

**INTERLOCAL AGREEMENT ESTABLISHING
A SEPTIC SYSTEM CONVERSION PILOT PROGRAM**

THIS INTERLOCAL AGREEMENT ESTABLISHING A SEPTIC SYSTEM CONVERSION PILOT PROGRAM (“**Agreement**”) among and between the Southern Nevada Water Authority, a political subdivision of the State of Nevada (“**Authority**”), Clark County Water Reclamation District, a governmental subdivision of the State of Nevada (“**Reclamation District**”), the City of Henderson, a municipal corporation and political subdivision of the State of Nevada (“**Henderson**”), the City of North Las Vegas, Nevada, a municipal corporation and political subdivision of the State of Nevada (“**North Las Vegas**”) and the City of Las Vegas, a municipal corporation and political subdivision of the State of Nevada (“**Las Vegas**”) is made and entered into this ____ day of _____, 2021 (the “**Effective Date**”). For convenience, the Authority, Reclamation District, Henderson, North Las Vegas, and Las Vegas are sometimes referred to in this Agreement individually as a “**Party**” or collectively as “**Parties.**”

RECITALS

WHEREAS, the Authority is engaged in the business of, among other things, the wholesale distribution of water to its purveyor member agencies, which include Henderson, North Las Vegas and the Las Vegas Valley Water District, which serves Las Vegas;

WHEREAS, the Reclamation District is a member agency of the Authority and provides for the collection, treatment and reclamation of wastewater to residential, commercial, and industrial customers in unincorporated areas of Clark County and on extra-territorial properties through interlocal agreements;

WHEREAS, Henderson, through its municipal utility, provides retail water and wastewater services to residential, commercial, and industrial customers located inside Henderson’s corporate boundaries and on extra-territorial properties through interlocal agreements;

WHEREAS, North Las Vegas, through its municipal utility, provides retail water and wastewater services to residential, commercial, and industrial customers located inside North Las Vegas’s corporate boundaries and on extra-territorial properties through interlocal agreements;

WHEREAS, Las Vegas, through its municipal utility, provides wastewater services to residential, commercial, and industrial customers located inside Las Vegas’s corporate boundaries, and provides retail water through the Las Vegas Valley Water District and additional wastewater services to areas of unincorporated Clark County via interlocal agreements;

WHEREAS, the Parties acknowledge that the Authority has limited water resources, and that the Authority’s member agencies must undertake additional water conservation measures to ensure that the Authority is able to provide sufficient water resources to serve the anticipated needs of the Authority’s purveyor members;

WHEREAS, in 1997, the Nevada State Legislature directed the Authority to establish the Groundwater Management Program to help protect and manage Southern Nevada’s groundwater resources through the establishment of programs and education to aid well users;

WHEREAS, septic-system waste can be discharged to the soil through the septic system's leach field and may contain high levels of nitrate, which is a regulated contaminant under the Safe Drinking Water Act that can contaminate groundwater as it is released into the soil; additionally, wastewater collected in septic systems is not recycled and returned to Lake Mead for return flow credits, which sustainably recycles water used indoors, extending the community's limited water supply;

WHEREAS, in conjunction with the Groundwater Management Program, and in a further effort to protect Southern Nevada's water supply, enhance water reuse, and increase return flow credits, the Parties seek to establish a septic conversion program that will provide qualified individuals with financial assistance for abandoning and retiring their septic system and connecting to a municipal wastewater system;

WHEREAS, in cooperation with the Reclamation District, Henderson, Las Vegas, and North Las Vegas, the Authority is developing Financial Assistance Guidelines that will provide the basis for administering the Program, and disbursing the funding described in this Agreement;

WHEREAS, the Parties desire to enter into this Agreement to memorialize their rights, obligations, and duties with respect to the septic system conversion and financial assistance program and to memorialize other matters as expressed in this Agreement; and

WHEREAS, the Parties have the authority to enter into this Agreement pursuant to NRS 277.180.

NOW, THEREFORE, in exchange for the mutual promises contained herein, and other valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the Parties agree as follows:

AGREEMENT

1. **Recitals.** The Recitals to this Agreement are acknowledged by the Parties to be accurate in all respects and such Recitals are hereby incorporated into this Agreement by reference.

2. **Septic System Conversion Program.** As used in this Agreement, the term "**Program**" shall refer to the program, established through the Parties' cooperative efforts, that provides financial assistance to abandon their existing septic system and connect to a municipal sewage system.

3. **Funding.**

a. **Initial Program Funding Contributions.** Through this Agreement, the Parties agree to make a one-time financial contribution to help fund the initial year of the Program. Upon full execution of this Agreement, the Parties shall contribute as follows:

- | | |
|---------------------------|----------|
| i. The Authority: | \$60,000 |
| ii. Reclamation District: | \$60,000 |
| iii. Henderson: | \$20,000 |
| iv. North Las Vegas: | \$20,000 |

v. Las Vegas: \$20,000

Upon approval of this Agreement by the Parties and adoption of the Financial Assistance Guidelines by mutual consent of the Parties, the respective funding contributions shall be submitted to the Authority on or before June 1, 2021.

