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OFFICIAL RECORDS

Requested By
DC/PUBLIC WORKS

DOUGLAS COUNTY RECORDERS
Karen Ellison - Recorder

Page: 1 of 7 Fee: \$ 0.00

Bk: 0813 Pg: 3887



Deputy: ar

Assessor's Parcel Number: N/A

Date: AUGUST 14, 2013

Recording Requested By:

Name: EILEEN CHURCH, PUBLIC WORKS
(CR)

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A

INTERLOCAL AGREEMENT AMENDMENT #2013.187

(Title of Document)

herein by this reference. If the Treatment Reserve Account does not contain sufficient funds to fully cover future required water treatment costs as the treatment costs are incurred, then all wholesale customers shall be responsible for covering their proportionate cost for water treatment based on the methodology described in Section 5.B.4 below; and

2. Paragraph 3.C.1 shall be amended to read as follows:

The point of delivery shall be the meter to be installed on the discharge side of the Heybourne Booster Station. That is the point at which the Town will deliver and the County will receive wholesale water, and the Town will receive any emergency water from the County pursuant to the terms of the Agreement.

3. Paragraph 3.D.5 shall be amended to read as follows:

On January 1st of each year, in the event that the County utilizes, on average, more water from the Town during the prior year than the water rights transferred to and held by the Town for the benefit of the County, IHGID, and Carson City, the Town may charge the County a fee equal to 0.25% of the price of a water right then in effect as set by the Town of Minden Board for each excess acre-foot, or portion thereof, utilized by the County, IHGID, or Carson City. This additional water usage may not be utilized by the County for future development or growth. Any such over utilization that continues for more than two consecutive years must be approved by the Town of Minden Board. The County will share measurements of the water used by IHGID and Carson City, by way of the Project, to facilitate implementation of similar 0.25% penalty provisions contained in the Town's agreements with IHGID and Carson City, and the Town's billings in accordance therewith.

4. Paragraph 4.B shall be amended to read as follows:

In addition to its existing water system infrastructure, the County will own and maintain the improvements identified and contemplated to be constructed under the "North Douglas County Water System Analysis," with the exception of those facilities within the Town service area or mutually agreed to be the Town's responsibility, any facilities constructed solely by IHGID, or any facilities constructed within Carson City. The County shall own and maintain the waterline on Heybourne Road and Pole Line Ditch on the discharge side of the Heybourne Booster Station meter.

5. Paragraph 4.C shall be amended to read as follows:

The County agrees to purchase water from the Town at a wholesale rate structure described in the attached revised Appendix "A," and deliver the water to its customers, including but not limited to IHGID and Carson City at the minimum delivery rates provided for in the "North Douglas County Water System Analysis."

The County will also collect and pay to the Town a monthly wholesale service rate per thousand gallons as set out in Section 5.B for water delivered from the Town. Furthermore, the County agrees to pay the Town a retroactive payment of the difference between the prior rate of \$0.451 per 1000 gallons and a rate of \$0.54 per 1000 gallons, for all water delivered to the County by the Town from July 1, 2012, through June 30, 2013. These retroactive payments shall be made by August 1, 2013.

6. Paragraph 5.B.1 shall be amended to read as follows:

The rates, charges or fees, as set forth in the Revised Exhibit "A" attached hereto, will be based on the following:

- A. A proportional share, based on annual water deliveries to the wholesale customers and the total annual Town pumping volume, of the estimated system expenses for operations and maintenance. These costs are included in the Minden Wholesale Water Fund operating statement of expenses in the Salaries, Benefits, and "Services & Supplies" categories (collectively the "Operations and Maintenance Costs"). Any power and chlorination costs associated with the Heybourne Booster Station will be excluded for the purpose of calculating the Operations and Maintenance Costs component of the wholesale water rate. Operations and Maintenance Costs for the Minden Wholesale Water Fund shall be divided by the total estimated annual water usage for each full fiscal year to develop a rate per 1000 gallons. Estimated future costs and usage shall be based on actual values from the prior fiscal year.
- B. An increment per thousand gallons for the power and chlorination costs associated with the operation of the Heybourne Booster Station based upon wholesale water deliveries to the Town's wholesale customers on the discharge side of the Heybourne Booster Station meter.
- C. An increment per thousand gallons, based upon wholesale water deliveries to all wholesale customers, reasonably required to fund the repair and replacement of wholesale water system components and infrastructure. Such funds shall be deposited in the Minden Wholesale Water Fund.
- D. An increment per thousand gallons for future treatment. Any funds collected pursuant to this provision shall remain in the Minden Wholesale Water Fund for the benefit of the wholesale water customers. The Parties will periodically review the existing or potential necessity of treatment and, in the event a study is obtained

that reasonably indicates additional water treatment will not be necessary, the water treatment component of the water rate will be eliminated.

E. An increment per thousand gallons as a service charge to be phased in during a ten (10) year period, for the direct benefit of the Minden Wholesale Water Fund and the wholesale water customers.

