenses	164,295,938	185,127,065	190,760,886	178,175,408	179,810,591	173,254,937	167,938,770	187,410,770	200,102,976	208,693,713
Interest expense-bonds, net of capitalized interest	9,500,993	4,023,588	13,814,314	16,832,937	16,140,419	10,740,857	13,654,649	13,011,974	28,295,028	26,446,058
Total Expenses	173,796,931	189,150,653	204,575,200	195,008,345	195,951,010	183,995,794	181,593,419	200,422,744	228,398,004	235,139,771
Income (Loss) Before Capital Contributions	15,172,149	523,318	(8,475,323)	37,605,920	37,622,690	28,368,190	30,267,284	42,114,763	72,176,580	75,931,858
Capital Contributions:										
Contributed assets	51,375,748	44,806,273	33,821,746	42,079,359	47,458,939	43,849,545	40,459,648	37,760,747	48,849,403	51,011,710
Total Change in Net Position	\$ 66,547,897	\$ 45,329,591	\$ 25,346,423	\$ 79,685,279	\$ 85,081,629	\$ 72,217,735	\$ 70,726,932	\$ 79,875,510	\$ 121,025,983	\$ 126,943,568

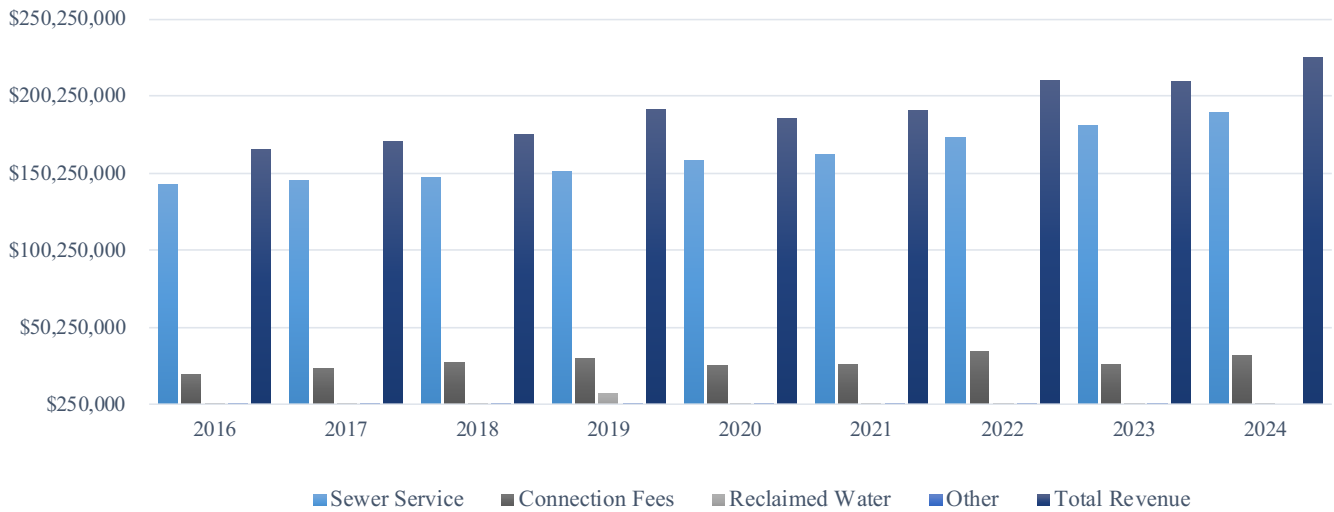
Clark County Water Reclamation District
Operating Expense by Function
Last Ten Fiscal Years

Fiscal Year	Personnel	% of Annual	Supplies and Services	% of Annual	Depreciation Amortization	% of Annual	Total
2016	35,133,120	21.38%	34,402,495	20.94%	94,760,323	57.68%	164,295,938
2017	40,172,827	21.70%	39,527,535	21.35%	105,426,703	56.95%	185,127,065
2018	39,824,957	20.88%	41,749,539	21.89%	109,186,390	57.24%	190,760,886
2019	38,914,896	21.84%	38,998,457	21.89%	100,262,055	56.27%	178,175,408
2020	41,971,026	23.34%	40,140,515	22.32%	97,699,050	54.33%	179,810,591
2021	39,699,355	22.91%	41,265,801	23.82%	92,289,781	53.27%	173,254,937
2022	34,983,824	20.83%	40,584,553	24.17%	92,370,393	55.00%	167,938,770
2023	43,778,127	23.36%	51,468,283	27.46%	92,164,360	49.18%	187,410,770
2024	50,071,255	25.02%	58,412,552	29.19%	91,619,169	45.79%	200,102,976
2025	51,829,681	24.84%	56,770,573	27.20%	100,093,459	47.96%	208,693,713



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

Fiscal Year	Sewer Service	% of Annual	Connection Fees	% of Annual	Reclaimed Water Sales	% of Annual	Other	% of Other	Total Revenue
2016	143,142,433	86.72%	19,481,062	11.80%	938,717	0.57%	1,503,201	0.91%	165,065,413
2017	145,560,887	85.02%	23,329,406	13.63%	1,273,879	0.74%	1,053,571	0.62%	171,217,743
2018	147,311,016	83.69%	26,788,540	15.22%	872,361	0.50%	1,042,131	0.59%	176,014,048
2019	151,779,428	79.33%	30,463,343	15.92%	8,020,378	4.19%	1,055,488	0.55%	191,318,637
2020	159,171,820	85.58%	24,942,388	13.41%	539,510	0.29%	1,335,493	0.72%	185,989,211
2021	162,332,747	85.34%	25,948,289	13.64%	674,979	0.35%	1,259,188	0.66%	190,215,203
2022	173,745,086	82.67%	34,747,232	16.53%	543,091	0.26%	1,130,353	0.54%	210,165,762
2023	181,277,137	86.50%	26,648,512	12.72%	438,932	0.21%	1,207,274	0.58%	209,571,855
2024	189,798,718	84.38%	31,833,101	14.15%	490,425	0.22%	2,803,837	1.25%	224,926,081
2025	207,205,888	86.62%	22,845,233	9.55%	1,160,834	0.49%	7,993,033	3.34%	239,204,988

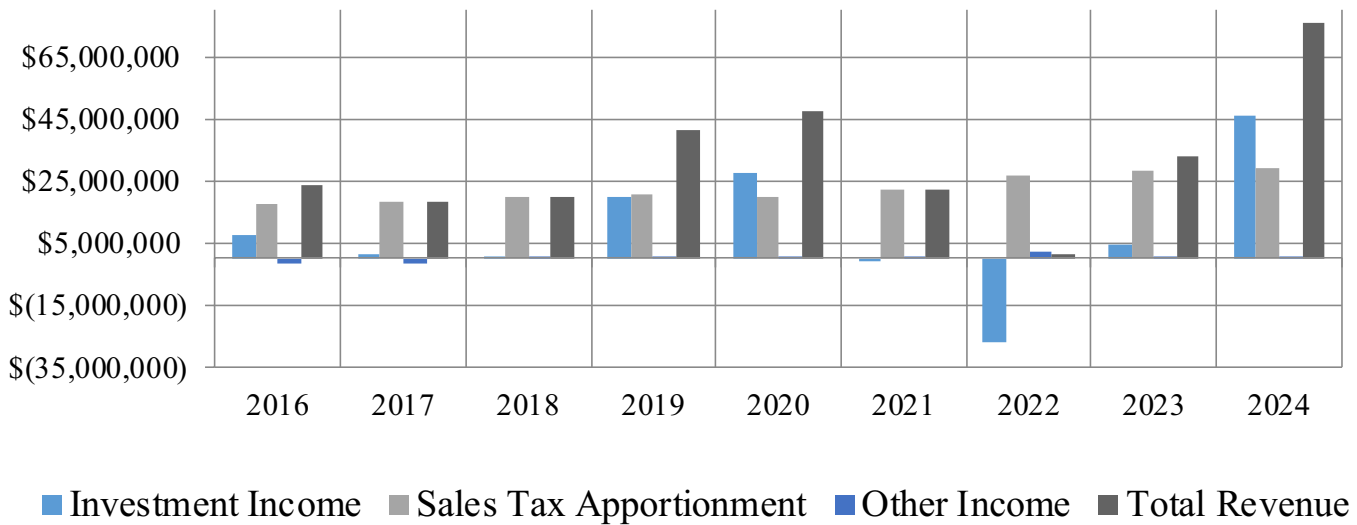


Clark County Water Reclamation District

Non-Operating Revenue by Source

Last Ten Fiscal Years

Fiscal Year	Investment Income	Sales Tax Apportionment	Other Income	Total Revenue
2016	7,433,893	17,717,754	(1,247,980)	23,903,667
2017	1,157,151	18,544,504	(1,245,427)	18,456,228
2018	389,193	19,623,239	73,397	20,085,829
2019	20,077,092	20,802,775	415,761	41,295,628
2020	27,266,630	20,167,397	150,462	47,584,489
2021	(285,800)	21,887,964	546,617	22,148,781
2022	(27,151,876)	26,752,260	2,094,557	1,694,941
2023	4,372,232	28,525,841	67,579	32,965,652
2024	46,116,591	29,401,139	130,773	75,648,503
2025	42,649,712	28,967,786	249,143	71,866,641



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

Customer	2025				2015			
	Rank	ERU's Billed 7/1/2025	Percentage of Total ERU's	Dollar Amount Billed 7/1/2025	Rank	ERU's Billed 7/1/2015	Percentage of Total ERU's	Dollar Amount Billed 7/1/2015
MANDALAY BAY RESORT CASINO	1	10,293	1.38%	\$ 2,816,416	2	9,715	1.42%	\$ 1,914,598
CITY CENTER	2	10,045	1.35%	2,732,544	1	9,750	1.42%	2,145,599
MGM GRAND HOTEL	3	8,675	1.16%	2,373,825	3	8,174	1.19%	1,828,022
CAESARS PALACE	4	7,747	1.04%	2,118,644	4	7,614	1.11%	1,683,678
FONTAINEBLEAU LAS VEGAS	5	7,227	0.97%	1,971,768	-	-	-	-
RESORTS WORLD	6	7,060	0.95%	1,760,620	-	-	-	-
BELLAGIO HOTEL & CASINO	7	6,985	0.94%	1,766,079	6	6,916	1.01%	1,527,596
VENETIAN HOTEL CASINO	8	6,916	0.93%	1,706,487	5	7,485	1.09%	1,643,434
WYNN LAS VEGAS HOTEL CASINO	9	6,517	0.87%	1,650,753	8	5,507	0.80%	1,219,502
NELLIS AIR FORCE BASE	10	5,580	0.75%	1,386,018	7	5,580	0.81%	1,150,375
COSMOPOLITAN LAS VEGAS	-	-	0.00%	-	9	5,187	0.76%	1,252,967
MIRAGE HOTEL & CASINO	-	-	0.00%	-	10	4,989	0.73%	1,103,597

