

**INTERLOCAL INFRASTRUCTURE AGREEMENT BETWEEN THE SOUTHERN
NEVADA WATER AUTHORITY AND THE CITY OF NORTH LAS VEGAS
REGARDING THE GARNET VALLEY WATER SYSTEM AND GARNET VALLEY
WASTEWATER SYSTEM PROJECT**

THIS INTERLOCAL INFRASTRUCTURE AGREEMENT BETWEEN THE SOUTHERN NEVADA WATER AUTHORITY AND THE CITY OF NORTH LAS VEGAS REGARDING THE GARNET VALLEY WATER SYSTEM AND GARNET VALLEY WASTEWATER SYSTEM PROJECT (this “**Agreement**”) is made and entered into this ____ day of _____, 2020 (the “**Effective Date**”) by and between the Southern Nevada Water Authority, a political subdivision of the State of Nevada (“**SNWA**”) and the City of North Las Vegas, Nevada, a municipal corporation and political subdivision of the State of Nevada (“**City**”). For convenience, SNWA and City are sometimes referred to in this Agreement individually as a “**Party**” or collectively as “**Parties**”.

RECITALS

WHEREAS, SNWA is engaged in the business of, among other things, the wholesale distribution of water to City and other customers;

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

WHEREAS, the wastewater generated outside of the Las Vegas Valley Hydrographic Basin area of the City, as the same is more particularly described on **Exhibit “A”** attached hereto and incorporated herein by this reference (the “**Out of Valley Area**”) is currently not returned to the Las Vegas Valley for processing as treated effluent;

WHEREAS, the Garnet Valley area of City, which is located in the Out of Valley Area of City, requires additional wholesale potable water infrastructure to ensure reliability and redundancy of water deliveries from SNWA;

WHEREAS, on June 1, 2009, July 16, 2015, and August 15, 2016, City and SNWA executed Water Services Agreements (collectively, the “**Existing Water Agreements**”) under which City obtained the right to use 900 acre-feet annually of SNWA’s permitted groundwater rights in Garnet and Hidden valleys;

WHEREAS, the Parties desire that SNWA construct a new water supply line ranging in size between sixteen and thirty-six inches (16” to 36”) in diameter and related infrastructure from the existing SNWA Grand Teton Reservoir and rate of flow control station to the Garnet Valley (as more particularly described in Section 2.a, below, the “**Water Supply Project**”);

WHEREAS, the Parties desire that SNWA also construct a backbone wastewater system for the Garnet Valley area of the City to collect and transmit wastewater created in the Garnet Valley to City’s Water Reclamation Facility in the Las Vegas Valley (as more particularly

described in Section 2.b, below, the “**Wastewater Return Project**”, and collectively with the Water Supply Project, the “**Project**”);

WHEREAS, City is in negotiations to acquire senior water rights for use in its dual ground and surface water management plan for the Garnet Valley subject to the approval of the State Engineer;

WHEREAS, City is the sole water purveyor in the Garnet Valley and desires to provide reliable and redundant water to its customers;

WHEREAS, the Parties recognize and acknowledge that the use and consumption of Water Supply Project water in lieu of groundwater diverted within Garnet Valley will maximize the potential for development of the Garnet Valley area;

WHEREAS, City is currently constructing a new water supply line ranging in size between twenty-four and thirty-six inches (24” to 36”) in diameter and related infrastructure from the Las Vegas Valley to the Garnet Valley;

WHEREAS, City owns and operates groundwater wells based on water rights subject to curtailment by the Nevada Division of Water Resources State Engineer and is seeking to purchase and transfer more senior and protected water rights for continued use in these groundwater wells;

WHEREAS, SNWA has agreed, subject to the terms, conditions, and limitations of this Agreement, not to oppose the transfer and purchase of senior water rights and the development of permissible groundwater use in the Garnet Valley;

WHEREAS, the Parties acknowledge that City desires to pursue its approved master water plan providing for redundant water supply and water management plan for future and existing Garnet Valley businesses within its City boundaries from both surface and groundwater sources;

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

WHEREAS, in consideration of SNWA’s construction of and provision of water service to City through the Project, City has agreed to implement and enforce the water conservation measures described in this Agreement and to support and participate in the related SNWA water rate and fee increases;

WHEREAS, wastewater generated in the Out of Valley Area is currently planned to be collected and discharged to Lake Mead, directly or indirectly, through the Las Vegas Wash;

WHEREAS, in consideration of SNWA’s construction of and provision of water service to City through the Project, City has, among other considerations set forth herein, agreed where it has jurisdiction to require that wastewater generated in the Out of Valley Area be discharged back to Lake Mead;

WHEREAS, the Parties desire to enter into this Agreement to memorialize their respective rights and obligations with respect to the Project and their respective obligations to provide water to their users, to set forth guidelines for how new water conservation measures will be enforced and implemented, 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, SNWA and City 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. The Project.

