

INTERLOCAL AGREEMENT BETWEEN

LINCOLN COUNTY

And

LINCOLN COUNTY WATER DISTRICT

This Agreement is entered into as of the 2nd day of May, 2011, by and between the Lincoln County, a political subdivision of the State of Nevada (hereinafter referred to as "County"), and the Lincoln County Water District, a political subdivision of the State of Nevada (hereinafter referred to as "District"); collectively, the County and District are referred to in this agreement as "the Parties."

RECITALS

WHEREAS, the County is a political subdivision of the State of Nevada;

WHEREAS, the County is governed by the five (5) member Board of County Commissioners;

WHEREAS, the County has multiple water issues in the County requiring review and County representation, including:

- Review of water rights owned by the County;
- Oversight and participation in right-of-way applications for water pipelines within the County,
- Oversight of County's contract with Southern Nevada Water Authority;
- Oversight and participation in hearings, meetings, and/or studies involving inter-basin transfers of water from water basins located within the County; and
- Other issues relating to the protection, development and use of water within the County;

WHEREAS, the County has had to minimize staff as a result of budgetary constraints;

WHEREAS, the County has not designated any of its staff to oversee and manage water issues for the County's benefit;

WHEREAS, the County desires to protect, develop and use water originating within or flowing through the boundaries of Lincoln County to the benefit of the residents and businesses located in Lincoln County;

WHEREAS, Lincoln County Water District (hereinafter “District”) is a political subdivision of the State of Nevada created pursuant to special legislation in 2003 (Senate Bill 336);

WHEREAS, the District’s service area includes all that real property within the boundaries of Lincoln County, Nevada;

WHEREAS, the District was created for the benefit of the residents of Lincoln County to provide for adequate and efficient water service within Lincoln County;

WHEREAS, pursuant to its enabling legislation, the District’s governing board must be composed of the members of the Board of County Commissioners of Lincoln County;

WHEREAS, the District has staff dedicated to the management and oversight of water issues in Lincoln County, including:

- Management of water rights owned by the District,
- Oversight and participation in right-of-way applications for water pipelines within the County,
- Oversight and management of District’s interest from the County’s contract with Southern Nevada Water Authority,
- Management and participation in hearings and studies involving inter-basin transfers of water from water basins located within Lincoln County, and
- Other issues relating to the protection, development and use of water within Lincoln County;

WHEREAS, the District desires to protect, develop and use water originating within or flowing through the boundaries of Lincoln County to the benefit of the residents and businesses located in Lincoln County;

WHEREAS, the County desires to have the District’s staff represent the County on water issues occurring within or impacting Lincoln County;

WHEREAS, the District is willing to have its staff represent the County on water issues;

WHEREAS, the County is willing to allow the District access to its employees, equipment and property as listed in Exhibit B;

WHEREAS, NRS 277.045 authorizes two or more political subdivisions of the State of Nevada to enter into a cooperative agreement for the performance of any governmental

function, including the furnishing or exchange of personnel, equipment, property or facilities of any kind, or payment of money; and

NOW THEREFORE, in consideration of the mutual promises by and between the parties hereto and other good and sufficient consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **Recitals Incorporated.** The foregoing recitals are incorporated by reference.
2. **District Services.** The District agrees to provide the County with staff, equipment and property to provide services as set forth on that Scope of Services/Roles and Responsibilities attached hereto as Exhibit A and incorporated herein by reference.
3. **County Services.** The County agrees to provide the District with access to staff equipment and property as set forth on that Scope of Services/Roles and Responsibilities attached hereto as Exhibit B and incorporated herein by reference.
4. **Restriction on Services.** The District and its staff are not authorized under this Agreement to take any official action on behalf of the County. All action items and decisions must be presented to the Board of County Commissioners for approval.
The County and its staff are not authorized under this Agreement to take any official action on behalf of the District. All action items and decisions must be presented to the District Board of Trustees for approval.
5. **Relationship of Parties.** The parties agree to perform the work and services covered by this Agreement in accordance with policies established by the County and District. In no event shall District employees be considered employees of the County, nor shall County employees be considered employees of the District.
6. **Term and Termination.** This Agreement shall be a two-year agreement commencing on July 1, 2011, and shall be renewed annually thereafter automatically and without notice on the anniversary dates unless either party provides written notice of its intent to terminate or renegotiate this Agreement on or before the renewal date. Either party to this Agreement may terminate the Agreement for any reason upon giving the other party five (5) days written notice.
7. **Modification or Amendment.** This Agreement may be modified or amended only in writing with mutual consent of both parties.
8. **Severability.** The invalidity, illegality or unenforceability of any provision of this Agreement will not render the other provisions unenforceable, invalid or illegal.
9. **Governing Law.** This Agreement is made in, and shall be governed, enforced and construed under the laws of the State of Nevada.