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

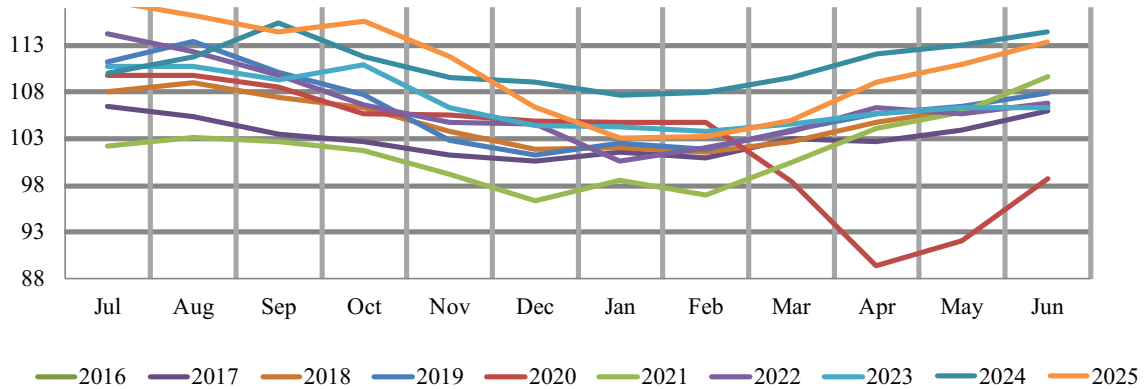
Fiscal Year	General Obligation Bonds	Issuance Premiums / Discounts	Subscription IT Liabilities	Total Debt	Percentage of Personal Income *	Per Capita	Restricted Resources	Net Bonded Debt	Percentage of Personal Income *	Per Capita
2016	478,124,759	11,973,606	-	490,098,365	52%	222.25	17,259,673	472,838,692	50%	214.42
2017	463,437,944	41,961,762	-	505,399,706	51%	224.78	17,505,044	487,894,662	50%	217.00
2018	449,814,449	39,963,582	-	489,778,031	47%	214.38	18,401,792	471,376,239	45%	206.33
2019	435,097,748	37,965,402	-	473,063,150	42%	203.40	20,082,529	452,980,621	40%	194.76
2020	419,334,986	35,967,222	-	455,302,208	38%	191.57	21,528,878	433,773,330	36%	182.51
2021	402,858,227	29,257,999	-	432,116,226	32%	185.21	21,925,421	410,190,805	31%	175.81
2022	385,634,444	26,226,908	4,227,748	416,089,100	30%	181.74	21,376,886	394,712,214	28%	172.40
2023	371,030,523	23,343,512	4,275,062	398,649,097	29%	177.50	22,050,429	376,598,668	27%	167.68
2024 *	688,803,258	58,359,296	3,321,672	750,484,226	55%	334.16	180,135,820	570,348,406	42%	253.95
2025 *	664,292,502	53,777,240	3,550,739	721,620,481	48%	301.62	30,651,650	690,968,831	46%	288.81

* Total Personal Income are not available for 2024 and 2025 therefore, numbers from 2023 are used and Population for 2024 and 2025; are 2024 population numbers used to calculate the percentage
Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Source: District Finance Service Group

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
July	102.01	106.49	108.04	111.17	109.74	102.12	114.18	110.64	110.07	117.75
August	102.79	105.37	108.94	113.39	109.74	103.15	112.23	110.64	111.75	116.15
September	100.98	103.39	107.38	110.11	108.48	102.59	109.79	109.22	115.43	114.48
October	101.85	102.70	106.37	107.70	105.63	101.73	106.58	110.94	111.72	115.54
November	100.75	101.31	103.75	102.86	105.45	99.13	104.75	106.35	109.60	111.76
December	98.69	100.58	101.86	101.31	104.93	96.37	104.50	104.32	109.01	106.42
January	98.82	101.50	102.07	102.48	104.74	98.48	100.59	104.30	107.69	103.10
February	98.45	100.91	101.52	101.90	104.72	97.05	102.07	103.76	107.97	103.21
March	98.93	102.93	102.61	104.00	98.35	100.42	103.72	104.62	109.56	105.03
April	100.04	102.69	104.73	105.63	89.42	104.07	106.28	105.60	111.99	109.04
May	100.52	103.96	106.20	106.42	92.00	105.77	105.74	106.36	113.01	110.94
June	102.83	105.98	106.46	107.84	98.74	109.55	106.70	106.34	114.45	113.39
Annual Average	100.56	103.15	104.99	106.23	102.66	101.70	106.43	106.92	111.02	110.57



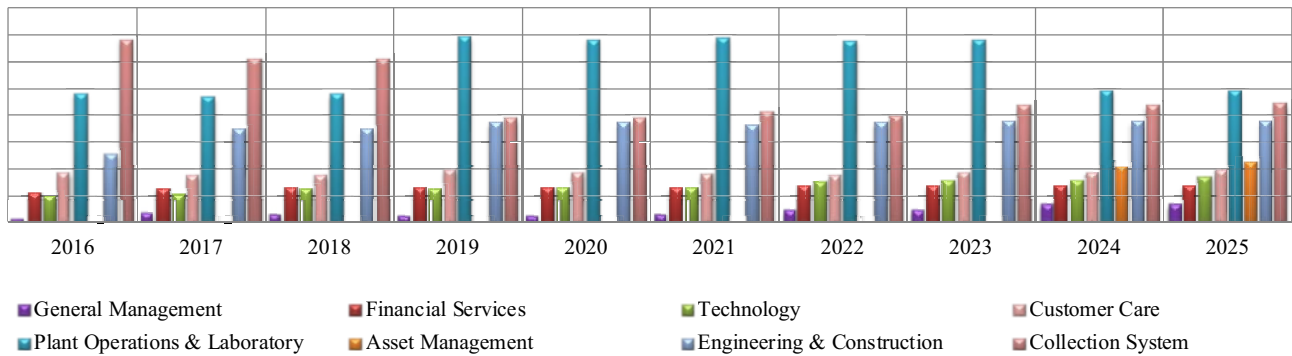
Clark County Water Reclamation District
Schedule of Insurance Policies in Force
Year Ended June 30, 2025

Amount of Policy	Description of Risk Covered	Insurer	Expiration Date
Statutory Limit	Excess Workmen's Compensation (\$750,000 SIR)	Safety National Casualty Corporation	September 1, 2026
\$1,000,000	Employer's Liability		
\$500,000,000 (Limit) \$10,000,000 (Sublimit) - New Construction, Earthquake, Flood (\$20M aggregate flood Zone A, B and X) \$100,000,000 (Sublimit) Boiler and Machinery \$300,000,000 (Sublimit) Acts of Terrorism	Property	Travelers Indemnity Company	September 1, 2026
\$2,000,000	Employed Lawyers Professional Liability	Intact Insurance/Atlantic Specialty	September 1, 2026
\$10,000,000 Per Occurrence \$1,000,000 Response Consultant Coverage \$11,000,000 Maximum Recoverable	Active Assailant	Lloyd America Inc.	September 1, 2026
\$1,000,000 Forgery or Alteration (Limit) \$1,000,000 On Premises (Limit) \$1,000,000 In Transit (Limit) \$1,000,000 Computer Crime (Limit) \$15,000 Claim Expense (Limit)	Crime (\$25k SIR)	Travelers Casualty Surety Company America	September 1, 2028
\$2,000,000	Cyber Policy	Arch/Coalition Insurance Solutions	October 1, 2025
\$10,000,000 Each Occurrence and Aggregate \$10,000,000 Employee Benefits \$10,000,000 Automobile Liability \$10,000,000 Public Officials Liability \$9,000,000 Employment Practices Liability - EXWC	General Liability (\$250k SIR) (\$1.75M SIR on EPLI)	Obsidian Specialty	September 1, 2026
\$50,000,000	Builders Risk	Great American Insurance Company	September 1, 2026
\$99,703,541	Builders Risk - Whitney Lift Station	XL Insurance America Inc.	March 23, 2027

Prepared by Tara Teegarden

Clark County Water Reclamation District
Budget Approved Full -Time Positions by Service Center
Last Ten Fiscal Years

Service Centers	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Management & Strategic Services	3	7	6	5	5	6	9	9	13	13
Financial Services	22	25	26	26	26	26	27	27	27	27
Technology Services	20	21	25	25	26	26	30	31	31	34
Customer Care	36	34	34	38	36	35	34	36	36	38
Plant Operations & Laboratory	96	93	95	138	136	137	135	136	98	98
Asset Management*	0	0	0	0	0	0	0	0	42	45
Engineering & Construction	51	69	69	74	74	72	74	75	75	75
Collection System	136	122	122	77	77	82	79	87	87	88
Total	364	371	377	383	380	384	388	401	409	418

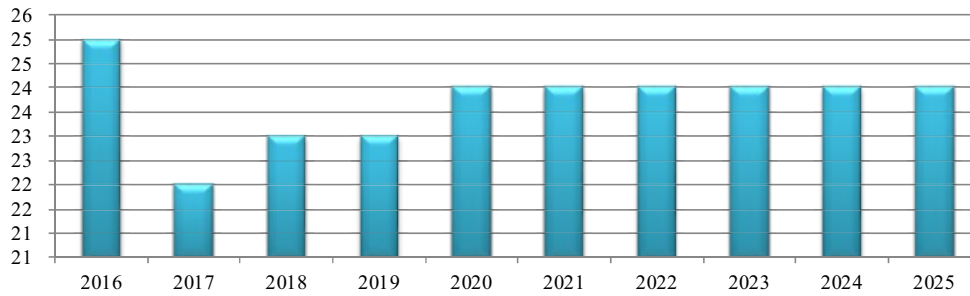


*Asset Management included in Plant Operations & Laboratory prior to 2024

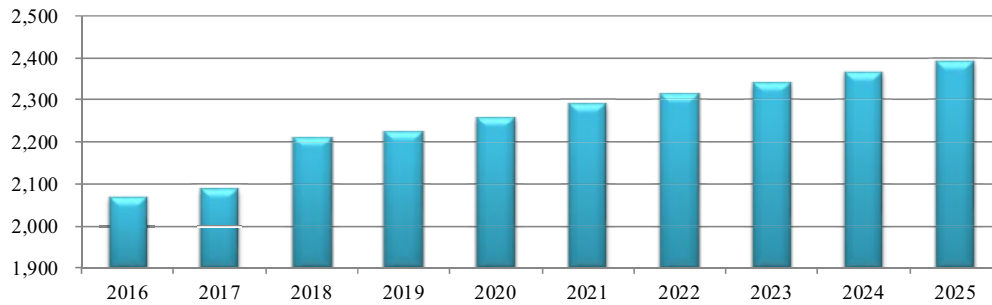
**Clark County Water Reclamation District
Capital Asset Statistics by Function
Last Ten Fiscal Years**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sewer Lift/Pump Station Total	25	22	23	23	24	24	24	24	24	24
Miles of Sewer Pipelines	2,067	2,087	2,209	2,225	2,258	2,289	2,314	2,338	2,367	2,393
Sewer Manhole Total	43,822	45,578	46,532	47,308	48,234	49,067	49,759	50,357	51,209	51,977