a. Water Supply Project. As used in this Agreement, the term **“Water Supply Project”** means, collectively, a sixteen inch (16”) to thirty-six inch (36”) diameter water supply line with an approximate capacity of twenty million gallons per day (20,000,000 gpd) to be located within the City along the conceptual route depicted on **Exhibit “B”**, attached hereto and incorporated herein by this reference, as well as all infrastructure relating thereto, including, without limitation, interconnecting pipelines, pumping stations, reservoirs, pressure reducing stations, wells, turnouts, rate of flow control stations (**“ROFCs”**), fiber communications, power supply infrastructure, and associated appurtenances, facilities, and infrastructure relating to such improvements. The specific scope of the improvements comprising the Water Supply Project will be coordinated between SNWA and the City, with SNWA having the right to approve the final scope and location of the Water Supply Project in its sole but reasonable discretion. The Parties agree that the conceptual map attached as **Exhibit “B”** delineates a general route for the Project, but that the map is conceptual in nature and that the final route of the Water Supply Project may deviate from the route set forth on **Exhibit “B.”** SNWA shall coordinate the selection of the final route of the Water Supply Project with City, and City acknowledges that the location of the final route of the Water Supply Project shall ultimately be chosen by SNWA subject to the Project receiving any development and other approvals and authorizations required by and in accordance with applicable law, including from City through its development process. SNWA shall cause to be performed all work necessary to design and construct the Water Supply Project in accordance with the SNWA Design Standards, City’s adopted Uniform Design and Construction Standards for Potable Water Systems, 3rd Edition (2010), as revised and updated, accepted engineering practices, and the City of North Las Vegas Municipal Code, as amended (the **“City Code”**).

b. Wastewater Return Project. As used in this Agreement, the phrase **“Wastewater Return Project”** means, collectively, the backbone wastewater system to be

constructed by SNWA for the Garnet Valley that will collect and transmit all wastewater created in the Garnet Valley to the City's water reclamation facility in the Las Vegas Valley, as well as all infrastructure relating thereto, including, without limitation, pumping stations, lift stations, gravity lines, force lines, and associated appurtenances, facilities, and infrastructure relating to these improvements. The Parties acknowledge that the primary purpose of the Wastewater Return Project is to collect and transmit all of the Garnet Valley's wastewater to the Las Vegas Valley. The specific scope of the improvements comprising the Wastewater Return Project will be coordinated between SNWA and the City, with SNWA having the right to approve the final scope of the Wastewater Return Project in its sole but reasonable discretion. A conceptual map delineating the general location of the Wastewater Return Project, as the same has been designed as of the Effective Date, is attached hereto as **Exhibit "C"** and is incorporated herein by this reference. SNWA shall coordinate the selection of the final route of the Wastewater Return Project with the City, provided that City acknowledges that the location of the final route of the Wastewater Return Project shall ultimately be chosen by SNWA subject to the Project receiving any development and other approvals and authorizations required by and in accordance with applicable law, including from City through its development process. SNWA shall cause to be performed all work necessary to design and construct the Wastewater Return Project in accordance with the City's adopted Design and Construction Standards for Wastewater Collections Systems, 4th Edition (2019), as revised and updated, accepted engineering practices, and the City Code.

- c. Excluded Improvements. For the purpose of clarity, the Parties acknowledge and agree that SNWA only has the obligation to construct and install those portions of the Project designated SNWA Construction on **Exhibits "B"** and **"C"** respectively.

3. Construction, Ownership, and Maintenance of the Project.

- a. Water Supply Project. Subject to the terms and conditions of this Agreement, SNWA agrees to construct, or cause the construction of, the Water Supply Project. The timeline for the construction of the Water Supply Project, which the Parties estimate will be approximately seven (7) years, shall be proposed by SNWA in coordination with City. SNWA and City agree to use commercially reasonable efforts to expedite construction of the 2.8-mile, 16-inch transmission line located on the northern end of the Water Supply Project as shown on **Exhibit "B."** In accordance with applicable requirements in the City Code, and this Agreement, SNWA and City shall coordinate City's inspection of the Water Supply Project. Upon City's approval of the Water Supply Project (not to be unreasonably withheld, conditioned, or delayed), and again subject to the terms and conditions of this Agreement, unless otherwise agreed to by the Parties, SNWA shall retain ownership of, and be responsible for the operation of, the ROFCs and the water transmission mains to the ROFCs, but SNWA shall, at no cost to City, convey the water distribution pipelines and related facilities and infrastructure extending from the ROFCs to City through a bill of sale substantially in the form attached hereto as **Exhibit "D."** At no cost to City, SNWA shall also assign and/or grant to City,

and execute and deliver all such instruments as shall be necessary to assign and grant to City, all Land Rights for any such facilities conveyed to City, using a recordable instrument(s) in a form acceptable to City with only those third-party warranties, express or implied, that are transferrable by SNWA. For the purpose of clarity, SNWA shall retain the ownership of, and maintenance obligations for, all portions of the Water Supply Project other than the water distribution pipelines and related facilities and infrastructure extending from the ROFCs. City acknowledges and agrees that City shall be responsible for the operation, maintenance, and repair of all City-owned water distribution infrastructure and related facilities past the ROFCs, and City shall be responsible for all expenses incurred in such operation, maintenance, and repair; provided, that, City shall not have such responsibilities for any water distribution infrastructure or related facilities installed beyond the ROFCs to the extent that such improvements or infrastructure are not owned by City.

