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OFFICIAL RECORD

Requested By:  
DC/PUBLIC WORKS

Assessor's Parcel Number: N/A

Date: JANUARY 13, 2010

Recording Requested By:

Douglas County - NV  
Karen Ellison - Recorder  
Page: 1 Of 7 Fee: 0.00  
BK-0110 PG-2302 RPTT: 0.00



Name: EILEEN CHURCH, PUBLIC WORKS

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Real Property Transfer Tax: \$ N/A

INTERLOCAL CONTRACT #2010.008

(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2. (Additional recording fee applies)

*This cover page must be typed or legibly hand printed.*

FILED

CONTRACT #2009-21


NO. 2010.008

INTERLOCAL CONTRACT

2010 JAN 13 AM 9:10

Between Douglas County and the Carson Water  
Subconservancy District Addressing Funding for the Construction  
of Phase 1 of the North Douglas County and  
Carson City Water Line Intertie

TED THRAN  
CLERK

BY 

THIS AGREEMENT, dated this 7<sup>th</sup> day of January, ~~2009~~<sup>2010</sup>, is made between  
CARSON WATER SUBCONSERVANCY DISTRICT, a water district organized under  
Chapter 541 of the Nevada Revised Statutes ("CWSD"), and DOUGLAS COUNTY,  
NEVADA, a political subdivision of the State of Nevada ("DOUGLAS COUNTY").

WITNESSETH:

WHEREAS, DOUGLAS COUNTY, Town of Minden, Indian Hills General  
Improvement District (GID), Carson City, and CWSD are working together on a regional  
water line intertie project known as the "North Douglas County and Carson City Water  
Line Intertie Project" ("PROJECT"). Since the PROJECT involves such other  
participants, it and this Agreement are contingent upon the agreements referred to  
below in paragraph 1 becoming effective; and

WHEREAS, in 2001, CWSD identified the long-term water service needs of  
Douglas County and Carson City, as well as the overall regional water system needs in  
the general area, and one of the projects identified was the need for a pipeline from the  
Town of Minden to Carson City; and

WHEREAS, DOUGLAS COUNTY is currently in the process of designing Phase  
1 of the PROJECT; and

WHEREAS, DOUGLAS COUNTY has requested funding assistance from CWSD  
to help cover the annual debt service for the construction costs for Phase 1 of the  
PROJECT; and

WHEREAS, Phase 1 of the PROJECT will entail the construction of large  
diameter pipelines, a storage tank, and pump stations to be able to transport water from

the Town of Minden's wells north to Indian Hills GID, Douglas County, and Carson City;  
and

WHEREAS, the Parties understand that DOUGLAS COUNTY will own and maintain the pipeline and facilities that are located in Douglas County; and

WHEREAS, if CWSD decides to help fund the construction of the PROJECT, CWSD will not own any part of the PROJECT but will own capacity rights in the PROJECT.

NOW, THEREFORE, the Parties to this Contract, in consideration of the promises and provisions contained in this Contract and other good and valuable consideration, do agree as follows:

1. DOUGLAS COUNTY will take the lead in overseeing the design, bidding and construction of the specific elements comprising Phase 1 of the PROJECT. This Agreement will only become effective after it is approved by the governing body of each Party, and upon the effective dates of five other agreements integral to the PROJECT: 1. "INTERLOCAL AGREEMENT TO PROVIDE WHOLESALE WATER SERVICE"; 2. "INTERLOCAL AGREEMENT RELATING TO WATER SERVICE" between the County and Indian Hills General Improvement District (IHGID); 3. "INTERLOCAL AGREEMENT RELATING TO WATER SERVICE" between the County and Carson City; 4. "INTERLOCAL AGREEMENT RELATING TO THE PURCHASE OF WATER" between Carson City and the Town of Minden; 5. "INTERLOCAL AGREEMENT RELATING TO THE PURCHASE OF WATER" between IHGID and the Town of Minden.

2. CWSD shall be responsible for and shall reimburse DOUGLAS COUNTY \$62,500 semi-annually (\$125,000 annually) for the term of the bond, not to exceed 20 years, as reimbursement for a portion of the construction costs for Phase 1 of the PROJECT.

