

INTERLOCAL CONTRACT

THIS AGREEMENT is entered into as of the _____ day of _____, 2024, by and among the CLARK COUNTY WATER RECLAMATION DISTRICT ("DISTRICT"), a governmental subdivision of the State of Nevada, CLARK COUNTY ("COUNTY"), a political subdivision of the State of Nevada, and the CITY OF LAS VEGAS ("CITY"), a political subdivision of the State of Nevada, all located within Clark County, Nevada. DISTRICT, COUNTY, and CITY may hereafter be referred to individually as "Party" or collectively as "Parties."

RECITALS:

- A. NRS 277.180 provides that one or more public agencies may enter into contracts for the performance of any undertaking which the agency is authorized by law to perform; and
- B. COUNTY owns and operates, through a third-party, The Club at Sunrise ("Golf Course"); and
- C. DISTRICT produces reclaimed water from its Flamingo Water Resource Center ("FWRC") wastewater treatment facility located at 5857 E. Flamingo Road; and
- D. DISTRICT currently delivers reclaimed water to the Golf Course from the FWRC via a water line routed through the NV Energy Sunrise Electrical Substation ("NVE Substation"); and

E. The NVE Substation has been rendered inactive and it no longer uses reclaimed water; and

F. The water line delivering water to the Golf Course's irrigation pond must be replaced as it has reached the end of its useful life, to wit, much of it was installed in 1969, has not been maintained since the NVE Substation was rendered inactive, is otherwise known to be in extremely poor condition, and has had multiple breaks in recent years; and

G. The DISTRICT economic benefit of delivering water to the Golf Course is greatly outweighed by the capital investment needed to install a new reclaimed water line to serve the Golf Course; and

H. The CITY produces reclaimed water from its Water Pollution Control Facility ("WPCF") wastewater treatment facility on 6005 E. Vegas Valley Dr., which is in closer proximity to the Golf Course than the FWRC; and

I. The CITY has a newly installed reclaimed water mainline that is readily accessible to the Golf Course's irrigation pond, with available capacity to meet the Golf Course's reclaimed water needs, and can be connected to the Golf Course's irrigation pond at a fraction of the cost of the DISTRICT replacing the reclaimed water line it utilizes; and

J. The DISTRICT has obtained a written proposal of \$246,640.00, dated 2/1/24, from a duly licensed contractor to perform the work necessary to connect

the CITY's reclaimed water mainline from the Point of Diversion to the Point of Delivery.

K. The CITY, COUNTY and DISTRICT have reached an agreement on the terms contained herein for the CITY to provide reclaimed water to the Golf Course, allowing the DISTRICT to avoid the capital expense necessary for it to continue providing reclaimed water to the Golf Course.

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, the parties agree as follows:

1. Incorporation of Recitals. The recitals set forth above are hereby incorporated herein by this reference as terms to this Agreement.

2. CITY Provision of Reclaimed Water to the Golf Course. CITY agrees to provide reclaimed water to COUNTY at the Golf Course irrigation pond (the "Point of Delivery"), as more specifically shown on the map attached hereto as **Exhibit A**. COUNTY will pay to CITY the reclaimed water rates set forth in **Exhibit B** (the "Base Rates") according to the payment provisions set forth in Section 19.

3. Delivery System Maintenance The parties agree that all CITY pipes and valves up to the point of diversion ("Point of Diversion") will be the responsibility of the CITY to maintain. Any maintenance required at or after the Point of Diversion will be the COUNTY's responsibility. Final location of the Point of Diversion will be agreed upon by all Parties and be determined during the engineering plan design

review of the system. The CITY will have an opportunity to review and comment on the draft plans and sign off on final design of the final system design.

4. DISTRICT Construction of Water Connection. DISTRICT has been awarded a federal grant for \$2,000,000 (inclusive of a 20% cost share requirement) to reimburse it for the costs associated with installing the infrastructure needed for CITY to deliver reclaimed water to COUNTY at the Point of Delivery (the "Grant Funds"). Conditioned on the availability of the Grant Funds, DISTRICT will perform the work necessary to install all applicable infrastructure from the Point of Diversion to the Point of Delivery.

5. Cooperation of Parties. CITY, DISTRICT, and COUNTY will cooperate in good faith in providing any necessary review, input, approval, or other non-monetary resource in relation to (a) the engineering design of the connection of the CITY reclaimed water mainline from the Point of Diversion to the Point of Delivery, (b) the provision of easements or other property rights, (c) construction management activities, (d) inspections and testing, and (e) any necessary documentation.