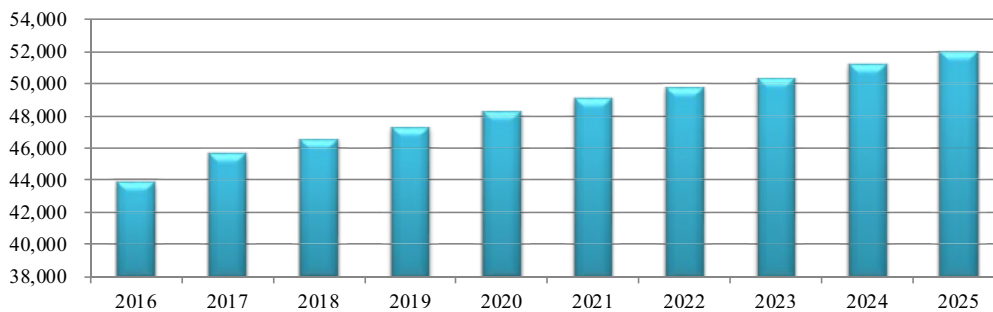
Sewer Lift/Pump Station Total



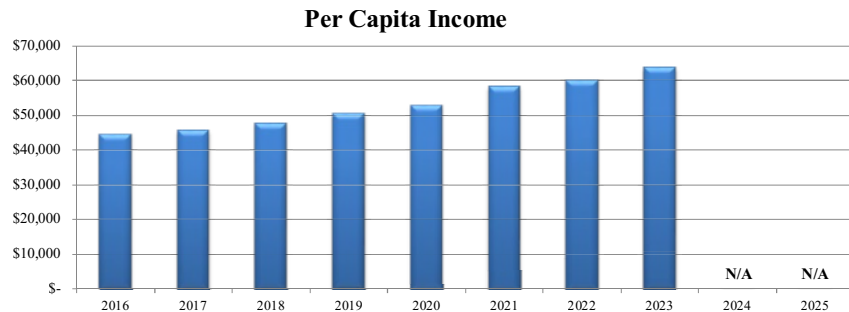
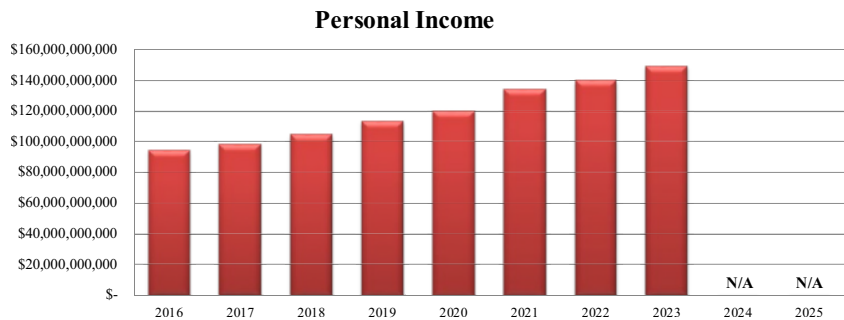
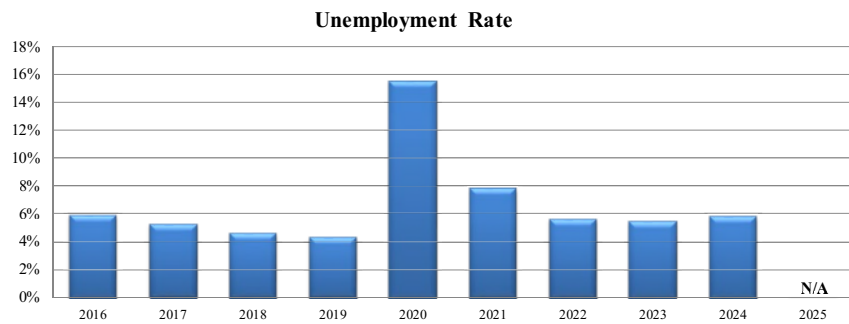
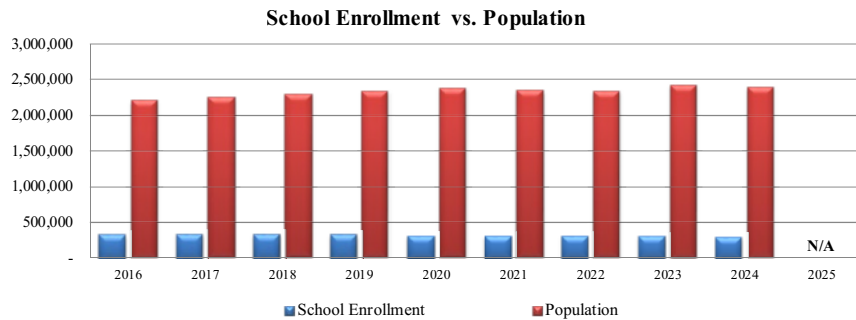
Miles of Sewer Pipelines



Sewer Manhole Total



Clark County Demographic Statistics Charts



Source: Population-Clark County Department of Comprehensive Planning
 Personal Income-University of Nevada, Las Vegas (data revisions per Bureau of Economic Analysis)
 Per Capita Income-University of Nevada, Las Vegas (data revisions per Bureau of Economic Analysis)
 School Enrollment-Clark County School District
 Unemployment Rate-Bureau of Labor Statistics (annual averages)

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

Industry	2025			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Accommodation and food services	263,173	1	17.28%	266,144	1	22.77%
Retail Trade	141,831	2	9.31%	124,100	2	10.62%
Health care and social assistance	127,645	3	8.38%	87,939	3	7.52%
Administrative, support, waste management and remediation services	116,287	4	7.63%	86,039	-	7.36%
Transportation and warehousing	115,664	5	7.59%	44,366	4	3.80%
Finance and insurance	95,406	6	6.26%	61,773	8	5.28%
Real estate, rental and leasing	95,228	7	6.25%	68,624	5	5.87%
Construction	93,558	8	6.14%	56,284	10	4.82%
Professional, scientific and technical services	88,272	9	5.80%	62,955	7	5.39%
Local government	72,345	10	4.75%	66,331	6	5.67%
Other services (except government)	-	-	-	54,599	9	4.67%
Total for Principal Industries	1,209,409		79.41%	979,154		83.77%

Source: United States Bureau of Economic Analysis; CAEMP25N Total Full-Time and Part-Time Employment by NAICS Industry 1 for Clark County
2025 data is from 2022 as this is the most recent data available.

Technical Terms

AAL	Actuarial Accrued Liability
Annual Report	Annual Comprehensive Financial Report
ARC	Annual Required Contribution
ARRA	American Reinvestment and Recovery Act
CAFB	Creech Air Force Base
CBER	Center for Business and Economic Research
COUNTY PLAN	Clark County Retiree Health Program
CWC	Clean Water Coalition
DBWRC	Desert Breeze Water Resource Center
EMMA	Electronic Municipal Market Access
EPC	Employer-Pay Contribution
EPO	Exclusive Provider Organization
ERU	Equivalent Residential Unit
FASB	Financial Accounting Standards Board
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
HPN	Health Plan of Nevada
LVVWD	Las Vegas Valley Water District
MD&A	Management Discussion and Analysis
MGD	Million Gallons per Day
N/A	Not Applicable
NDI	Nevada Department of Insurance
NRS	Nevada Revised Statute
O&M	Operations and Maintenance
OPEB	Other Postemployment Benefits
PEBP	Public Employee Benefit Program
PERS	Public Employees Retirement System
SDA	System Development Approval
Self-Funded Plan	Clark County Self-Funded Group Medical and Dental Benefits Plan
SIR	Self-insured Retention
The Board	Board of Trustees
The County	Clark County, Nevada
The District	Clark County Water Reclamation District
The System	State of Nevada Public Employees' Retirement System
UAAL	Unfunded Actuarial Accrued Liability
UNLV	University of Nevada Las Vegas
USAF	United States Air Force

A stylized wave logo consisting of three overlapping curved shapes. The top shape is light blue, the middle is a lighter blue, and the bottom is a teal color. The text "Compliance Section" is centered over the wave.

Compliance Section

The
"Clean
Water Team"



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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable Clark County Water Reclamation District Board of Trustees
Clark County Water Reclamation District, 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 Clark County Water Reclamation District (the District), a component unit of Clark County, Nevada, which comprise the District's statement of financial position as of June 30, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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 entity's 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's 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 financial statements. 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*.

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Purpose of This Report

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

BDO USA, P.C.

Las Vegas, Nevada
November 13, 2025

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE 2026 BOND RESOLUTION

The following statements are summaries of certain provisions of the 2026 Bond Resolution. Such statements do not purport to be complete and reference is made to the 2026 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 2026 Bond Resolution are defined substantially as follows:

“2026 Bond Fund” means, collectively, the “Clark County Water Reclamation District, Nevada, General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2026, Principal Account” and the “Clark County Water Reclamation District, Nevada, General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2026, Interest Account” created by the 2026 Bond Resolution.

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

For purposes of computing the Bond Requirements of variable interest rate Superior Securities or Parity Securities with respect to which a Qualified Swap is in effect, the interest payable on such variable interest rate securities (a) except as provided in clause (b) of this sentence, shall be deemed to be the interest payable on such variable interest rate securities in accordance with the terms thereof plus any amount required to be paid by the District to the Qualified Swap Provider pursuant to the Qualified Swap or minus any amount required to be paid by the Qualified Swap Provider to the District pursuant to the Qualified Swap; or (b) for purposes of computing combined average annual principal and interest requirements, for purposes of computing the maximum annual principal and interest requirements, and for purposes of any other computation for the issuance of additional Superior Securities 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 2026 Bond Resolution shall take into account payments due the Qualified Swap Provider on the termination of the Qualified Swap unless such payments on termination are then unconditionally due and payable in accordance with the terms of the related Qualified Swap.