- b. Additional Program Financial Assistance Funding. Funding necessary to maintain the Program in subsequent years will be secured through various means, including but not limited to:
 - i. Annual groundwater management fees collected by the Authority from well users.
 - ii. Any grant monies available through the State of Nevada.
 - iii. Any other grants or Program funds made available, where appropriate.

4. Program and Financial Assistance Guidelines. The Program will be subject to the “**Financial Assistance Guidelines**,” the most recent version of which shall be posted on the Groundwater Management Plan program website. The Parties shall work cooperatively to establish the Financial Assistance Guidelines (“**Guidelines**”). The Guidelines shall be developed and adopted by the Parties’ mutual consent and may be amended from time to time without requiring this Agreement to be amended or otherwise modified. The Guidelines will, among other things, establish:

- a. Eligibility requirements for financial assistance.
- b. The extent of financial assistance to help offset septic-conversion expenses, such as engineering design, sewer connection charges and construction expenses.
- c. The application process, which will consist of accepting and reviewing applications, requiring applicants to abandon their septic systems, terminate any septic permits issued by the Southern Nevada Health District, and connect to a municipal wastewater system, and other considerations to determine whether an applicant qualifies for financial assistance.
- d. The process for disbursing financial assistance and expenditures of Program funds.
- e. The process for selecting local wastewater entities, private contractors, or other means of completing the construction and capital improvements necessary to satisfactorily complete septic system abandonment and connection to municipal systems.
- f. Limitations on eligible costs and financial assistance.
- g. Funding priorities.

5. Other Responsibilities of the Authority. The Authority shall also be responsible for:

- a. Yearly Report. On or before January 31 of each year, the Authority will prepare a Program report and make the report available for the other Parties to review. The Program report will provide a summary of accomplishments, the number of completed septic conversions, expenditures, and the status of obtaining additional funding.
- b. Program Administration. In partnership with the other Parties, the Authority’s staff will promote the Program, receive and review septic conversion applications, and disburse funding to qualified projects.

6. Term. The term of this Agreement shall commence on the Effective Date regardless of the date that this Agreement is executed by the Parties. The term of this Agreement shall continue in full force and effect until all Parties agree in writing to terminate this Agreement.

7. Prohibition on Assignments. This Agreement is expressly not assignable by any Party, and any attempted or purported assignment shall be *void ab initio* and of no force or effect. Each Party acknowledges and agrees that there are specific and material reasons for each of the Parties to enter into this Agreement, and that each Party would not have entered into this Agreement but-for the specific status and identity of the other Parties to this Agreement.

8. Integration and Amendment. This Agreement represents the entire understanding of the Parties and can only be amended in a writing duly executed by all Parties and approved and authorized with the same formalities as this Agreement.

9. Severability. Should any part of this Agreement be rendered void, invalid, or unenforceable by any court of competent jurisdiction for any reason, such determination shall not render void, invalid, or unenforceable, any other part of this Agreement, and the Parties agree to replace such void, invalid, or unenforceable provision with an enforceable provision that has as nearly as possible the same effect.

10. Choice of Law; Venue. This Agreement is governed by the laws of the State of Nevada, and the exclusive and mandatory venue for any judicial proceeding arising from this Agreement shall be in the state or federal courts of Clark County, Nevada.

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

12. No Joint Venture. No joint venture is contemplated or established by this Agreement, and none of the Parties shall be deemed to be the agent of the other for any purpose by virtue of this Agreement.

13. Internal Authority. Each Party represents and covenants with the other Party that they have full authority to enter into this Agreement, that in entering into this Agreement they have taken all internal actions required to have the authority to enter into this Agreement, and that the terms of this Agreement do not violate any laws, ordinances, or regulations binding such Party, or the provisions of any contracts affecting such Party.

14. Signature Authority. The signatories for each Party hereby represent and warrant to the other Party that such signatories have all required internal authority to execute this Agreement and bind the Party for which it is signing.

15. Neutral Interpretation. Each Party acknowledges and agrees that it materially participated in the drafting and negotiation of this Agreement. This Agreement shall not be construed against any Party solely because the initial draft of this Agreement was drafted as a convenience by one

of the Parties, and each Party hereby waives the right to assert any applicable rule of construction that ambiguities in this Agreement shall be enforced against the Party primarily responsible for the drafting of this Agreement or any specific provision of this Agreement.

16. Several Liability. Up to the limitations under the law, including but not limited to those in NRS Chapter 41, each Party is severally – not jointly – responsible for liability claims, actions, damages, and expenses caused by the negligence, errors, omissions, recklessness, or intentional misconduct of its own officers, employees, and agents arising out of, resulting from, or incidental to the obligations in this Agreement. Each Party may assert any defense available under applicable law, including but not limited to the immunities provided under NRS Chapter 41.