- b. Wastewater Return Project. Subject to the terms and conditions of this Agreement, SNWA agrees to construct, or cause the construction of, the Wastewater Return Project. The timeline for the construction of the Wastewater Return Project, which the Parties estimate will be approximately seven (7) years, shall be proposed by SNWA in coordination with the City. Upon the completion of construction of the Wastewater Return Project, SNWA and City shall coordinate an appropriate time for the City's inspection of those portions of the Wastewater Return Project reasonably susceptible to inspection. Upon the City's approval of the Wastewater Return Project (not to be unreasonably withheld, conditioned, or delayed), and again subject to the terms and conditions of this Agreement, SNWA shall, at no cost to City, convey to City all portions of the Wastewater Return Project through a bill of sale substantially in the form attached hereto as **Exhibit "D."** At no cost to City, SNWA shall also assign and/or grant to City, and execute and deliver all such instruments as shall be necessary to assign and grant to City, all Land Rights for any such facilities conveyed to City, using a recordable instrument(s) in a form acceptable to City with only those third-party warranties, express or implied, that are transferrable by SNWA. City acknowledges and agrees that City shall be responsible for the operation, maintenance, and repair of the Wastewater Return Project following its conveyance from SNWA to City, and City shall be responsible for all expenses incurred in such operation, maintenance, and repair, including all energy costs.

4. Existing Water and Wastewater Infrastructure. Nothing in this Agreement is intended to alter the Parties' respective rights and obligations with respect to the existing water and wastewater infrastructure in the City.

5. Land Rights. City acknowledges that SNWA may be required to obtain certain easements, rights-of-way, and similar access rights (collectively "**Land Rights**") in order to construct, operate, maintain, and repair the Project. SNWA shall identify the Land Rights it reasonably requires to construct the Project and the person(s) with an interest in the real property from whom SNWA reasonably needs to obtain those Land Rights in connection with the Project, and SNWA

and City shall then work in a collaborative process reflective of the Parties' current right-of-way acquisition processes to obtain such Land Rights, with acquisition costs being borne by SNWA. Without limiting the foregoing, in the event that City is the owner of any of the fee interest in any of the identified Land Rights, City shall convey such Land Rights to SNWA at no cost to SNWA to the extent permitted by and in accordance with applicable law and in a form acceptable to SNWA. Further, to the extent permitted by applicable law, City shall obtain or reserve such easements that are reasonably necessary for the Project as a condition of land use and mapping approvals, and when City seeks an easement or right of way for City's purposes in an area along the Project route, City shall ensure that such easement or right of way can also accommodate the Project. In the event that the United States of America or another governmental entity (each, a **"Governmental Owner"**) is the owner of the fee interest in any of the identified Land Rights, City and SNWA shall work in good faith, with SNWA acting as the lead agency (unless otherwise agreed), to obtain conveyances to SNWA of the fee interest (or such lesser interest reasonably acceptable to SNWA) in such Land Rights for SNWA's construction, operation, maintenance, and repair of the Project. Further, and similarly without limiting the first sentence of this Section, in the event that a private party (each, a **"Private Owner"**) is the owner of the fee interest in any of the identified Land Rights, City and SNWA shall work in good faith, with SNWA acting as the lead agency (unless otherwise agreed), to obtain conveyances of the fee interest in such Land Rights to SNWA for SNWA's construction, operation, maintenance, and repair of the Project. SNWA shall acquire Land Rights exclusively for the Project. In addition, the costs of obtaining Land Rights that exclusively benefit the Project from a Governmental Owner or Private Owner shall be wholly borne by SNWA.

6. City's Adoption of Conservation Measures. In consideration of SNWA's construction of the Project and provision of water service to City through the Water Supply Project, City either has adopted into its City Code, or concurrently with the adoption of this Agreement is adopting into its City Code, the SNWA Resolution in Support of Preventing the Installation of Non-Functional Turf in Southern Nevada dated July 18, 2019 (the **"Conservation Measures"**). Furthermore, for any property subject to City Code water use in the Out of Valley Area will only be permitted to install turf in public and private parks and schools, and installations in public and private parks and schools must be consistent with the Conservation Measures, to the extent permissible under applicable law. SNWA shall have the right to participate in the development of proposed future amendments or additions to the City Code to ensure the conformity of such codes to the Conservation Measures, and City agrees to reasonably consider all such suggested revisions and to make revisions necessary to ensure that City Codes continue to meet the minimum standards of the Conservation Measures. In addition, City will not take any actions to reduce the stringency of existing City Code provisions concerning water conservation.