For purposes of computing the Bond Requirements of a Qualified Swap with respect to which no Superior Securities or Parity Securities remain Outstanding or of that portion of a Qualified Swap with respect to which the notional amount is greater than the principal amount of Outstanding Superior Securities or Parity Securities to which such Qualified Swap relates, (a) for purposes of the “Flow of Funds” below, as further described in the 2026 Bond Resolution, the interest payable thereon shall be deemed to be the net amount positive or negative, if any, required to be paid by the District to the Qualified Swap Provider pursuant to the Qualified Swap, and (b) for

purposes of any computation of Bond Requirements for a period after the date of computation, the interest payable thereon shall be deemed to be the net amount most recently paid, as of the date of computation, by the District to the Qualified Swap Provider thereunder or (expressed as a negative number) by the Qualified Swap Provider to the District thereunder.

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

“2015 Bonds” means the Clark County Water Reclamation District, Nevada, General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2015.

“2016 Bonds” means the Clark County Water Reclamation District, Nevada, General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2016.

“combined average annual principal and interest requirements” means (i) the sum of the Bond Requirements of the Bonds and any other Superior Securities and Parity Securities payable from the Net Pledged Revenues, which Bond Requirements come due during any fiscal year from the date of calculation to the last day on which any of the Bonds are due and payable, but not including any securities which are no longer Outstanding under the defeasance provisions of the 2026 Bond Resolution, (ii) divided by the number of years (including any fraction thereof) from the date of the calculation of the combined average annual principal and interest requirements to the last day on which any of the Bonds are due and payable. If any Superior Security or Parity Security bears interest at a variable interest rate and is not covered by a Qualified Swap, the rate of interest used in the foregoing test shall be the lesser of the maximum permitted rate of interest on those Superior Securities and Parity Securities or a rate equal to the “25 Bond Revenue Index” as most recently published in The Bond Buyer prior to the date a firm offer to purchase the then proposed Superior Securities or Parity Securities is accepted by the District or if such index is no longer published, such other similar long-term bond index as the District reasonably selects.

“combined maximum annual principal and interest requirements” means the maximum sum of the principal of and the interest (including any payments to be made (positive or negative) on any Qualified Swap as provided in the definition of “Bond Requirements”) on the Bonds and any other Superior Securities or Parity Securities, falling due during any one fiscal year for the period beginning with the fiscal year in which such computation is made and ending with the fiscal year in which any Bonds last become due and payable but not including any securities which are no longer Outstanding under the defeasance provisions of the 2026 Bond Resolution. If any Superior Security or Parity Security bears interest at a variable interest rate and is not covered by a Qualified Swap, the rate of interest used in the foregoing test shall be the lesser of the maximum permitted rate of interest on those Superior Securities or Parity Securities or a rate equal to the “25 Bond Revenue Index” as most recently published in The Bond Buyer prior to the date an firm offer to purchase the then proposed Superior Securities or Parity Securities is accepted by the District or if such index is no longer published, such other securities index as the District reasonably selects.

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

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

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

“Net Pledged Revenues” means the Gross Revenues remaining after the deduction of Operation and Maintenance Expenses.

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

(a) engineering, auditing, reporting, legal and other overhead expenses relating to the administration, operation and maintenance of the System;

(b) fidelity bond and property and liability insurance premiums pertaining to the System or a reasonably allocable share of a premium of any blanket bond or policy pertaining to the System;

(c) payments to pension, retirement, health and hospitalization funds, and other insurance and to any self-insurance fund as insurance premiums not in excess of such premiums which would otherwise be required for such insurance;

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

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

(f) contractual services, professional services, salaries, other administrative expenses and costs of materials, supplies, repairs and labor pertaining to the System or to the issuance of the Bonds as

defined in the 2026 Bond Resolution, or any other securities relating to the System, including, without limitation, the expenses and compensation of any receiver or other fiduciary under the Bond Act (as defined in the 2026 Bond Resolution);

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

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

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

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

but excluding:

(i) any allowance for depreciation;

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

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

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

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

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

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

“Outstanding” when used with reference to the Bonds or any other designated securities payable from Net Pledged Revenues and as of any particular date means all of the Bonds in any manner theretofore and thereupon being executed and delivered:

(a) Except any bond or other security canceled by the District, the Paying Agent or otherwise on the District's behalf, at or before such date;

(b) Except any bond or other security for the payment or the redemption of which moneys at least equal to its Bond Requirements to the date of maturity or to any Redemption Date shall have heretofore been deposited with a trust bank in escrow or in trust for that purpose; and

(c) Except any bond or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered.

"Parity Securities" means the 2015 Bonds, the 2016 Bonds, 2026 Bonds and any other securities of the District pertaining to the System and payable from and secured by the Net Pledged Revenues on a parity with the Bonds, to the extent issued in accordance with the terms, conditions and limitations of the 2026 Bond Resolution.

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

"Qualified Swap Provider" means a financial institution whose senior long-term debt obligations, or whose obligations under a Qualified Swap are guaranteed by a financial institution whose senior long term debt obligations, are rated by whichever of S&P Global Ratings or Moody's Ratings 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 S&P Global Ratings, or the equivalent thereof.

"Refunded Bonds" means the 2015 Bonds and the 2016 Bonds designated in the Certificate of the General Manager.

"Subordinate Securities" means the 2012 Bond, the 2011 Bond, the 2009C Bond and any other securities of the District pertaining to the System and payable from and secured by the Net Pledged Revenues subordinate and junior to the pledge thereof to the Bonds, the Parity Securities and the Superior Securities, to the extent issued in accordance with the terms, conditions and limitations of the 2026 Bond Resolution.

"Superior Securities" means securities of the District pertaining to the System and payable from and secured by the Net Pledged Revenues superior and senior to the pledge thereof to

the Bonds, the Parity Securities and the Subordinate Securities, to the extent issued in accordance with the terms, conditions and limitations of the 2026 Bond Resolution.

“System” means the District’s public sanitary sewer system, known as the water reclamation system.

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

“Trust Bank” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation and of the Federal Reserve System, is located within the United States, and has a capital and surplus of \$100,000,000 or more, which bank is authorized to exercise and is exercising trust powers, and also means any branch of the Federal Reserve Bank.

Security for the Bonds

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

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

Refunding Account

The Refunding Account shall be maintained by the District in an amount at the time of those initial deposits therein at least sufficient to pay the principal of and interest due in connection with the Refunded Bonds, both accrued and not accrued, as the same become due up to and including the redemption date of the Refunded Bonds (the "Refunded Redemption Date"); and to redeem, on the Refunded Redemption Date, all of the Refunded Bonds then outstanding, for the principal amount thereof and accrued interest to the Refunded Redemption Date.

Moneys shall be withdrawn by the District from the Refunding Account in sufficient amounts and at such times to permit the payment without default of principal of and interest due in connection with the Refunded Bonds on the Refunded Redemption Date.

If for any reason the amount in the Refunding Account shall at any time be insufficient for its purpose, the District shall forthwith from the first moneys available therefor deposit in such account such additional moneys as shall be necessary to permit the payment in full of the principal and interest due in connection with the Refunded Bonds as provided in the 2026 Refunding Bond Resolution.

Flow of Funds

All Gross Revenues, upon their receipt from time to time by the District, shall be deposited into the “Clark County Water Reclamation District, Nevada, Reclamation System Gross Pledged Revenues Fund” (the “Revenue Fund”). After making payments for the Operation and Maintenance Expenses into the “Clark County Water Reclamation District, Nevada, Reclamation System Facilities Operation and Maintenance Fund” and transferring the required sums into the funds for any Superior Securities (i.e., including any superior bond fund, rebate fund, reserve fund and payments due on any Qualified Swap as provided in the 2026 Bond Resolution) monies in the Revenue Fund shall be transferred on the first day of each month in the following order:

(a) To the 2026 Bond Fund, simultaneously with any required transfers to the bond funds for any other Parity Securities, commencing on the first day of the month succeeding the delivery of the Bonds (after taking into account any accrued interest, if any, paid into the 2026 Bond Fund), a sum at least equal to the amount, if paid monthly, of the next maturing installment of interest on the Bonds, and monthly thereafter, one-sixth of the amount necessary to pay the next maturing installment of interest on the Bonds, and commencing twelve months before the first principal payment on the Bonds, one-twelfth of the amount necessary to pay the next installment of principal of the Bonds;

(b) Subsequent to the payments summarized in (a) above, there must be deposited into the “Clark County Water Reclamation District, Clark County, Nevada, General Obligation (Limited Tax) Water Reclamation Bonds (Additionally Secured by Pledged Revenues), Series 2026 Rebate Account (the “2026 Rebate Account”) (and any rebate funds or accounts for the Parity Securities) the amounts required pursuant to Section 148 of the Tax Code and the regulations thereunder;

(c) Subsequent to the payments summarized in (a) and (b) above, the District must make payments required for the payment of additional bonds or other additional securities payable from the Net Pledged Revenues and hereafter authorized to be issued in accordance with the 2026 Bond Resolution, including reasonable reserves for such securities and amounts required to be rebated to the United States for such securities, as the same accrue; and

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

No payment need be made into the 2026 Bond Fund if the amounts in the 2026 Bond Fund at least equal the entire amount of the Outstanding Bonds as to all Bond Requirements to their respective maturities both accrued and not accrued, in which case monies in the 2026 Bond Fund in an amount, except for any interest or other gain to accrue from any investment of monies in Federal Securities from the time of any such investment to the time or respective times the proceeds of any such investment or deposit shall be needed for such payment, at least equal to such Bond Requirements, shall be used together with any such gain from such investments, solely to pay such Bond Requirements as the same become due.

If at any time (including a date on which a payment under a Qualified Swap is due) the District shall for any reason fail to pay into the 2026 Bond Fund or the 2026 Rebate Account the full amount above stipulated from the Net Pledged Revenues, then an amount shall be paid first into the 2026 Bond Fund and second into the 2026 Rebate Account at such time as Net Pledged Revenues are available therefor equal to the difference between that paid from the Net Pledged Revenues and the full amount so stipulated. If any securities (other than the Bonds) are Outstanding, and if the proceedings authorizing issuance of those securities require the replacement of monies in a bond fund, reserve fund or rebate fund therefor, then the monies replaced in such bond fund, reserve fund or rebate fund shall be replaced on a pro rata basis related to the principal amount of the then Outstanding Bonds and the then Outstanding other Parity Securities, as moneys become available therefor, first into all of such bond and reserve funds and second into all such rebate funds.