6. ASSIGNMENT. COUNTY shall not assign or otherwise transfer their interest in this agreement, in whole or in part, or any right, privilege or other interest granted to them, or any duties and obligations imposed upon them by this agreement without the prior written consent of the CITY and any such assignment or transfer without the required consents is voidable by the CITY.

7. CONDITION OF EFFLUENT. The parties agree that the effluent to be supplied to COUNTY under this agreement is reclaimed non-potable water intended for agriculture purposes. The reclaimed water delivered will be treated through the normal treatment processes at the CITY's Water Pollution Control Facility, disinfected to meet the standards for Reuse Category B reclaimed water as described in the most current version of Nevada Administrative Code 445A, and be compliant with all conditions of the CITY's State of Nevada Division of Environmental Protection groundwater discharge permit associated with the use and delivery of reclaimed water. The CITY has no obligation to provide additional treatment for purpose of sale under this agreement. To the extent expressly authorized by Nevada law, the COUNTY assumes all risks and holds the CITY harmless for any and all adverse effects caused by contaminants and any other substances, including but not limited to organic, inorganic or biological, that may be present in reclaimed water delivered that meets the conditions above.

8. DISTRICT's Cessation of Reclaimed Water Delivery Service. Upon the completion of all work associated with connecting the CITY's reclaimed water mainline from the Point of Diversion to the Point of Delivery and CITY's inspection and acceptance, DISTRICT will have no continuing obligation whatsoever regarding the delivery of reclaimed water to the Golf Course.

9. Term. This Agreement shall be for a term of thirty (30) years or when

CITY and COUNTY mutually agree to revise and/or terminate this agreement, except as provided in paragraphs 22 and 25 and Appendix B. This Agreement shall continue in force from year to year after the initial term until i) either Party gives a one (1) year written notice to the other of its intention to terminate at which time the Agreement shall then terminate one (1) year from the date upon which said notice is received, or ii) either Party has executed other termination provisions set forth in this agreement.

10. Warranty of Authority. Each Party warrants to the other Parties that they have the authority and capacity to perform the provisions hereof.

11. Entire Agreement. This Agreement sets forth the entire understanding and agreement among the Parties hereto and supersedes all previous communications, negotiations and agreements, whether oral or written, with respect to the subject matter hereof. No addition to, or modification of, this Agreement shall be binding on any Party unless reduced to writing and duly executed by or on behalf of the Parties hereto. No representation or statement not expressly contained in this Agreement or in any written, properly executed amendment to this Agreement shall be binding upon the Parties as a warranty or otherwise.

12. Severability. Should any part of this Agreement be rendered void, invalid, or unenforceable by any court of law for any reason, such determination shall not render void, invalid, or unenforceable any other part of this Agreement.

13. Governing Law. The laws of the State of Nevada will govern as to the interpretation, validity, and effect of this Agreement.

14. Third Party Beneficiaries. This Agreement is intended only to benefit the parties hereto and does not create any rights, benefits, or causes of action for any other person, entity, or member of the general public.

15. Section Headings. The section headings herein are inserted only for convenience and reference and shall in no way define, limit, or prescribe the scope or intent of any provision of this Agreement.

16. Waiver. The failure of any Party to enforce any of the provisions of this Agreement at any time, or to require performance by the other Parties of any of the provisions of this Agreement at any time, will not be a waiver of any provisions, will not in any way affect the validity of this Agreement, and will not affect the right of any Party to enforce each and every provision.

17. Execution in Counterparts. This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the parties hereto, regardless of whether originals are delivered thereafter.

18. Liability. Each Party hereto agrees to be responsible for any and all claims and liability from legal action, damages, loss, liability, and any other expenses (including attorney fees) resulting from the acts or omissions of its respective public officials, officers, employees, agents, contractors, or persons claiming through it, committed in the performance of this Agreement, except as provided in paragraphs 7 and 20. In no event shall the language herein constitute or be construed as a waiver or limitation of any individual Party's rights or defenses with regard to sovereign immunity, governmental immunity, or other official immunities and protections as provided by the Federal and State Constitutions or by law, including the limitations set forth in Nevada Revised Statutes Chapter 41.

19. Delivery Interruptions: COUNTY acknowledges that the CITY's reclaimed water system may need periodic maintenance due to equipment failures, process upsets, distribution system line breaks and the like, which may cause a reduction or interruption of reclaimed water service.