7. Garnet Valley Consolidated Groundwater & Surface Water Planning. SNWA acknowledges that City's longterm water planning for Garnet Valley has included the consolidated use of groundwater and surface water sources for the efficient management and delivery of service to its utility customers, and City acknowledges that limiting groundwater pumping within Garnet Valley and the Lower White River Flow System (**"LWRFS"**) as a whole is necessary to protect senior water rights and the endangered Moapa Dace and to minimize the prospect that existing uses will be curtailed. Accordingly, the Parties agree as follows concerning groundwater diversions and use within Garnet Valley Basin:

- a. Interim Use of Groundwater. Until such time as the Water Supply Project is completed and accepted by SNWA (“**Interim Period**”), City, subject to State Engineer approval of any necessary change applications, may use for any lawful purpose up to an average of 900 acre-feet annually of SNWA’s permitted groundwater rights under the Existing Water Agreements; provided, however, that City shall limit its pumping such that the average combined diversions by City and all other users within Garnet Valley do not exceed 2900 acre-feet annually; and further provided that the Parties may from time to time agree on different limits depending upon the LWRFS’s response to pumping and other stresses. Upon the conclusion of the Interim Period, the Existing Water Agreements shall terminate and neither Party shall have any further right or obligation thereunder except as may have accrued during the Interim Period.
- b. Continued Use of Groundwater. Upon conclusion of the Interim Period, City shall limit its pumping of Garnet Valley groundwater such that the average combined diversions by City and all other users within Garnet Valley do not exceed 2000 acre-feet annually; provided, however, that the Parties may from time to time agree on a different limit depending upon the LWRFS’s response to pumping and other stresses; and further provided that, subject to State Engineer approval, City and SNWA may enter into agreements to allow City to use water for temporary purposes such as construction or as a stop-gap measure while City and its customers are connecting to the Water Supply Project. City agrees to cooperate in good faith with SNWA to manage permanent uses of groundwater in Garnet Valley through its utility, including the provision of capacity for water and sewer service to existing groundwater users in Garnet Valley who are not currently utility customers, with an intent to preserve groundwater resources to the greatest degree that is feasible and determine to benefit the management of LWRFS water resources.
- c. Groundwater Use Plan. The Parties will cooperatively develop a Groundwater Use Plan, which shall be finalized by June 1, 2021. The plan shall be reviewed annually thereafter and modified as necessary. The Groundwater Use Plan, at a minimum, will include:
 - i. A list of all permitted water rights owned or controlled by the Parties in the LWRFS and the applicable duty of such water rights.
 - ii. A schedule of reasonably anticipated actual diversions by all permittees diverting groundwater in Garnet Valley such that City’s authorized diversions hereunder may be estimated at the beginning of each year and any disparity rectified in succeeding years.
 - iii. A schedule for reducing groundwater use and transitioning groundwater uses to surface water as the Water Supply Project is completed and becomes operational.
 - iv. Disclosure of any additional water rights that a Party reasonably believes it may acquire within the LWRFS.

- v. The anticipated uses and movement of groundwater rights for the City and its customers in the LWRFS.
 - vi. A provision that change applications seeking to change points of diversion from locations within other hydrographic basins in the LWRFS to locations within Garnet Valley shall be done solely to secure a more senior priority date, and not to increase the quantity of water being pumped in Garnet Valley.
 - d. Consultation with State Engineer. Acknowledging the complex administration and management of groundwater in the LWRFS, which includes Garnet Valley, the Parties will confer with the State Engineer to obtain input on the Groundwater Use Plan. Any water right application concerning Garnet Valley filed by, or on behalf of, the City shall request that the Groundwater Use Plan be included as a permit term.
 - e. Senior Water Rights Acquisition. Subject to the limitations and to the extent consistent with the Parties' rights, obligations, and commitments in this Agreement, SNWA agrees not to oppose City's efforts to acquire and/or transfer permanent senior water rights for use in Garnet Valley and to develop groundwater wells for the management of its utility; provided, however, such senior rights may not be used to increase overall pumping within Garnet Valley and may only be used to supplant existing junior pumping with senior (higher priority) rights.
8. Wastewater Systems that Discharge to Lake Mead. Upon completion, City agrees to maximize regional water resources by requiring new development in the Out of Valley Area to include the necessary infrastructure to discharge wastewater through the Wastewater Return Project.
- a. As of the Effective Date, where new development is contemplated, the Parties agree to work cooperatively to maximize regional water resources, including through efforts to discharge water through a municipal sewer system that has the ability to treat such water and discharge it to Lake Mead. To the extent the City is the provider of water service to a property in the Out of Valley Area, City will prohibit through its Utility Service Rules, City Code, or future City NRS Chapter 278 development agreements, wastewater discharge from said property to septic tanks or evaporative ponds. To the extent reuse of wastewater in the Out of Valley Area is possible, the Parties will agree to the terms of such use in writing, provided that reuse may occur so long as any landscaping uses do not include non-functional turf and City will ensure that any reuse water customers attempting to conserve water are not prevented from doing so.
 - b. In areas of the Out of Valley Area where new development is contemplated before construction of the Wastewater Return Project, prior to City issuing a building permit, the proposed development must include a cleanout and sanitary sewer lateral to the property line of the parcel, and the ability to disconnect from the septic system identified on the plans. Before City issues a certificate of occupancy for a