7. Paragraph 5.B.2 shall be amended to read as follows:

Except as otherwise provided in Paragraph 4.C above, based on this methodology the cost to deliver water to the County from the Town, or from the County to the Town, shall be as set forth in the attached revised Appendix "A," effective upon the recording of this Amendment. The scheduled increase in rates, charges or fees is subject to change in the event that power costs, operation and maintenance costs, or water flows increase or decrease significantly during the 10-year period beginning July 1, 2013, and the water rates, charges or fees no longer cover the required expenses. The current water rates reflected in Appendix "A" are based on the assumption that Carson City will begin accepting water from the County by April 1, 2014. In the event Carson City fails to begin taking delivery of water by July 1, 2014, the Town and County agree to meet and confer with all wholesale customers to mutually reach the best solution to address any issues caused by Carson City's failure to take delivery of water. If the Town and County are unable to reach a resolution with all of the Town's wholesale water customers within ninety (90) days of such a meeting, the Town and County mutually agree to submit the matter to mediation and, if necessary, through litigation as provided in Paragraph 17 of the Agreement.

8. Paragraph 5.B.3 shall be amended to include, in addition to its current language, the following:

By February of 2016, the Town will conduct a formal rate review based on actual costs and deliveries for the completed and operating regional system to review and, if necessary, adjust the wholesale water rates and projections for all future water rates shown in the revised Appendix "A" attached hereto.

9. Paragraph 5.B.4 shall be amended to read as follows:

In the event that additional water treatment becomes necessary, the Town and the County agree to work together with all wholesale customers to develop the best water treatment solution. The cost to construct any additional water treatment facilities will be taken first from the monies held in the Treatment Reserve Account supported by all purchasers of water from the Town. The net difference in costs between available funds and the final costs for additional water treatment shall be mutually established by all of the Town's wholesale customers. Each of the Town's

wholesale customers shall be responsible for contributing a pro rata share of the funds required for additional water treatment based on an average of the actual water use during the previous three (3) fiscal years. The wholesale customers shall jointly determine the best manner in which they will finance the costs of any water treatment.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the 31st day of July, 2013.

Douglas County Board of Commissioners

Town of Minden

By: [Signature]
Greg Lynn, Chairman
Douglas County Commission

By: Charles Condron
Charles Condron, Chairman
Minden Town Board

Attest:

Attest:

By: Theodore Thran
Theodore Thran
County Clerk

By: Jenifer Davidson
Jenifer Davidson
Town Manager

Approved as to form:

Approved as to form:

By: [Signature] for
Chief Civil Deputy District Attorney

By: [Signature]
Town Counsel

REVISED APPENDIX "A," DRAFT 5-21-13

	(A) O&M	(B) Passthrough Heybourne Operations	(C) Repair and Replacement Phase In	(D) Treatment	(E) Service Charge	Douglas County TOTAL Wholesale Rate per 1000 gal	Minden total Wholesale Rate per 1000 gal
FY 2013/14	\$ 0.440	\$ 0.010	\$ 0.07	\$ 0.0100	\$ 0.0100	\$ 0.540	\$ 0.520
FY 2014/15	\$ 0.355	\$ 0.020	\$ 0.15	\$ 0.0100	\$ 0.0200	\$ 0.555	\$ 0.515
FY 2015/16	\$ 0.340	\$ 0.020	\$ 0.1725	\$ 0.0100	\$ 0.0200	\$ 0.563	\$ 0.523
FY 2016/17	\$ 0.340	\$ 0.020	\$ 0.19	\$ 0.0100	\$ 0.0350	\$ 0.595	\$ 0.540
FY 2017/18	\$ 0.340	\$ 0.020	\$ 0.215	\$ 0.0100	\$ 0.0400	\$ 0.625	\$ 0.565
FY 2018/19	\$ 0.340	\$ 0.020	\$ 0.26	\$ 0.0200	\$ 0.0800	\$ 0.720	\$ 0.620
FY 2019/20	\$ 0.350	\$ 0.020	\$ 0.27	\$ 0.0300	\$ 0.0800	\$ 0.750	\$ 0.650
FY 2020/21	\$ 0.350	\$ 0.020	\$ 0.28	\$ 0.0400	\$ 0.0900	\$ 0.780	\$ 0.670
FY 2021/22	\$ 0.360	\$ 0.020	\$ 0.28	\$ 0.0500	\$ 0.0900	\$ 0.800	\$ 0.690
FY 2022/23	\$ 0.360	\$ 0.020	\$ 0.29	\$ 0.0500	\$ 0.0900	\$ 0.810	\$ 0.700

(1) - Passthrough Heybourne Operation Costs will be re-evaluated as part of the rate update to be conducted with real cost data

(2) - Minden wholesale rate - columns A, C, & D

(3) - Douglas County Wholesale Rate - columns A, B, C, D, & E

Douglas County

State of Nevada

CERTIFIED COPY

I certify that the document to which this certificate is attached is a full and correct copy of the original record on file in the Clerk-Treasurer's Office on this

____ day of _____, 20 13
By [Signature] Deputy