20. Force Majeure. COUNTY acknowledges that conditions beyond the control of the CITY, acts of sabotage, terrorism, war and the like, as well as drought, flooding, lightning strikes, and other acts of God, may cause decreased or inability to deliver reclaimed water. COUNTY agrees to not seek indemnification from CITY for results and/or conditions in which the CITY has no control, including any

consequential damages COUNTY may sustain as the result of reduction or discontinuance of delivery of reclaimed water to the COUNTY.

21. Invoice and Payment. Payment to the CITY will be paid quarterly based on the prior quarter's usage, due within 30 days of receipt from CITY of an invoice for the volume of water consumed at the then applicable Base Rate. Billings will align with CITY's fiscal quarters. If COUNTY payments are untimely, in addition to being subject to the CITY's delinquent provision, the CITY may stop service without liability for damages due to service interruption for non-payment.

22. Regulatory Risk. The Parties acknowledge that the southwest United States, including the Las Vegas metropolitan area, is in a severe and potentially long-term drought. While the use of the reclaimed water is intended to be a practical, useful, and achievable method of relieving the demand on the potable water supply from Lake Mead and other sources, the reclaimed water is consumptively used and is not returned to Lake Mead. Consumptively used water that is not returned to the Lower Colorado River System via Lake Mead does not earn return flow credits for future water withdrawal from Lake Mead. The Southern Nevada Water Authority has stated that water usage in Southern Nevada cannot be sustained without return flow credits.

At any time during the Term of this Agreement, any regulatory agency that has jurisdiction or other regulatory authority over the use of Lake Mead water or

the discharge of reclaimed water, including by way of example and not limitation, the Southern Nevada Water Authority, the United States Bureau of Reclamation, the United States Environmental Protection Agency, the State of Nevada, the Nevada Division of Environmental Protection, or the Nevada State Engineer's Office, may adopt a rule, regulation, or law, through proper and legal proceedings (the "Adopted Reuse Water Restrictions"), that may either restrict or eliminate the CITY's ability to provide a portion or all of the COUNTY's reclaimed water demands using its existing facilities. If the CITY's ability to provide reclaimed water is restricted, the Parties agree, in good faith, to amend this Agreement to reflect the requirements of the restricted Adopted Reuse Water Restrictions and to amend the financial provisions so that the CITY is compensated for increased costs as provided in Appendix B. If the CITY's ability to provide reclaimed water is eliminated, either as a matter of law or as a practical matter, this Agreement shall terminate consistent with the Adopted Reuse Water Restrictions and be of no further force and effect upon the mutual agreement of the Parties acting in good faith.

23. Requirements. CITY agrees to provide, and COUNTY agrees to purchase, all reclaimed water deemed necessary by COUNTY'S use in irrigating the Golf Course (the "Approved Use"). COUNTY shall use the reclaimed water to irrigate the Golf Course in a manner consistent with all federal, state, and local laws and regulations. The reclaimed water shall not be used by COUNTY on any

other property other than the Golf Course nor for any other purpose other than the Approved Use. COUNTY shall not discharge the reclaimed water directly into storm drains or sanitary sewers without written authorization from the applicable regulatory agencies. COUNTY shall take reasonable precautions including the posting of signs and labels, to prevent confusion between the reclaimed water and other water resources. COUNTY shall be deemed in possession of and responsible for the reclaimed water beyond the Point of Diversion.

Ninety (90) days prior to the COUNTY'S request for reclaimed water from the CITY, COUNTY shall provide CITY with a written statement setting forth: (i) Estimated peak daily reclaimed water consumption; and (ii) Estimated minimum annual reclaimed water usage. The Parties acknowledge that the amount of reclaimed water that is required by COUNTY will vary from day to day and month to month depending on daily, seasonal, and other factors. Accordingly, CITY acknowledges and agrees that COUNTY is in no way obligated to purchase the capacity amount of Reclaimed Water except at COUNTY's sole determination. On each annual anniversary of this Agreement, COUNTY shall inform CITY of any expected changes in estimated peak daily reclaimed water consumption and estimated minimum annual reclaimed water usage. CITY does not guarantee the availability of any reclaimed water.