Additional Superior Securities and Parity Securities

Nothing in the 2026 Bond Resolution, except as provided below, prevents the issuance by the District of additional securities payable from Net Pledged Revenues and constituting a lien thereon on a parity with, or constituting a lien thereon superior to the lien thereon of the Bonds, provided, however, that the following are express conditions to the authorization and issuance of any such Superior Securities or Parity Securities:

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

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

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

In any determination of whether or not additional Superior Securities or Parity Securities may be issued in accordance with the foregoing earnings test: (i) the respective annual

principal (or redemption price) and interest requirements shall be reduced to the extent such requirements are scheduled to be paid with moneys held in trust or in escrow for that purpose by any Trust Bank within or without the State, including the known minimum yield from any investment in Federal Securities; and (ii) the respective annual principal and interest requirements shall be reduced to the extent of the amount of principal and interest of any Outstanding securities with a term of one year or less which the General Manager or Chief Financial Officer certifies are expected to be refunded. The certificate shall also provide an estimate of the debt service for the long-term refunding obligations that will refund the securities with the term of one year or less, calculated based on an interest rate equal to the “25 Bond Revenue Index” most recently published in The Bond Buyer prior to the date of certification.

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

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

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

In connection with the authorization of any such additional securities the Board may on behalf of the District adopt any additional covenants or agreements with the holders of such additional securities; provided, however, that no such covenant or agreement may be in conflict with the covenants and agreements of the District contained in the 2026 Bond Resolution. 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 2026 Bond Resolution.

Nothing in the 2026 Bond Resolution prohibits the issuance of securities having a lien on the Net Pledged Revenues superior to the lien thereon of the Bonds, except that such Superior Securities may only be issued as special obligations and not as general obligations of the District.

Equality of Lien

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

Subordinate Securities

The 2026 Bond Resolution provides that the District may issue Subordinate Securities so long as the proceeds of the Subordinate Securities are used to pay costs (including, without limitation, incidental expenses) of a project for the betterment, enlargement, extension, other improvement or equipment of the System or any combination thereof.

Issuance of Refunding Bonds

At any time after the Bonds, or any part thereof, are issued and remain Outstanding, if the District shall find it desirable to refund any Outstanding Bonds or other Outstanding Parity or Subordinate Securities, such Bonds or other securities, or any part thereof, may be refunded only if the Bonds or other securities at the time or times of their required surrender for payment shall then mature or shall be then callable for prior redemption for the purpose of refunding them at the District's option upon proper call, unless the owner or owners of all such Outstanding securities consent to such surrender and payment, regardless of whether the priority of the lien for the payment of the refunding securities on the Net Pledged Revenues is changed (except as provided in the 2026 Bond Resolution).

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

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

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

- (i) Unless the refunding bonds or other refunding securities do not increase for any Bond Year the aggregate principal and interest requirements evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last redemption date, if any, whichever is later, of the unrefunded securities, and unless the lien of any refunding bonds or other

refunding securities on the Net Pledged Revenues is not raised to a higher priority than the lien thereon of the Bonds or other securities thereby refunded; or

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

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

Tax Covenant

The District covenants, in the 2026 Bond Resolution, for the benefit of the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the District or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Tax Code”), or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Tax Code. 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. The District makes no covenant with respect to taxation of interest on the Bonds as a result of the inclusion of that interest in the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code).

Rate Covenant

The District covenants in the 2026 Bond Resolution to charge against users or against purchasers of services or commodities pertaining to the System such fees, rates and other charges as shall be sufficient to produce Gross Revenues annually which, together with any other funds available therefor, will be in each Fiscal Year of the District at least equal to the sum of:

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

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

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

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

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

Operation of the System

The District shall at all times operate the System properly and in a sound and economical manner and shall maintain, preserve and keep the System properly, or cause the same so to be maintained, preserved and kept, in good repair, working order and condition. The District also shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted in conformity with standards customarily followed by municipalities operating sanitary sewer facilities of like size and character.

Except for the use of the System or services pertaining thereto in the normal course of business, neither all nor a substantial part of the System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of until all the Bonds have been paid in full, or unless provision has been made therefor as provided in the 2026 Bond Resolution.

Insurance

The District shall at all times 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 owners of the Bonds issued under the 2026 Bond Resolution. If any useful part of the works and properties of the System shall be damaged or destroyed, the District shall repair or replace the damaged works or properties so as to restore the same to use. The proceeds of any insurance policies covering any such loss or damage shall be payable to the District, and shall be applied to the District's reasonable and necessary reconstruction costs and, to the extent not so applied, shall be paid into the Revenue Fund and used in the same manner as other moneys in said fund.

Payment of Taxes

The District shall pay or cause to be paid all taxes, assessments and other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the System or any

part thereof, or upon any portion of the Gross Revenues, when the same shall become due. The District shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to the System or any part thereof, except for any period during which the validity of the same is being contested in good faith by proper legal proceedings. The District shall not create or suffer to be created any lien or charge on the System or any part thereof, or upon the Gross Revenues, except the pledge and lien created by the 2026 Bond Resolution for the payment of the Bonds and any other Outstanding Parity or Subordinate Securities issued in accordance with the 2026 Bond Resolution, and except as otherwise permitted in the 2026 Bond Resolution. The District shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or any part thereof, or upon the Gross Revenues. Nothing in the 2026 Bond Resolution requires the District to pay or cause to be discharged or to make provision for any such tax, assessment, lien, charge or demand before the time when payment thereon shall be due, or so long as the validity thereof shall be contested in good faith by appropriate legal proceedings.

Defeasance

When all Bond Requirements of any Bond have been duly paid, the pledge, the lien, and all obligations under the 2026 Bond Resolution will thereby be discharged and the Bond will no longer be deemed to be Outstanding within the meaning of the 2026 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 located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities in which such amount may be initially invested wholly or in part) to meet all Bond Requirements of the Bond as the same become due to the final maturities of the Bond, or upon any redemption date as of which the District shall have exercised or shall have obligated itself to exercise its prior redemption option by a call of the Bond for payment then. The Federal Securities shall become due before the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the District and the bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure availability as needed to meet the schedule. For the purpose of this section “Federal Securities” shall include only Federal Securities which are not callable for redemption prior to their maturities except at the option of the owner thereof. When such defeasance is accomplished, the Paying Agent shall send written notice of the defeasance electronically or otherwise to the registered owner of the Bond at the address last shown on the registration records for the Bond maintained by the Registrar.

Events of Default and Remedies

Each of the following events is an “event of default” under the 2026 Bond Resolution:

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

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

C. The District for any reason is rendered incapable of fulfilling its obligations under the 2026 Bond Resolution;

D. The District fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Net Pledged Revenues or to the System, or otherwise, including, without limitation, the 2026 Bond Resolution, and such failure continues for 60 days after receipt of notice from the owners of at least 10% in aggregate principal amount of the Bonds then Outstanding;

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

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

G. The District makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in the 2026 Bond Resolution on its part to be performed and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the District by the owners of at least 10% in aggregate principal amount of the Bonds then Outstanding.

Upon the happening and continuance of any of the events of default, then and in every case the owner or owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the District and its agents, officers and employees to protect and to enforce the rights of any owner of Bonds under the 2026 Bond Resolution by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained in the 2026 Bond Resolution or in an award of execution of any power granted in the 2026 Bond Resolution for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any Bond, or to require the District to act as if it were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bonds, and any Parity Securities then Outstanding.

Amendment of the 2026 Bond Resolution

The 2026 Bond Resolution may be amended, changed, modified or supplemented by resolution adopted by the District in accordance with the laws of the State, without receipt by the District of any additional consideration, and 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 2026 Bond Resolution, in connection with the issuance and delivery of Superior Securities, Parity Securities or Subordinate Securities payable from any portion of the Net Pledged Revenues, or in connection with any other change in the 2026 Bond Resolution which, in the opinion of bond counsel, is not to the prejudice of the insurer of the Bonds, if any, and the holders of the Bonds then Outstanding.

The 2026 Bond Resolution may be amended or supplemented by instruments adopted by the District, without receipt by the District of any additional consideration, but with the written consent of the insurer of the Bonds, if any, or the owners of at least 51% in aggregate principal amount of the Bonds Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding Bonds which may then be held or owned for the account of the District, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds if the refunding securities are not owned by the District. However, no amendment may permit the following without the consent of the insurer of the Bonds, if any, and the registered owners of Bonds adversely affected thereby: (i) a change in the maturity or in the terms of redemption of the principal or any installment thereof of any Outstanding Bond or any installment of interest thereon; (ii) a reduction in the principal amount of any Bond or the rate of interest thereon; (iii) a reduction of the principal amount or percentages or otherwise affecting the description of Bonds, the consent of the owners of which is required for any modification or amendment; (iv) the establishment of priorities as between Bonds issued and Outstanding under the provisions of the 2026 Bond Resolution; or (v) any modification of, or other action which materially and prejudicially affects 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 under the 2026 Bond Resolution shall resign, if the General Manager, the Chief Financial Officer or designee shall determine to replace the Registrar or Paying Agent, the District may, upon notice sent electronically or otherwise to the insurer of the Bonds, if any, and to each registered owner of any Bond at his address last shown on the registration records, appoint a successor Registrar or Paying Agent, or both. No resignation or dismissal of the Registrar or Paying Agent may take effect until a successor is appointed. It shall not be required that the same person or institution serves as both Registrar and Paying Agent under the 2026 Bond Resolution, but the District shall have the right to have the same person or institution serve as both Registrar and Paying Agent.

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the 2026 Bonds. The 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2026 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2026 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 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 2026 Bonds, except in the event that use of the book-entry system for the 2026 Bonds is discontinued.

To facilitate subsequent transfers, all 2026 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 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2026 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 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2026 Bond documents. For example, Beneficial Owners of 2026 Bonds may wish to ascertain that the nominee holding the 2026 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 2026 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 2026 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 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 2026 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 2026 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, 2026 Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2026 Bond certificates will be printed and delivered to DTC.

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

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Clark County Water Reclamation District, Nevada (the “Issuer”) in connection with the issuance of the Clark County Water Reclamation District, Nevada, General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2026, in the aggregate principal amount of \$123,265,000 (the “Bonds”). The Bonds are being issued pursuant to the bond resolution of the Issuer adopted June 2, 2026 (the “Resolution”). The Issuer covenants and agrees as follows:

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

SECTION 2. Definitions. In addition to the definitions set forth in the 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 Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board in compliance with the Rule.

