

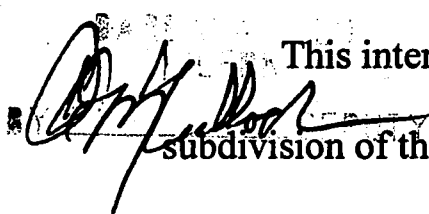
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Douglas County Manager

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**INTERLOCAL CONTRACT**

**WATER SERVICES**



This interlocal contract is entered into by Douglas County (County), a political subdivision of the State of Nevada, and Indian Hills General Improvement District (District), a political subdivision organized under the provisions of NRS ch. 318.

**RECITALS**

NRS 277.180(2) provides that the authorized purposes for contracts made pursuant to NRS 277.180 include the joint use of personnel, equipment and facilities for the promotion of the health, comfort, safety, life, welfare and property of the inhabitants which are parties to the contract.

The District has a water system which serves the District and other users outside the District, and the system has the capacity to meet all eventual within the District and to provide available excess water to additional users outside of the District.

The County is designing and will be constructing a water system to provide service to properties generally located in the north Douglas County area, which lie outside of the of the District boundaries.

The County desires the District to provide water to supplement the County's water system being constructed to serve commercial properties generally located north of Jacks Valley Road, East of US395, in the north County area and outside the current District boundaries, and the District has expressed its willingness to provide supplemental water to the County from its excess supply, as it deems to have excess water available.

In consideration of the recitals stated above and the mutual promises contained in this contract, the District and the County agree:

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Approved/IHGID/March 26,2002

## AGREEMENT

1. The District and the County agree that the two water systems will be inter-tied, allowing the District's excess water to be sold as a supplement to the County's water system and providing for mutual benefit to each party.
2. The County and the District recognize that the initial supply of water into the County system will be limited. The District has excess water available at this time, and from time to time, and agrees to sell water to the County from these excess amounts as they continue to be available, at an agreed rate. The inter-tie between the two systems will include a two-way meter to determine the actual amount of water provided to the County system from the District.
3. The initial rate for water sold to the County in the first year of inter-local agreement was \$1.40 per 1000 gallons. The initial rate for water sold to the County in this agreement period, from April 1, 2002 through March 31, 2003, shall be \$1.90 per 1000 gallons. The rate will be reviewed quarterly and will be changed pro-rata based upon any change in utility charges which the District incurs to provide the service.
4. This contract shall be made effective for 12 months from the date of adoption and may be renewed for successive 12 month periods upon written agreement executed by the County Manager to the District's General Manager. The District is under no obligation to extend the term of the contract if the District elects not to do so.
5. This contract will terminate upon the expiration of a current term for the contract without the written extension and acceptance of the extension as provided in Paragraph 4, or at other time upon mutual agreement approved by the governing bodies of both the County and the District.

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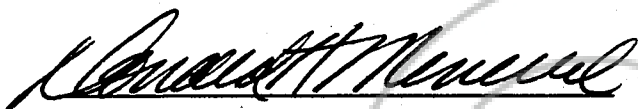
Approved/IHGID/March 26,2002

6. The contract may only be amended by written agreement approved by an affirmative vote of the governing bodies of both the County and the District.
7. The contract is effective upon its adoption by the governing bodies of both the County and the District.
8. If "point-of-use" of District water rights has to be changed, the County will pay for all costs associated with the process, including changing point-of-use back to the District upon expiration of this agreement.

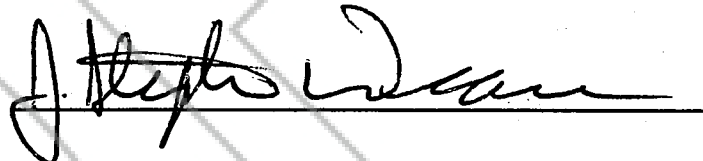
IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year hereinafter written.

Dated this 10<sup>th</sup> day of May, 2002

Dated this 15<sup>th</sup> day of May, 2002



Chairman  
Douglas County  
Board of Commissioners



Chairman  
Indian Hills  
General Improvement District

REQUESTED BY  
**DOUGLAS COUNTY**  
IN OFFICIAL RECORDS OF  
DOUGLAS CO., NEVADA

2002 JUN -6 PM 12: 08

LINDA SLATER  
RECORDER

\$ 0 PAID KJ DEPUTY

**CERTIFIED COPY**

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: June 6, 2002  
B. Reed, Clerk of the 2<sup>nd</sup> Judicial District Court  
of the State of Nevada, in and for the County of Douglas.

By [Signature] Deputy

**SEAL**

Approved/IHGID/March 26,2002

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