CITY will use commercially reasonable means and methods to provide reclaimed water to COUNTY and will provide written notice as soon as commercially practicable regarding any possible interruption or inability (either in whole or partially) to continue to provide the reclaimed water. If the CITY is unable to provide reclaimed water for any reason other than willfulness and wanton disregard, the CITY shall not be responsible for damage and expense sustained by COUNTY in the event CITY is unable to produce COUNTY'S full requirement for reclaimed water.

24. NOTICE. All notices required or permitted under this Agreement shall be given in writing and shall be deemed effectively given (a) upon personal delivery to the Party to be notified, (b) three (3) days after deposit with the United States Post Office, by registered or certified mail, postage prepaid and addressed to the Party to be notified at the address for such Party, or (c) one (1) day after deposit with a nationally recognized air courier service such as FedEx. Any Party hereto may change its address by giving ten (10) days advance notice to the other Parties as provided herein.

If to CITY: ATTN: Public Works Director

City of Las Vegas Department of Public Works, 5th Floor

495 S. Main Street

Las Vegas, NV 89101

and: ATTN: City Attorney

City of Las Vegas Office of the City Attorney, 6th Floor

495 S. Main Street

Las Vegas, NV 89101

If to COUNTY: Attn: Dan Hernandez

The Club at Sunrise

5483 Club House Drive

Las Vegas, Nevada 89142

If to DISTRICT: Attn: Shawn Mollus

Clark County Water Reclamation District

5857 East Flamingo Road

Las Vegas, NV 89122

25. LIMITATIONS ON FUNDING; NON-APPROPRIATION.

COUNTY acknowledges that CITY is a governmental entity and this Agreement's validity is based upon the availability of public funding under its authority. The CITY reserves the right to modify this Agreement, without prejudice or liability to the CITY, if funding is not available or if legal restrictions are placed upon the expenditure of monies for the services required under this Agreement. In addition, and without prejudice or liability to the CITY, if funds are not appropriated or

otherwise made available to support continuation in any fiscal year succeeding the first fiscal year, this Agreement will be deemed to have been terminated automatically when appropriated funds expire and are not available. The CITY shall notify COUNTY in writing of any such non-allocation of funds at the earliest possible date. It is expressly agreed that the CITY shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this Agreement, but only as an emergency fiscal measure.

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WITNESS OUR HANDS the day and year first above written.

CLARK COUNTY WATER RECLAMATION DISTRICT

By _____
Tick Segerblom, Chair

CITY OF LAS VEGAS

By _____
Carolyn G. Goodman, Mayor

CLARK COUNTY

By _____
Tick Segerblom, Chair

APPROVED AS TO FORM:

ATTEST:

By _____
Deputy City Attorney Date

By: _____
LuAnn D. Holmes, MMC, City Clerk

By DL SAT 5/14/24
CCWRD General Counsel Date

By Lisa Hogg 5/14/24
Clark County District Attorney Date

EXHIBIT A

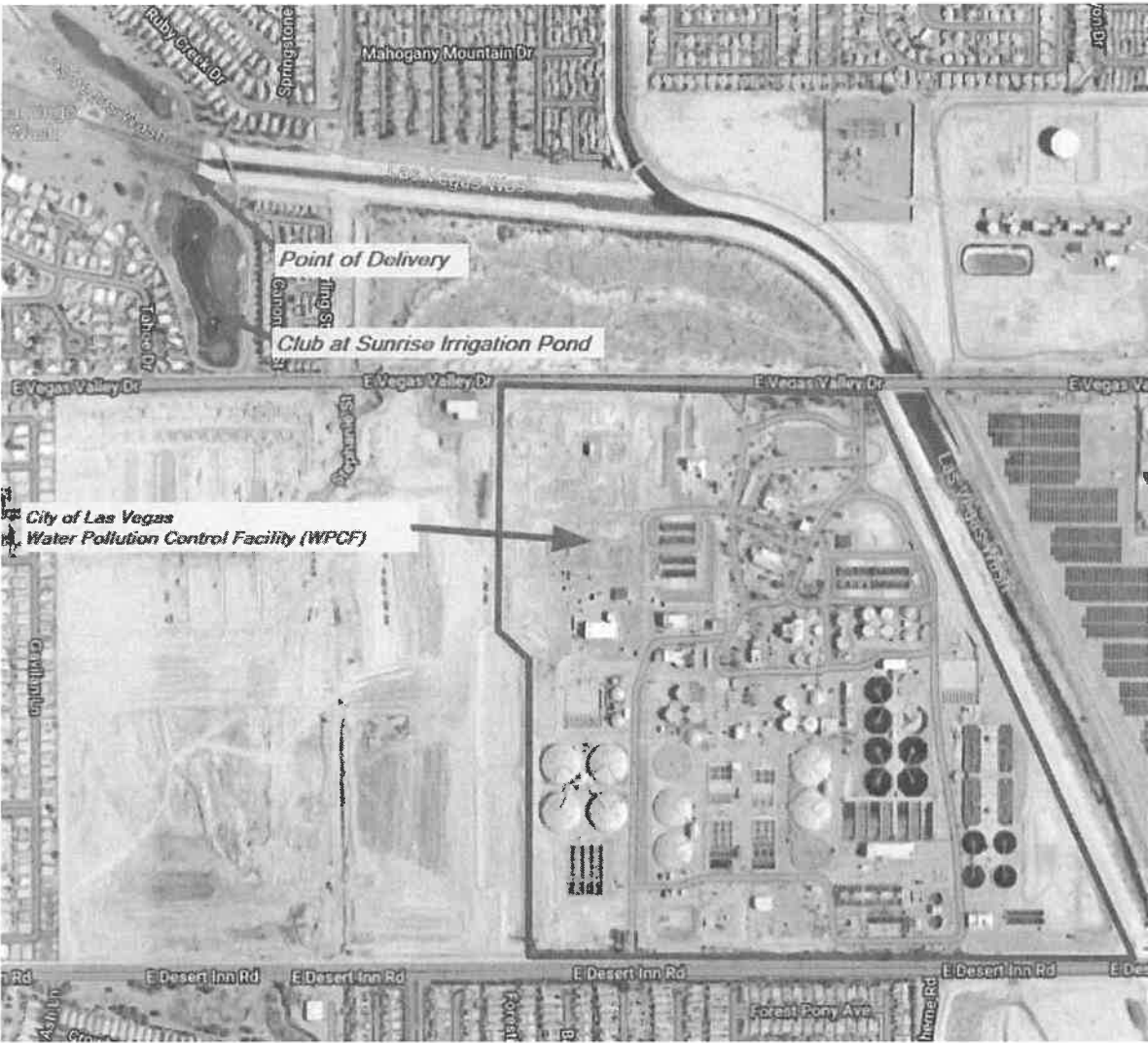


EXHIBIT B

Date	Base Rate (Price per 1,000 gallons)
Date of first delivery-6/30/2024	\$1.05
7/1/2024-6/30/2025	\$1.05
7/1/2025-6/30/2026	\$2.33
Thereafter	See terms below

Reclaimed Water Rate. CITY shall supply reclaimed water and the initial Base Rate shall be \$1.05 per thousand (1000) gallons. The Base Rate shall apply from the first date water is supplied to the COUNTY through the remainder of that fiscal year ending on June 30 and the next full fiscal year (collectively, the “Initial Base Years”). On July 1st following the Initial Base Years, the Base Rate shall be adjusted to \$2.33 per thousand (1000) gallons.

Thereafter, on July 1st of each fiscal year of the Term, the Base Rate shall be adjusted by the higher of i) a percentage, rounded to the nearest hundredth of a percent, of increase in the annual average of the Consumer Price Index (CPI)—All Urban Consumers (U.S. City Average, All Items, Base Period 1982-84=100, Not Seasonally Adjusted, Series ID: CUUR0000SA0, as published by the U.S. Department of Labor, Bureau of Labor Statistics) between the most recent twelve-month period

ending on December 31 as compared to the prior twelve-month period ending on December 31; or ii) the nearest comparable data on changes in the cost of living, if such index is no longer published; or iii) the percent increase of a City Council approved increase in the CITY's sewer collection rate for the subsequent year.

In the event of a change in the federal, state or local laws, ordinances or regulations (except for a change in any local ordinance adopted by the CITY unless such change is required by federal or state law, rules or regulations) imposing more stringent reclamation standards for the use of the reclaimed water by COUNTY, and requiring the replacement or modification of the WPCF, the CITY may increase the Base Rate to an amount mutually agreed to writing by the Parties for the sale of the reclaimed water in that amount which will allow the CITY to recapture its reasonable costs to replace or modify the existing WPCF in order to satisfy the more stringent reclaimed water quality standards. If the Parties are unable to agree to an increase in the Base Rate that allows the CITY to recapture its reasonable costs, either Party may terminate this Agreement with one-hundred and eighty days (180) written notice.