new structure in the Out of Valley Area, City shall first confirm that a developer has constructed a sanitary sewer lateral, and the City shall also first confirm that the design and construction of the local sewer collection system necessary to convey the wastewater from the property to the wastewater line has occurred. For the purpose of clarity, City agrees that City will not issue a building permit for a new structure in the Out of Valley Area without a septic stub out included in the relevant construction plans.

9. City's Implementation and Enforcement of Conservation Measures. City agrees to implement the Conservation Measures and to enforce the Conservation Measures. This includes, but is not limited to, increasing City's customers' compliance with mandatory watering schedules and restrictions relating to water waste, as well as active efforts to reduce the volume of non-functional turf within City's corporate boundaries. To promote the efficient use of Southern Nevada's water resources and support the long-term viability of the community's water supply, City, SNWA, and Las Vegas Valley Water District will share data, information and expertise related to water waste enforcement and incentive program promotion to ensure customer engagement efforts are addressed uniformly throughout the SNWA service area. City agrees to provide SNWA with reports detailing City's implementation of, and compliance with: (i) the actions City has taken to enforce the Conservation Measures, such as watering restrictions, time of day watering requirements, day of week watering requirements, overspray restrictions, and similar matters; (ii) City Code amended or adopted to ensure compliance with the Conservation Measures; and (iii) any other conservation-related matters that SNWA may reasonably request from time to time. The frequency of such reporting shall be determined by the SNWA Conservation Manager in consultation with City; provided, that, City shall provide such reports to SNWA no less than once every two years. SNWA shall have the right, exercisable from time to time upon ten (10) business-days' notice to City, to audit City's files with respect to the Conservation Measures to ensure that City is documenting and enforcing the Conservation Measures in the manner required by this Agreement. City's implementation of water efficiency efforts will be evaluated based upon quantitative metrics; these include, but are not limited to, tracking of average daily water use relative to established longitudinal benchmarks, annual reductions to the volume of non-functional turf within City's corporate boundaries, compliance rates with the mandatory watering schedule (to the extent technically feasible) and documented water waste reports/investigations as a percentage of City's customer base. The specific target values for these metrics will be determined collaboratively by City personnel and the SNWA Conservation Manager, as will the contents and frequency of progress reports and other requested information. The methods and staffing levels required to achieve these objectives shall be at the discretion of City.

10. NRS Chapter 278 Development Agreements. City shall cause any new NRS Chapter 278 development agreements with third-parties to include provisions necessary to ensure such agreements' conformance with the required Conservation Measures, it being understood that the Conservation Measures relate to the water supply for City, a matter of general public health and safety. City will work with developers on developer-initiated requests to amend existing NRS Chapter 278 development agreements to remove impediments to removing turf and seek developer cooperation to amend such existing development agreements to reflect the City Code's water conservation provisions.

11. Protection of Senior Water Rights and the Moapa Dace. Notwithstanding any contrary provision herein, neither Party shall be prevented by this Agreement from taking any action deemed in good faith to be necessary to protect senior rights in the LWRFS, including in the Muddy River, or the endangered Moapa Dace.

12. Term. The term of this Agreement commenced on the Effective Date regardless of the date that this Agreement was executed by the Parties, and the term of this Agreement shall continue in full force and effect until the earliest to occur of: (i) SNWA no longer being a wholesale water purveyor to City; (ii) the termination of this Agreement under Section 30; or (iii) the Parties agree in writing to terminate this Agreement (with such aggregate term being referenced herein as the “**Term**”).

13. Prohibition on Assignments. This Agreement is expressly not assignable by either Party, and any attempted or purported assignment shall be *void ab initio* and of no force or effect. Each Party acknowledges and agrees that SNWA’s status as the regional water purveyor to southern Nevada and the wholesale water provider to City, on the one hand, and City’s status as SNWA’s customer and, through its municipal utility, the retail water purveyor to the residents of City, on the other hand, 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 Party to this Agreement.

14. Default and Remedies. A Party shall be in default under this Agreement if such Party materially breaches any provision of this Agreement and such breach is not cured within ten (10) business days after receiving notice from the other Party of such material breach (if not timely cured, a “**Default**”); provided, that a Party shall not be in Default if such Party commences cure of a material breach within said ten (10) business day period, proceeds to take all commercially reasonable actions to diligently cure such default, and ultimately cures such breach within sixty (60) days after receiving notice from the other Party of such material breach. Because the Parties acknowledge the unique circumstances and obligations under this Agreement and that a breach/default will constitute irreparable harm for which there is no adequate remedy at law, in the event of a Default, the non-defaulting Party’s remedies shall be limited to specific performance. “Commercially reasonable actions” of a Party means that, with respect to a given goal, the actions that a reasonable person in the position of that Party would use to achieve that goal as expeditiously as possible.