3. As consideration for the funding provided to DOUGLAS COUNTY under

this agreement, CWSD shall be entitled to all the capacity in excess of 7,500 gpm in Phase 1; the first 7,500 gpm is being allocated to Douglas County, Carson City, and Indian Hills GID. Once Phase 2 of the Project is completed, CWSD shall be entitled to all the capacity in excess of 12,000 gpm of the completed Project. The actual capacity available to CWSD will be established in the final design of the Project, and CWSD shall work with the design team to ensure that the design will provide CWSD with capacity in the Project.

4. In the event that a private or public entity wants to utilize the capacity owned by CWSD, CWSD reserves the right to charge for such capacity in an amount that will recoup some or all of the financial commitment made by CWSD. The entity that purchases the capacity from CWSD shall also be responsible for operation, maintenance, depreciation, and other fees that may be established by Douglas County. These fees shall be negotiated in a separate agreement with Douglas County.

5. Under this agreement, CWSD expenditure is limited to the cost for the construction of the Project. CWSD shall not be liable for any operation, maintenance, depreciation, or any other fees associated with the Project.

6. For invoicing and notice purposes, the address of each Party is as follows:

CWSD  
Attn.: Edwin James  
General Manager  
777 E. William St., #110  
Carson City, NV 89706  
(775)887-7456

edjames@cwsd.org

DOUGLAS COUNTY  
Attn.: Carl Ruschmeyer, PE  
Public Works Director  
P. O. Box 218  
1120 Airport Rd. #F-2  
Minden, NV 89423  
(775) 782-6227  
cruschmeyer@co.douglas.nv.us

7. If, during the term of the bond, CWSD's Ad Valorem tax rate of \$0.03 per \$100 asset value is reduced, CWSD will have the right to reduce its annual payment amount to Douglas County by the amount of the lost revenue from Douglas County.

8. The Parties will not waive and intend to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both Parties shall not be subject to punitive damages. To the extent applicable, actual contract damages for any breach shall be limited by NRS 353.260 and NRS 354.626.

9. a. Consistent with paragraph 8 of this Contract, each Party shall indemnify, hold harmless and defend, not excluding the others right to participate, the other Party from and against all liability, claims, actions, damages, losses, and expenses, including, but not limited to, reasonable attorneys fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying Party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any Party or person described in this paragraph.

b. The indemnification obligation under this paragraph is conditioned upon receipt of written notice by the indemnifying Party within thirty (30) days of the indemnified Party's accrual notice of any actual or pending claim or cause of action. The indemnifying Party shall not be liable to hold harmless any attorneys' fees and costs for the indemnified Party's chosen right to participate with legal counsel. The Parties will not waive and intend to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both Parties does not include punitive damages.

10. This Contract shall be by and between the Parties hereto and shall not be assignable or transferable.

11. Any dispute regarding this Contract shall be decided according to the laws of the State of Nevada. If any part of this Contract is declared to be unlawful, any remaining obligations shall be deemed terminated.

12. This Contract may only be amended by consent of both Parties. Any amendments must be written and executed with the same formality as this Contract.

13. This Contract constitutes the entire understanding between the Parties and there are no representations, conditions, warranties or collateral agreements (expressed or implied), statutory or otherwise, with respect to the subject of this Contract.

14. Notwithstanding this Contract is initially executed by the DOUGLAS COUNTY Manager and General Manager of CWSD, this Contract becomes effective when ratified by appropriate official action of the governing body of each Party, and shall be deemed dated as of the later date of said official action.

15. The Parties hereto represent and warrant that the person executing this Contract on behalf of each Party has full power and authority to enter into this Contract and that the Parties are authorized by law to engage in cooperative action set forth herein.

16. This Contract shall be entered into with duplicate originals, realizing that each entity, by necessity, must approve and execute the subject document at different dates, times and places.

IN WITNESS WHEREOF, the Parties have caused this Contract to be executed as of the day and year first above written.