“Material Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board. The MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer's fiscal year of each year, commencing nine (9) months following the end of the Issuer's fiscal year ending June 30, 2026, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send or cause to be sent a notice in substantially the form attached as Exhibit A to the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) if the Dissemination Agent is other than the Issuer, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit B hereto, which is contained in the tables in the Official Statement with respect to the Bonds (excluding projections, forecasts and budgeted information which are not required to be updated).

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which

are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Issuer shall provide or cause to be provided, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the following events 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 person¹;
- (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

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.

terms if material;

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) Incurrence of a Financial Obligation of the obligated person, if material, or an agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an obligated person, any of which reflect financial difficulties.

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 Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of

dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: July 29, 2026.

CLARK COUNTY WATER RECLAMATION
DISTRICT, NEVADA

General Manager

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Clark County Water Reclamation District, Nevada

Name of Bond Issue: General Obligation (Limited Tax) Water Reclamation Refunding Bonds
(Additionally Secured by Pledged Revenues), Series 2026

Date of Issuance: July 29, 2026

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Resolution adopted on June 2, 2026, and the Continuing Disclosure Certificate executed on July 29, 2026, by the Issuer. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

CLARK COUNTY WATER RECLAMATION
DISTRICT, NEVADA

By: _____

Title: _____

EXHIBIT B

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

(See page iv of this Official Statement)

APPENDIX E
FORM OF APPROVING OPINION OF BOND COUNSEL

July 29, 2026

Clark County Water Reclamation District, Nevada
5857 E. Flamingo Road
Las Vegas, Nevada 89122

\$123,265,000
Clark County Water Reclamation District, Nevada
General Obligation (Limited Tax)
Water Reclamation Refunding Bonds
(Additionally Secured by Pledged Revenues)
Series 2026

Ladies and Gentlemen:

We have acted as bond counsel to the Clark County Water Reclamation District (the “District”), Nevada (the “State”), in connection with the issuance of its General Obligation (Limited Tax) Water Reclamation Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2026 (the “Bonds”) in the aggregate principal amount of \$123,265,000 pursuant to an authorizing resolution adopted and approved by the District’s Board of Trustees on June 2, 2026 (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, District, and any other political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State and the District) for all other purposes (subject to any exception implied by law for the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.

4. The Bonds are additionally secured by and payable from the 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 any Parity Securities outstanding or hereafter issued, subordinate to any Superior Securities outstanding or hereafter issued and superior to any Subordinate Securities outstanding or hereafter issued. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Net Pledged Revenues or on the funds and accounts created by the Bond Resolution.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the District's certified proceedings and in certain other documents and certain other certifications furnished to us.

6. Under the laws of the State in effect on the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to the provisions of chapter 375A of NRS and the tax on generation skipping transfers imposed pursuant to the provisions of 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 may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and 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 laws that may hereafter occur.

Respectfully submitted,

APPENDIX F

ECONOMIC AND DEMOGRAPHIC INFORMATION

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

Population and Age Distribution

Population. The table below sets forth the population growth of the County and the State since 1980. Between 2000 and 2020, the County's population increased 64.7% and the State's population increased 55.4%.

<u>Population</u>				
Year	Clark County	Percent Change ⁽¹⁾	State of Nevada	Percent Change
1980	463,087	--	800,493	--
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
2020	2,265,461	16.1	3,104,614	15.0
2021	2,320,551	--	3,158,539	--
2022	2,338,127	0.8%	3,204,105	1.4%
2023	2,361,285	1.0	3,241,678	1.2
2024	2,392,490	1.3	3,282,911	1.3
2025	2,448,576	2.3	3,349,303	2.0

Sources: U.S. Bureau of Census (1980-2020 as of April 1st), and Nevada State Demographer's Office (2021-2025 estimates as of July 1st).

Age Distribution. The following table sets forth a projected comparative age distribution profile for the County, the State and the United States as of January 1, 2026.

Age Distribution Projections
Percent of Population

Age	Percent of Population		
	Clark County	State of Nevada	United States
0-17	21.0%	20.7%	21.0%
18-24	8.5	8.5	9.5
25-34	13.5	13.4	13.0
35-44	14.5	14.2	13.0
45-54	13.0	12.6	12.1
55-64	12.1	12.2	12.2
65-74	10.0	10.7	10.8
75 and Older	7.4	7.9	8.1

Source: ©Claritas, LLC 2026.

Income

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

Median Household Effective Buying Income⁽¹⁾

Year ⁽²⁾	Clark County	State of Nevada	United States
2022	\$62,867	\$64,039	\$63,680
2023	61,567	63,314	64,600
2024	62,256	65,092	67,310
2025	65,824	67,905	69,245
2026	75,088	76,627	75,389

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

(2) Annual estimates are snapshots of effective buying income for the date of January 1 of each year.

Source: ©Claritas, LLC 2022-2026.

Percent of Households by Effective Buying Income Groups – 2026 Estimates⁽¹⁾

Effective Buying Income Group	City of Las Vegas Households	Clark County Households	State of Nevada Households	United States Households
Under \$24,999	14.4%	12.7%	12.3%	13.4%
\$25,000 - \$49,999	19.8	19.2	18.7	18.6
\$50,000 - \$74,999	18.0	18.0	17.9	17.7
\$75,000 - \$99,999	14.2	14.7	14.8	14.6
\$100,000 - \$124,999	11.3	11.6	11.8	11.0
\$125,000 - \$149,999	6.0	6.5	6.7	6.9
\$150,000 - \$199,999	8.1	8.9	9.2	7.8
\$200,000 - \$499,999	6.2	6.4	6.5	7.8
\$500,000 or more	2.0	2.0	2.1	2.4

(1) Estimates are snapshots of income groups on January 1, 2026.

Source: ©Claritas, LLC 2026.

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
2020	\$52,642	\$54,684	\$59,151
2021	58,410	61,031	64,692
2022	60,318	62,726	66,298
2023	64,058	66,698	70,002
2024	66,952	69,805	73,204

(1) County figures posted February 2026. State and national figures posted September 2025. All figures are subject to periodic revisions.

Source: U.S. Bureau of Economic Analysis.

Employment

The average annual labor force summary for the Las Vegas-Henderson-Paradise Metropolitan Statistical Area (“MSA”) is set forth in the following table. The Las-Vegas-Henderson-Paradise MSA is coextensive with Clark County.

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

Calendar Year	2021	2022	2023	2024	2025	2026 ⁽²⁾
TOTAL LABOR FORCE	1,100.3	1,150.7	1,186.5	1,203.1	1,246.6	1,240.0
Unemployment	91.2	66.7	64.4	69.1	70.5	63.5
Unemployment Rate ⁽³⁾	8.3%	5.8%	5.4%	5.7%	5.6%	5.1%
Total Employment	1,009.0	1,083.9	1,122.0	1,134.1	1,176.1	1176.5

(1) All figures are subject to change and are non-seasonally adjusted.

(2) Figures as of April.

(3) The annual average U.S. unemployment rates for the years 2021 through 2026 are 5.3%, 3.6%, 3.6%, 4.0%, 4.3% and 4.3% (as of April 2026) respectively.

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

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

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

Calendar Year	2021	2022	2023	2024	2025	2026 ⁽¹⁾
Natural Resources and Mining	0.4	0.4	0.4	0.4	0.5	0.4
Construction	70.2	76.9	81.7	83.1	77.3	82.4
Manufacturing	25.8	29.1	30.4	31.7	30.2	30.4
Trade (Wholesale and Retail)	132.6	137.6	138.3	139.4	136.8	137.6
Transportation, Warehousing & Utilities	62.9	69.1	72.8	75.6	74.5	71.3
Information	11.3	13.4	14.1	14.0	14.5	16.5
Financial Activities	54.7	59.2	59.8	59.5	61.8	59.9
Professional and Business Services	144.6	160.9	163.2	161.6	163.8	183.7
Education and Health Services	110.4	116.7	122.7	126.3	130.8	141.4
Leisure and Hospitality (casinos excluded)	127.3	148.2	156.6	156.2	161.3	170.8
Casino Hotels and Gaming	114.4	130.6	133.4	133.5	133.3	133.1
Other Services	29.6	33.3	33.7	34.8	34.6	31.9
Government	<u>103.8</u>	<u>107.2</u>	<u>115.5</u>	<u>118.7</u>	<u>119.3</u>	<u>124.3</u>
TOTAL ALL INDUSTRIES ⁽²⁾	<u>988.0</u>	<u>1,082.6</u>	<u>1,122.6</u>	<u>1,134.8</u>	<u>1,138.7</u>	<u>1,183.7</u>

(1) Figures as of May.

(2) Totals may not calculate due to rounding. All numbers are not seasonally adjusted and subject to periodic revision.

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 Major Employers
2nd Release - 2024

Employer	Employment Range	Industry
Nellis Air Force Base	10,000+	Military base
Clark County Offices	10,000+	Government
Las Vegas Metropolitan Police	5,000 - 9,999	Law Enforcement
Flamingo Las Vegas Hotel & Casino	5,000 - 9,999	Casinos
MGM Grand	5,000 - 9,999	Casinos
Orleans Hotel & Casino	5,000 - 9,999	Casinos
Las Vegas Sands Corp	5,000 - 9,999	Hotel and motel management
Caesars Palace	5,000 - 9,999	Casinos
Mandalay Bay	5,000 - 9,999	Casinos
Aquarius Casino Resort	5,000 - 9,999	Casinos

Source: Nevada DETR Research & Analysis Bureau.

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

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

CALENDAR YEAR	3 rd Qtr. 2025	3 rd Qtr. 2024	Percent Change 2025/2024	Employment Totals 3 rd Qtr. 2025
TOTAL NUMBER OF WORKSITES	72,220	64,988	11.3%	976,270
Less Than 10 Employees	55,832	48,361	15.4	119,976
10-19 Employees	7,798	7,924	(1.6)	105,981
20-49 Employees	5,321	5,452	2.4	159,118
50-99 Employees	1,847	1,824	1.3	127,358
100-249 Employees	1,033	1,037	0.4	150,848
250-499 Employees	226	220	2.7	80,033
500-999 Employees	94	98	4.1	62,669
1000+ Employees	69	72	4.2	170,287

(1) Subject to revision.