10. Merger. This Agreement constitutes the entire understanding and agreement of the Parties with respect to the subject matter hereof, and supersedes and replaces all prior understandings and agreements, whether verbal or in writing, with respect to the subject matter hereof.

11. Notices. Any notice and other communications required under this Agreement will be in writing, and will be deemed to have been duly given upon the date of service, if (a) served personally on the party to whom notice is to be given; (b) sent by electronic mail and the party to whom Notice is to be given confirms receipt; or (c) on the third day after mailing, if mailed to the party to whom notice is to be given, by first-class mail, postage prepaid, and properly addressed to the following:

Lincoln County
P.O. Box 60
Pioche, NV 89043

Lincoln County Water District
P.O. Box 307
Pioche, NV 89043

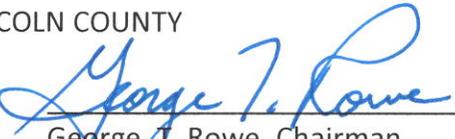
12. Execution. The Agreement may be executed in one or more counterpart copies, and each, irrespective of the date of execution and delivery, shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

The parties hereto represent and warrant that the person executing this Agreement on behalf of each party has full power and authority to enter into this Agreement and that the parties are authorized by law to perform the services set forth herein.

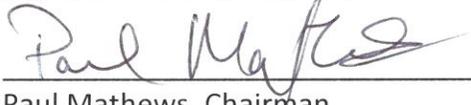
This Agreement shall be adopted, executed and performed in accordance with the provisions set forth in NRS 277.045.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year stated below.

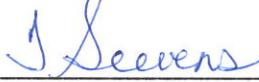
LINCOLN COUNTY

By: 
George T. Rowe, Chairman
Dated: 5-2, 2011

LINCOLN COUNTY WATER DISTRICT

By: 
Paul Mathews, Chairman
Dated: 4-13, 2011

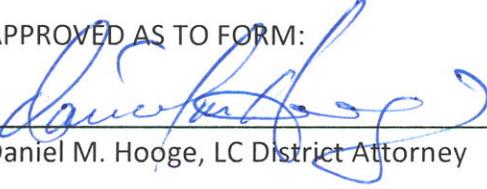
ATTEST:


Lisa Lloyd, Lincoln County Clerk

ATTEST:


Wade Poulsen, General Manager

APPROVED AS TO FORM:


Daniel M. Hooge, LC District Attorney

APPROVED AS TO FORM:

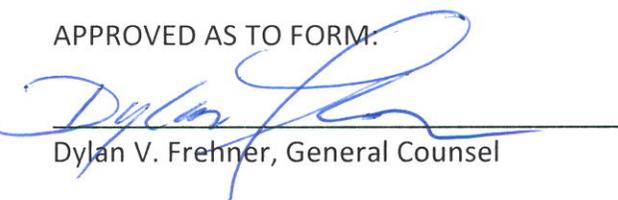

Dylan V. Frehner, General Counsel

EXHIBIT A

TASKS OF DISTRICT AND DISTRICT STAFF:

- Review of water rights owned by the County and recommendations for management.
- Representative for County as participant in right-of-way applications for water pipelines within the County.
- Representative for County in dealing with Southern Nevada Water Authority on water and pipeline issues pursuant to County's contract with Southern Nevada Water Authority.
- Representative for County in hearings, meetings, and/or studies involving water and/or water pipelines in Lincoln County before public agencies, including the Nevada State Engineer, BLM, and other designated agencies.
- Representative for County on other issues designated by the County Commissioners relating to the protection, development and use of water within the County.

EXHIBIT B

TASKS OF COUNTY AND COUNTY STAFF:

- Provide auditing procedures and oversight for payment of District bills.
- Provide access and use of County planning and mapping data and resources.
- Provide access and use of County IT equipment and IT Contractor.