17. No Third-Party Beneficiaries. This Agreement shall not be deemed to be for the benefit of any entity or person who is not a party to this Agreement and this Agreement does not create any rights, benefits, or causes of action for any other person, entity, or member of the general public.

18. Notices. Any notice required by this Agreement shall be in writing, shall be deemed received upon personal delivery, or upon actual delivery or rejection of delivery as noted in the records of a nationally recognized overnight courier service, and shall be addressed to the respective Parties as follows:

To SNWA:

Southern Nevada Water Authority
Attn: General Manager
1001 South Valley Boulevard, M/S 610
Las Vegas, NV 89153

With a copy to:

General Counsel
Southern Nevada Water Authority
1001 South Valley Boulevard, M/S 610
Las Vegas, NV 89153

To Reclamation District:

Clark County Water Reclamation District
Attn: General Manager
5857 East Flamingo Road
Las Vegas, NV 89122

With a copy to

Clark County Water Reclamation District
Attn: David Stoft, General Counsel
5857 East Flamingo Road
Las Vegas, NV 89122

To Henderson:

City of Henderson
Henderson City Hall
Attn: Director of Utility Services
240 S. Water St.
Henderson, NV 89015

With a copy to:

City of Henderson
Henderson City Hall
Attn: City Attorney
240 South Water St., 4th Floor
Henderson, NV 89015

To Las Vegas:

City of Las Vegas
Attn: Public Works Sewer Planning
495 South Main Street, 5th Floor

With a copy to:

City of Las Vegas
Attn: City Attorney
495 South Main Street, 6th Floor
Las Vegas, NV 89101

To North Las Vegas:

City of North Las Vegas
Attn: Director of Utilities
2250 Las Vegas Boulevard North
Suite 250
North Las Vegas, NV 89030

With a copy to:

City of North Las Vegas
Attn: City Attorney
2250 Las Vegas Blvd. N.
Ste. 810
North Las Vegas, NV 89030

Any Party may change its contact information for purposes of this Agreement by giving written notice to the other Parties in the manner set forth above.

19. Further Assurances. The Parties agree to cooperate fully and execute any and all supplementary documents, and to take any additional actions, that may be necessary or appropriate to give full force and effect to the basic terms and general intent of this Agreement.

20. Headings. The section headings of this Agreement are for convenience of reference only, are not part of this Agreement, and do not, and shall not be used to, affect its interpretation.

21. Execution in Counterparts; DocuSign; Electronic Delivery. This Agreement may be executed in electronic form by DocuSign and/or in one or more counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same Agreement. Executed copies hereof may be delivered by facsimile or e-mail, pursuant to NRS 719.240, and upon receipt will be deemed originals and binding upon the Parties, regardless of whether originals are delivered thereafter.

*[SIGNATURE PAGE FOLLOWS; THE REMAINDER OF THIS PAGE IS
INTENTIONALLY BLANK.]*

IN WITNESS WHEREOF, the Parties have entered into this Agreement on the Effective Date.

SOUTHERN NEVADA WATER AUTHORITY:

a political subdivision of the State of Nevada

By: John J. Entsminger
Its: General Manager

APPROVED AS TO FORM:

/s/ Steven C. Anderson

Gregory J. Walch
General Counsel

CITY OF HENDERSON:

a municipal corporation and political subdivision of the State of Nevada

By: _____
Richard A. Derrick
City Manager/CEO

ATTEST:

Lisa M. Corrado, AICP
Interim City Clerk

APPROVED AS TO CONTENT:

Priscilla Howell
Director of Utility Services

APPROVED AS TO FUNDING:

Jim McIntosh
Chief Financial Officer

APPROVED AS TO FORM:

_____ Nicholas G. Vaskov City Attorney	_____ CAO Review
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Date of Council Action: _____

CITY OF NORTH LAS VEGAS:

a municipal corporation and political subdivision of the State of Nevada

Date of Approval: _____

By: _____
John J. Lee
Mayor

ATTEST:

By: _____
Catherine Raynor, MMC
City Clerk

APPROVED AS TO FORM:

By: _____
Micaela Moore
City Attorney

CITY OF LAS VEGAS:

a municipal corporation and political subdivision of the State of Nevada

Date of City Council Approval: _____

By: _____
Carolyn G. Goodman, Mayor

ATTEST:

By: _____
LuAnn D. Holmes, MMC
City Clerk

APPROVED AS TO FORM:

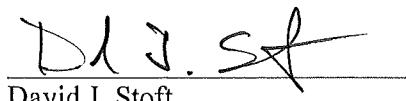
By: _____
Deputy City Attorney Date

CLARK COUNTY WATER RECLAMATION DISTRICT:

a governmental subdivision of the State of Nevada

By: Tom Minwegen
Its: General Manager

APPROVED AS TO FORM:



David J. Stoft
General Counsel