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

Retail Sales

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

Taxable Sales⁽¹⁾

<u>Fiscal Year⁽²⁾</u>	<u>County Total</u>	<u>Percent Change</u>	<u>State Total</u>	<u>Percent Change</u>
2021	\$47,523,973,687	--	\$67,704,797,544	--
2022	59,661,911,933	25.5%	81,787,630,231	20.8%
2023	64,194,178,704	7.6	86,967,168,094	6.3
2024	66,080,221,950	2.9	90,418,168,437	4.0
2025	64,011,618,736	(3.1)	87,808,774,460	(3.2)
2026 ⁽³⁾	38,100,004,997	--	54,081,644,406	--
Jul 24 – April 25	\$52,847,944,852	--	\$71,861,917,981	--
Jul 25 – April 26	55,120,700,052	4.3%	78,178,497,979	8.8%

(1) Subject to revision.

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

(3) Figures through January.

Source: State of Nevada - Department of Taxation.

Construction

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

Residential Building Permits

Clark County, Nevada
(Values in Thousands)

Calendar Year	2022		2023		2024		2025		2026 ⁽¹⁾	
	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>
Unincorporated										
Clark County	3,082	\$472,998	2,788	\$438,726	3,613	\$572,699	2,558	\$407,946	1,058	\$155,824
Las Vegas	3,065	957,153	2,676	1,125,555	2,619	1,120,295	2,044	1,133,027	587	312,012
North Las Vegas	1,169	135,749	1,552	184,956	1,585	173,357	1,444	168,138	180	17,950
Henderson	2,387	310,347	3,517	424,902	3,120	387,016	2,364 ⁽²⁾	314,592 ⁽²⁾	757	96,902
Mesquite	426	91,331	275	61,390	377	81,679	382	90,406	80	18,698
Boulder City ⁽³⁾	20	8,991	17	15,680	8	4,539	6 ⁽⁴⁾	9,839 ⁽⁴⁾	n/a ⁽⁵⁾	n/a ⁽⁵⁾
TOTAL	10,149	\$1,976,569	10,825	\$2,251,209	11,358	\$2,346,415	8,798	\$2,123,948	1,539	\$353,301

(1) Year-to-date through March.

(2) Year-to-date through November; figures for December not currently available.

(3) Boulder City imposed a strict growth control ordinance effective July 1, 1979.

(4) Figures through June.

(5) Figures for 2026 not currently available.

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	2021	2022	2023	2024	2025	2026 ⁽¹⁾
Unincorporated						
Clark County	\$1,697,917,257	\$2,082,323,601	\$1,809,457,640	\$2,257,538,875	\$2,361,255,242	\$1,708,268,909
Las Vegas	1,995,103,031	2,210,792,970	2,590,229,951	2,297,926,002	2,070,564,149	558,208,621
North Las Vegas	1,349,294,329	1,444,954,722	2,041,947,927	924,623,840	1,122,221,137	140,898,865
Henderson	764,224,776	701,524,892	871,166,876	634,973,967	566,907,619 ⁽²⁾	140,898,865
Mesquite	122,405,425	140,822,790	85,920,790	101,388,843	111,805,838	31,365,554
Boulder City ⁽³⁾	49,361,261	19,056,595	46,946,981	127,410,095	94,114,317 ⁽⁴⁾	n/a ⁽⁵⁾
TOTAL	\$5,978,306,079	\$6,599,475,570	\$7,445,670,165	\$6,343,861,622	\$6,326,868,302 ⁽⁶⁾	--
Percent Change	--	10.4%	12.8%	(14.8)%	--	--

(1) Year-to-date through March.

(2) Year-to-date through November; figures for December not currently available.

(3) Boulder City imposed a strict growth control ordinance effective July 1, 1979.

(4) Figures through June.

(5) Figures for 2026 not currently available.

(6) Figure does not reflect true total for year due to missing information as stated in footnotes above.

Sources: Building Departments: Las Vegas, North Las Vegas, Henderson, Mesquite, Clark County; and Boulder City.

Gaming

General. The economy of the County (and the State) is substantially dependent upon a tourist industry based on legalized casino gambling and related forms of entertainment. The following table sets forth a history of the gross taxable gaming revenue and total gaming taxes collected in the County and the State. Over the past five years, an average of 85.1% of the State's total gross taxable gaming revenue has been generated in Clark County.

Gross Taxable Gaming Revenue And Total Gaming Taxes⁽¹⁾

Fiscal Year	Gross Taxable		% Change	State		% Change
Ended	Gaming Revenue ⁽²⁾		Clark	Gaming Collection ⁽³⁾		Clark
<u>June 30</u>	<u>State Total</u>	<u>Clark County</u>	<u>County</u>	<u>State Total</u>	<u>Clark County</u>	<u>County</u>
2020	\$ 9,150,732,262	\$ 7,788,140,306	--	\$ 617,451,077	\$ 530,536,630	--
2021	10,351,167,624	8,510,286,870	9.27%	885,683,152 ⁽⁴⁾	721,146,768 ⁽⁵⁾	35.93%
2022	14,151,250,934	12,155,774,383	42.84	1,161,473,525	1,010,924,394	40.18
2023	14,624,464,048	12,598,340,102	3.64	1,174,506,278	1,021,783,910	1.07
2024	14,947,481,027	12,911,231,456	2.48	1,230,306,147	1,067,278,371	4.45
2025	15,079,606,171	13,023,826,753	0.87	1,201,853,313	1,047,287,292	(1.87)
Jul – Mar 25	\$11,375,235,862	\$9,830,402,348	--	\$883,692,130	\$775,484,495	--
Jul – Mar 26	11,559,186,419	9,934,198,716	1.06%	879,375,730	767,471,201	(1.03)%

(1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.

(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).

(3) Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to the State funds other than the State's General Fund.

(4) This amount includes \$118.0 million in unused tax credits pursuant to NRS 463.370(12) that were collected in fiscal year 2020 and transferred to FY 2021 at fiscal year-end. Due to the extraordinary circumstances experienced in FY 2020 (suspension of gaming operations), the amount of the transfer for FY 2021 was much larger than any other period.

(5) These amounts include unused tax credits pursuant to NRS 463.370(12) that were collected in the prior fiscal year and transferred at fiscal year-end to Counties based on the location of the gaming licensees.

Source: State of Nevada - Gaming Control Board.

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

Tourism

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

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

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

Calendar Year	Total Visitor Volume	Number of Hotel/Motel Rooms Available	Hotel/Motel Occupancy Rate ⁽¹⁾
2021	32,230,600	150,487	66.8%
2022	38,829,300	151,771	79.2
2023	40,829,900	154,662	83.5
2024	41,676,300	150,612	83.6
2025	38,545,700	150,300	80.3
2026 ⁽²⁾	13,016,400	150,153	82.2

(1) The sample size for this survey represents approximately 75% of the hotel/motel rooms available.

(2) As of April; total visitor volume reflects a 0.2% decrease over the same time period in 2025.

Source: LVCVA.

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

Room Tax Revenue⁽¹⁾
Las Vegas Convention & Visitors Authority, Nevada

Calendar Year	Revenue	Percent Change
2021	\$224,539,457	--
2022	329,104,367	46.6%
2023	366,734,513	5.2
2024	383,953,661	4.7
2025 ⁽²⁾	324,253,424	(15.5)
2026 ⁽³⁾	94,752,509	--

(1) Subject to revision. Room tax revenue shown represents a 5% tax allocated to the Las Vegas Convention & Visitors Authority. Other overlapping room taxes are also imposed. The above table is intended to show trends in room tax collections and not total room tax revenues collecting from all overlapping room taxes.

(2) Figures through November 30; figures not available for December.

(3) As of March. Revenue represents a 2.4% increase from the same period in the previous year.

Source: Las Vegas Convention and Visitors Authority.

Transportation

Clark County, through its Department of Aviation, operates an airport system comprised of Harry Reid International Airport (“LAS”) and a reliever airport in North Las Vegas. Other general aviation airports in the County include Jean Sport, Overton/Perkins Field and Henderson Executive Airport in Henderson. Boulder City Municipal Airport, which is not owned by the County, is located in the southeastern part of Clark County.

Nearly half of all Las Vegas visitors arrive by air via LAS, making it a major driving force in the Southern Nevada economy. Clark County Department of Aviation’s long range plan focuses on building and maintaining state-of-the-art facilities, maximizing existing

resources, and capitalizing on new and innovative technology. The COVID-19 pandemic in 2020 caused a historic decline in air travel and was the first year-over-year decline in passengers since 2010. In 2024, however, LAS set a new annual passenger record for the third consecutive year, serving 58.4 million passengers. A history of passenger statistics is set forth in the following table.

Harry Reid International Airport Enplaned & Deplaned Passenger Statistics

Calendar Year	Domestic	International	Other Terminals	Total	Percent Change
2021	38,184,739	757,642	768,112	39,710,493	--
2022	49,135,776	2,537,111	995,222	52,668,109	32.6%
2023	53,393,182	3,256,085	992,352	57,641,619	9.4
2024	53,778,747	3,701,961	967,074	58,447,782	1.4
2025	50,627,702	3,427,333	934,150	54,989,185	(5.9)
2026 ⁽¹⁾	15,609,394	1,051,826	274,110	16,935,330	--

(1) As of April. Year-to-date statistics reflect a (5.6)% decrease over the same period in 2025.

Source: Harry Reid International Airport, Statistics.

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

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

Federal Activities

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

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

Nellis Air Force Base. Nellis Air Force Base, a part of the U.S. Air Force Air Combat Command, is located adjacent to the City of Las Vegas. The base itself covers more than 14,000 acres of land, while the total land area occupied by Nellis Air Force Base and its restricted ranges is about 5,000 square miles. The base hosts numerous military programs as

well as civilian workers. It is the home base of the “Thunderbirds,” the world famous air demonstration squadron.

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

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

Development Activity

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

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

Utilities

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

Water

The major water purveyors in Clark County are the Big Bend Water District; the cities of Boulder City, Henderson, and North Las Vegas; the Las Vegas Valley Water District (LVVWD); and Nellis Air Force Base. The LVVWD provides water service to the City of Las Vegas and most of the unincorporated urban areas of Clark County. Jean, Kyle Canyon, Blue Diamond, and Searchlight have their own water systems, but the LVVWD serves as their operating agent. The Big Bend Water District, operated by the LVVWD, serves the Town of Laughlin, and the LVVWD operates the Coyote Springs Water Resources General Improvement District and serves as the manager of water resources. In addition, the Virgin Valley Water District serves the City of Mesquite and surrounding area, and the Moapa Valley Water District serves Logandale, Overton, Moapa, and Glendale.