15. Dispute Resolution. Any dispute between the Parties concerning this Agreement must be resolved using the process described in this Section. If a Party (“**Claiming Party**”) believes that the other Party (“**Responding Party**”) is in breach of a material provision of this Agreement, the Claiming Party shall provide the Responding Party with written notice of the breach that includes sufficient details of the facts supporting the claim and the provision(s) of the Agreement claimed to have been breached (“**Claim Notice**”). If the Responding Party disputes the claim, the Responding Party shall respond to the Claiming Party, in writing, within ten (10) business days of receipt of the Claim Notice, with sufficient details of the facts disputing the claim. If the Claiming Party is not satisfied with the response, the Parties shall meet within ten (10) business days after the Claiming Party receives the response and cooperate in good faith to expedite a solution of the

claim. If a solution is reached, the Parties shall document the solution and proceed according to the terms of the solution reached, as such solution is modified in writing by the Parties. If (i) no solution is reached and the alleged breach continues for thirty (30) days after the meeting between the Parties (or after this meeting was scheduled to occur, if no meeting takes place) or (ii) a solution is reached and the breach is not resolved by the Responding Party in accordance with that solution (as modified in writing by the Parties), then the Claiming Party may declare the Responding Party in default by sending a written notice of default to the Responding Party, and the Claiming Party may ask a court to order specific performance.

16. 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.

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

18. 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.

19. 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.

20. Waiver. The failure of either 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.

21. No Joint Venture. No joint venture is contemplated or established by this Agreement, and neither of the Parties shall be deemed to be the agent of the other for any purpose by virtue of this Agreement.

22. 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.

23. 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.

24. 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.

25. 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.

26. Business Days. As used in this Agreement, any reference to “business days” shall mean days on which the offices of each of SNWA and City are open for normal business, which days are currently acknowledged to be Monday through Thursday of each week, exclusive of federal and State of Nevada holidays.

27. 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 SNWA or City as follows:

To SNWA:

Southern Nevada Water Authority
Attn: General Manager
1001 South Valley Boulevard, M/S 480
Las Vegas, NV 89153

With a copy to:

General Counsel
Southern Nevada Water Authority
1001 South Valley Boulevard, M/S 475
Las Vegas, NV 89153

To City:

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

With a copy to:

City of North Las Vegas
2250 Las Vegas Boulevard North

North Las Vegas, NV 89030
Attn: City Attorney

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

28. 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.

29. Execution in Counterparts; DocuSign. 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.

30. Conditions Subsequent. Notwithstanding anything to the contrary in this Agreement, or in any City Council or SNWA Board of Directors action approving this Agreement, this Agreement shall automatically terminate and neither Party shall have any liability to the other Party if the SNWA Board of Directors does not approve the Project by March 31, 2021.

[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.

SNWA:

SOUTHERN NEVADA WATER AUTHORITY,
a political subdivision of the State of Nevada

By: John J. Entsminger
Its: General Manager

APPROVED AS TO FORM:

Gregory J. Walch
General Counsel

CITY OF NORTH LAS VEGAS:

CITY OF NORTH LAS VEGAS,
a municipal corporation and political subdivision of the State of Nevada

By: _____
John J. Lee
Mayor

Attest:

Catherine A. Raynor, MMC
City Clerk

Approved as to Form and Legality:

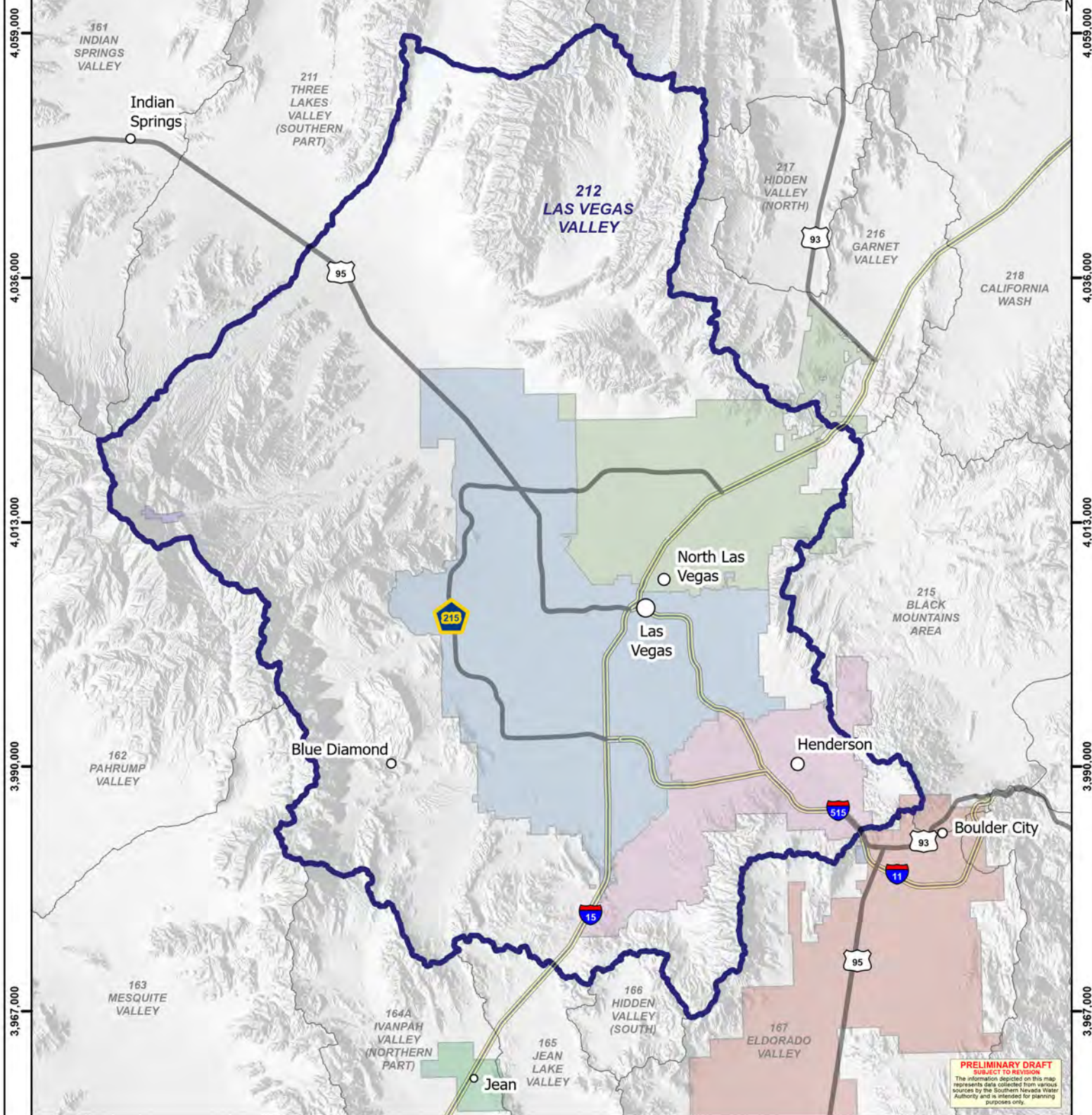
Micaela Rustia Moore
City Attorney

Exhibit “A”

Depiction of the Out of Valley Area

[*see attached*]

LAS VEGAS VALLEY - HYDROGRAPHIC AREA 212

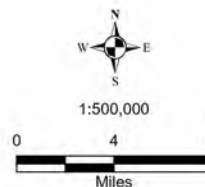


PRELIMINARY DRAFT
SUBJECT TO REVISION
The information depicted on this map represents data collected from various sources by the Southern Nevada Water Authority and is intended for planning purposes only.

Grid based on UTM projection, NAD 1983, Zone 11N meters. Hillshade developed from 30-m DEM, Sun Angle 45°, Azimuth 315°.

Legend

- | | | |
|---------------------|---------------------------------|--------------------------------|
| Service Area System | Henderson | Sloan Army Reserve Center |
| Blue Diamond | Jean Water System | Highlighted Hydrographic Area* |
| Boulder City | Kyle Canyon | Hydrographic Area* |
| El Dorado Valley | Las Vegas Valley Water District | |
| Gold Strike | North Las Vegas | |



31712-R1606 10/27/2020 BP

Exhibit “B”

Conceptual Routes of the Water Supply Project

[*see attached*]