DATED: Dec 16, 2009

DATED: January 7, 2010

CARSON WATER SUBCONSERVANCY DISTRICT

DOUGLAS COUNTY:

Gwen Washburn  
Gwen Washburn, Chairperson

Michael A. [Signature]  
[Signature], Chairperson

ATTEST:

Toni M. Leffler  
Toni M. Leffler, Secretary

APPROVED AS TO FORM:

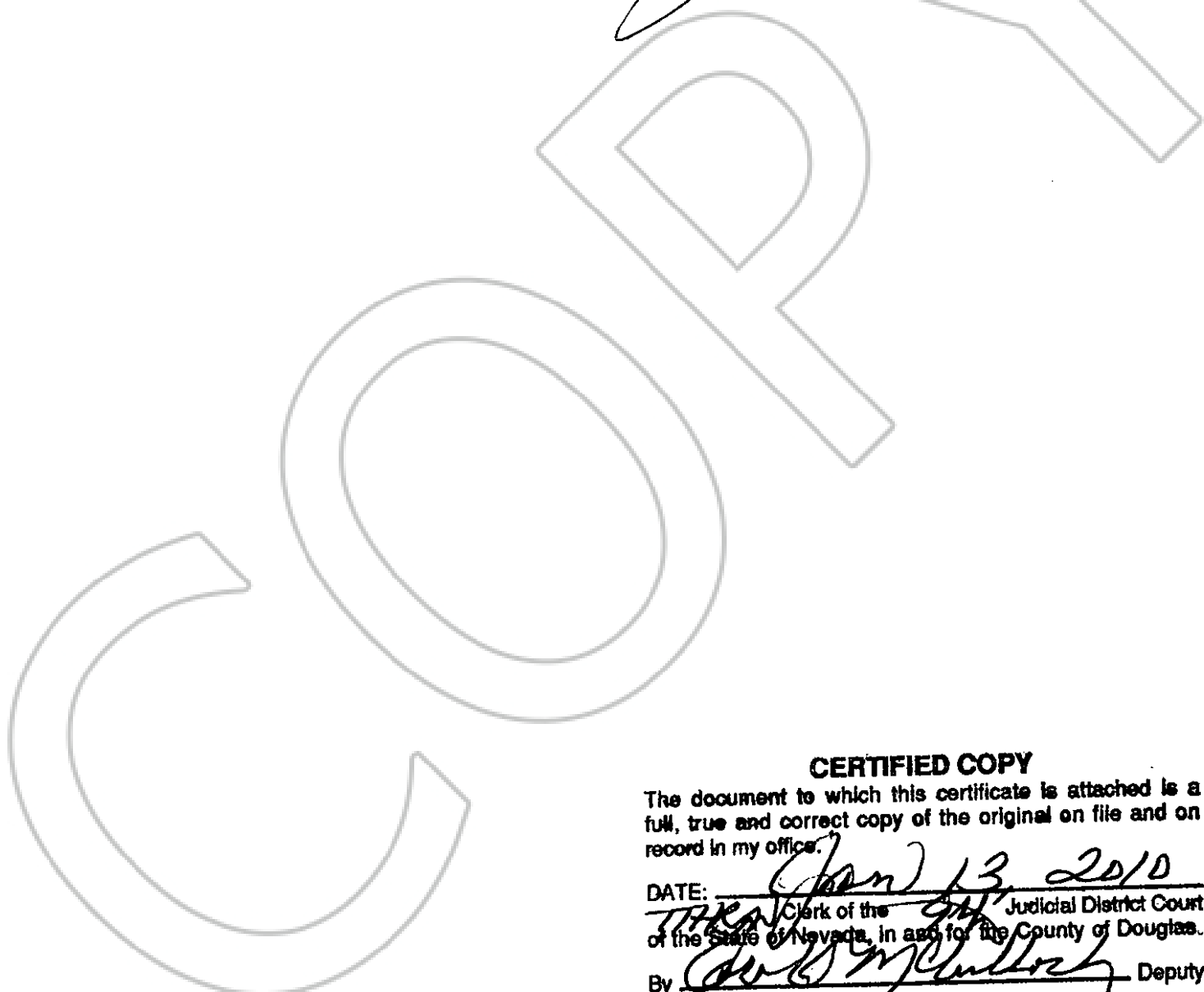
George Benesch  
George Benesch, Legal Counsel

ATTEST:

Ted Thran  
Ted Thran, Clerk/Treasurer  
BY Juan M. Sudella, Clerk to the Board

APPROVED AS TO FORM:

Joseph K. Ward  
Joseph Ward, Deputy District Attorney



**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: Jan 13, 2010  
T. Thran Clerk of the 9th Judicial District Court  
of the State of Nevada, in and for the County of Douglas.  
By David M. Mullock Deputy