The Southern Nevada Water Authority (SNWA) was established in 1991 to cooperatively manage water resources on a regional basis. The seven members of the SNWA include the cities of Boulder City, Henderson, Las Vegas, North Las Vegas, the Big Bend Water District, Clark County Water Reclamation District, and the LVVWD. The SNWA works collaboratively with its member agencies to manage regional water facilities; implement regional water resource management and water conservation programs; manage and develop additional water supplies for Southern Nevada; and expand and enhance regional treatment and delivery capabilities. The LVVWD provides the management and staff for the SNWA. The SNWA has no employees of its own.

The 1922 Colorado River Compact defined the geographic areas of the upper and lower basins of the Colorado River, apportioning 7.5 million acre-feet of water per year (“AFY”) to each basin. Of the Lower Basin’s 7.5 million AFY, the Boulder Canyon Project Act authorized the apportionment of 300,000 AFY to Nevada. The SNWA is Nevada’s largest Colorado River contract holder with an estimated consumptive-use entitlement of 276,205 AFY plus any of Nevada’s unused Colorado River apportionment from non-SNWA water users. Consumptive use is the amount of water diverted less the amount returned to the river.

The SNWA depends on the Colorado River for approximately 90 percent of its water supply and diverts this resource from SNWA intake and pumping facilities at Lake Mead. Colorado River water supplies are derived primarily from snowmelt runoff from the Rocky Mountains. The persistence of decades-long drought and changing climate conditions have resulted in below-average runoff and significant water-level declines at major system reservoirs. As of early-April 2026, the Colorado River’s two primary reservoirs, Lake Mead and Lake Powell, were at 33 percent and 25 percent of capacity, respectively. Studies released by the U.S. Bureau of Reclamation (“Reclamation”) in 2012 and 2022 call attention to a growing supply and demand imbalance within the basin, resulting from increased demands associated with population growth and decreased supplies due to drought and climate change.

Working with the seven Colorado River Basin States and the country of Mexico, the federal government implemented several agreements and amendments to the US-Mexico water treaty designed to slow the decline of Lake Mead water levels and preserve system operations. The 2007 Interim Guidelines for the Coordinated Operations of Lake Mead and Lake Powell (the “Interim Guidelines”) and Minute 319 of the US-Mexico Water Treaty established rules for implementing shortages in the Lower Basin. In 2019, the SNWA and other Colorado River users approved the Lower Basin Drought Contingency Plan (“DCP”) and Minute 323 of the US-

Mexico Water Treaty which established the Binational Water Scarcity Contingency Plan (“BWSCP”). Nevada’s obligation under these agreements is triggered when Lake Mead water levels decline to specified elevation thresholds. These obligations to reduce consumption range from 8,000 AFY to a combined maximum of 30,000 AFY at the highest and lowest elevation thresholds, respectively.

Between 2020 and 2022, Nevada, Arizona and Mexico made shortage, DCP and BWSCP contributions totaling 1,095,000 acre-feet. The combined contributions from these parties were not enough to stabilize Lake Mead’s water level from further decline and the Secretary of the Interior made the second consecutive shortage declaration for 2023 operations. As a result, total Colorado River supplies available to Nevada, Arizona, and Mexico were reduced by 721,000 acre-feet in 2023. Nevada’s share of this amount was 25,000 acre-feet. A Tier 1 shortage was in effect for 2024, and U.S. and Mexico Colorado River supplies were reduced by 613,000 acre-feet, with Nevada contributing 21,000 acre-feet of this amount. A Tier 1 shortage was in effect for 2025 and remains in effect for 2026, and shortage conditions are anticipated to persist within the Colorado River Basin over the SNWA’s long-term planning horizon.

In November 2022, in response to reduced system contents and the likelihood of reservoir levels reaching critical elevations, the federal government initiated an environmental review process under the National Environmental Policy Act (1970) to develop and analyze alternatives to supplement the Interim Guidelines. Reclamation solicited input from the Seven Basin States, Tribal and local governments, and the public as part of this process considering various alternatives, including a “Lower Basin Alternative” presented by Arizona, California, and Nevada (the “Lower Basin States”). In May 2023, anticipating additional conservation requirements, the Seven Basin States announced that the Lower Basin States had reached an understanding to conserve 3.0 million acre-feet of Colorado River water by the end of calendar year 2026, with over 2 million acre-feet conserved through 2024.

In March 2024, Reclamation released its final Supplemental Environmental Impact Statement for Near-term Colorado River Operations, identifying a Preferred Alternative. The Secretary of the Interior signed a Record of Decision in May 2024 selecting the Preferred Alternative and establishing supplemental guidelines that are intended to yield at least 3.0 million acre-feet of Colorado River system conservation water through the end of 2026, coinciding with the expiration of the current guidelines.

Negotiations for post-2026 operational guidelines are ongoing. At this time, neither SNWA nor the District can predict which specific guidelines and water management actions the Seven Basin States and the federal government may adopt to govern system operations and further protect water levels at Lake Mead and Powell. The operational guidelines and water management actions which may be implemented could have a material effect on Lower Basin water supplies, including those relied upon by Nevada.

The SNWA has taken several steps to reduce local impacts on water supplies and facilities. Key actions include implementing aggressive conservation programs and efficiency policies designed to reduce consumptive use, constructing new major facilities at Lake Mead, and acquiring new water supplies that can be used flexibly to offset Colorado River supply reductions. These efforts are briefly described below.

Facility Improvements. As of early April 2026, Lake Mead’s surface elevation has declined over 150 feet since 2000. Until 2020, SNWA pumping facilities were limited in their operating range relative to the elevation of Lake Mead. To mitigate impacts associated with a potential Lake Mead water-level decline below 1,000 feet and potential water quality concerns during low storage conditions in the reservoir, the SNWA constructed a new intake and pumping station at Lake Mead. The SNWA placed its new intake (Intake No. 3) and Low Lake Level Pumping Station into service in 2015 and 2020, respectively. Together, these facilities preserve existing capacity and allow the SNWA to pump from a Lake Mead elevation of 875 feet. This elevation is approximately 20 feet below the minimum elevation that Hoover Dam can release water downstream.

Water Banking. Local water agencies began storing or “banking” water in the Las Vegas Valley in the late 1980s. Through various programs and agreements, the SNWA has expanded banking efforts to include storage in the Arizona and California water banks, and in Lake Mead in the form of Intentionally Created Surplus. Based on provisional data as of April 2026, through 2025, the SNWA has accrued approximately 2.2 million acre-feet of water, which is eleven times Nevada’s 2025 consumptive use of Colorado River water. Banked resources can be used to meet potential short-term gaps between supply and demand, serving as a bridge to meet demands while other resources are being developed. In some cases, these resources can also be used to offset Colorado River supply reductions due to mandatory shortages and to meet DCP contributions.

Water Conservation. Based on provisional data as of April 2026, SNWA diverted 437,519 acre-feet of water from the Colorado River in 2025 and consumed 193,129 acre-feet of its annual entitlement. Based on provisional data as of April 2026, Nevada’s total consumptive water use in calendar year 2025 was 197,750 acre-feet, well below any water-supply reduction amount that could be imposed under existing agreements. Conservation remains a top priority for the SNWA, particularly the reduction of consumptive water uses. The SNWA and its member agencies implemented several program and policy changes between 2021 and 2024, including prohibitions on new golf course development, reductions to existing golf course water budgets, pool development standards, cooling efficiency standards, limitations on new turf installations, and the allocation of new resources to expedite leak identification and repair. The SNWA is also helping the community to comply with Nevada Assembly Bill No. 356, adopted by the Nevada State Legislature in 2021, which prohibits the use of Colorado River water to irrigate non-functional turf in non-single family residential applications by 2027. [See the caption “LEGAL MATTERS — Litigation” for a discussion of a lawsuit with respect to the SNWA’s implementation of Assembly Bill No. 356.]

In June 2023, Nevada’s Governor signed Assembly Bill No. 220 into law, granting SNWA the ability to limit water use at single-family homes to approximately 163,000 gallons a year if conditions on the Colorado River worsen. The restrictions would go into effect only if Nevada’s Colorado River allocation is reduced to 270,000 acre-feet or less and the SNWA Board of Directors votes to implement the water use limit. The legislation also requires water agencies to determine whether there is an adequate water supply for new development, prohibits new septic tanks in the Las Vegas Valley, and creates a financial assistance program to help existing septic users who want to connect to the public sewer system. It also requires new development to install water-efficient irrigation fixtures, prohibits grass in new development, and requires functional grass to be watered efficiently.

Water Resource Plan. In addition to water conservation measures, the SNWA developed and maintains a comprehensive Water Resource Plan to manage current and future resources available to Southern Nevada. The plan, which was first adopted in 1996, is reviewed annually and updated as needed. The Water Resource Plan provides a demand projection for Southern Nevada and outlines a portfolio of water resource options to meet projected water demands over a 50-year planning horizon. This portfolio approach enables the SNWA to respond quickly to changing conditions. The portfolio of resources as described in the SNWA Water Resource Plan includes Nevada's 300,000 AFY Colorado River apportionment and associated return-flow credits; Las Vegas Valley and in-state groundwater; domestic and intentionally created surplus water; water resources banked in the Las Vegas Valley and the states of Arizona and California; and other current and future supplies.

The SNWA's 2026 Water Resource Plan was updated in November 2025 and outlines the SNWA's approach to meeting demands during declared shortages under existing policies through 2075. While the Colorado River Basin continues to experience drought conditions, the SNWA has acquired and is developing new water resources that will be managed in tandem with Colorado River supplies. These resources, paired with targeted conservation measures, expected conservation gains, and shortage-sharing agreements, are designed to enable the SNWA to meet current and projected water demands over the long-term planning horizon, though no assurance can be given that such demands will be met. The SNWA also continues to work with the other Colorado River Basin states and Mexico to identify and explore options for long-term augmentation of Colorado River resources. The next SNWA Water Resource Plan update is scheduled for late 2026.

Projections of water resources availability and water demands are subject to uncertainty resulting from numerous variables and the actual results may differ, possibly materially, from those contemplated in the projections. The water systems across southern Nevada are susceptible to certain risks posed by persistent, severe drought, seismic activity, and power outages.

Education

Clark County School District provides public education services to the residents of the County and enrolls more than 60% of all school children in the State. Higher education is provided by the College of Southern Nevada (primarily, a two-year institution), by Nevada State College in Henderson (a four-year institution) and by the University of Nevada, Las Vegas (a four-year university). These institutions are part of the Nevada System of Higher Education.