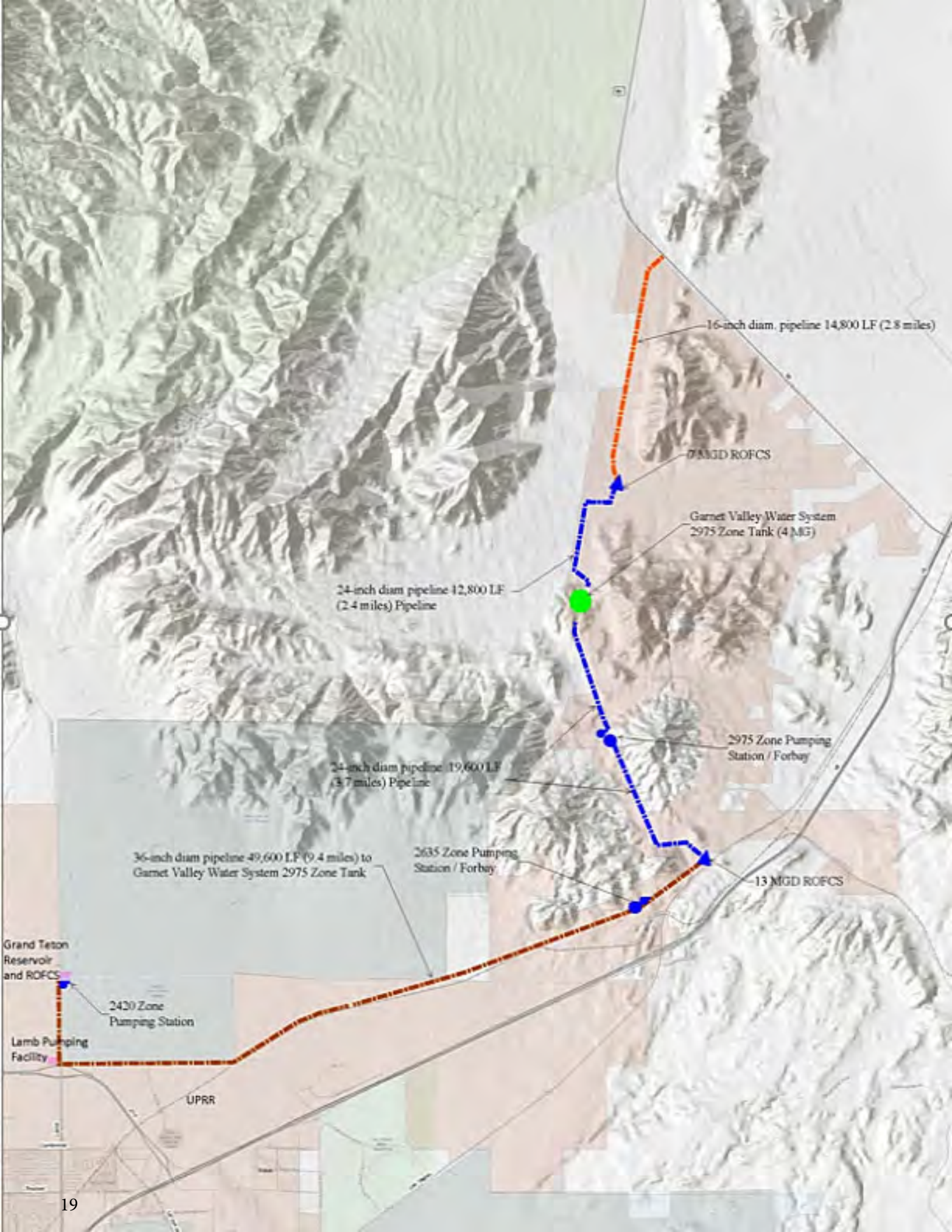


Exhibit “C”

Conceptual Maps of the Wastewater Return Project

[*see attached*]

Exhibit “D”

Form of Bill of Sale

Bill of Sale

For and in consideration of ten dollars (\$10) and other good and valuable consideration, Southern Nevada Water Authority, a political subdivision of the State of Nevada (“Seller”) does grant, sell, transfer and convey forever to City of North Las Vegas, a municipality and a political subdivision organized and existing under the laws of the State of Nevada, and its successors and assigns (“Buyer”) all right, title and interest in the property described and depicted on Exhibit 1 (the “Property”). This exhibit is attached to this Bill of Sale and incorporated by reference.

Seller warrants to Buyer that (a) Seller has good and marketable title to the Property; (b) Seller has full authority to sell and transfer the Property to Buyer; and (c) the Property is sold and ownership is vested in Buyer free and clear of any lien, claim, encumbrance, or right of another. To the extent applicable to the Property, Seller hereby transfers all warranties provided to Seller under the following contracts:

1. the “[insert name of contract]” between Seller and [insert name of counterparty], dated [insert, date of contract] for the [insert project name] project, project number [insert project number], as amended;
2. the “[insert name of materials contract]” between Seller and [insert name of counterparty] dated [insert, date of contract] for the [insert project name] project, project number [insert project number], as amended;
3. the “[insert name of materials contract]” between Seller and [insert name of counterparty] dated [insert, date of contract] for the [insert project name] project, project number [insert project number], as amended;

This Bill of Sale is effective on the date Buyer signs this Bill of Sale.

Seller:

SOUTHERN NEVADA WATER AUTHORITY

By: _____
JOHN J. ENTSMINGER
General Manager

Dated: _____

APPROVED AS TO FORM:

GREGORY J. WALCH
General Counsel

Buyer:

CITY OF NORTH LAS VEGAS

Date of City Council Action: _____

By: _____
John J. Lee
Mayor

Dated: _____

ATTEST:

Catherine A. Raynor, MMC
City Clerk

APPROVED AS TO FORM:

Micaela Rustia Moore
City Attorney

**Exhibit 1
Property**

Item	Description	Quantity	Units
1			
2			
3			
4			
5			
6			
7			
8			

[attach depiction of Property to Bill of Sale prepared for signature]