

INTERLOCAL AGREEMENT
BETWEEN WASHOE COUNTY AND THE CITY OF RENO
FOR MUNICIPAL WASTEWATER SERVICES
(STONEGATE DEVELOPMENT)

This Agreement is entered and effective as of the date last written by the parties signatures below by and between Washoe County, a political subdivision of the State of Nevada (hereinafter “County”) and the City of Reno, a municipal corporation (“Reno”).

RECITALS

WHEREAS, on or about March 14, 2018, Reno adopted Ordinance No. 6453 which approved a master planned community project located in the Cold Springs basin known as StoneGate (referred to as the “StoneGate Project”). The StoneGate planned unit development authorizes a variety of residential and commercial uses within the overall ±1,738 acre project, including the development of up to 5,000 residential units, recreational opportunities, and commercial uses within five phases located south of U.S. 395 and within the Town Center phase located north of U.S. 395, all as described in the PUD handbook (as adopted and as may be amended, the “StoneGate PUD”).

WHEREAS, the StoneGate PUD requires the utilization of municipal wastewater services for the treatment and management of all effluent and wastewater generated from the StoneGate Project.

WHEREAS, Washoe County presently owns and operates the only municipal wastewater reclamation facility located within the Cold Springs basin and has anticipated and planned for the treatment of all area wastewater resulting from new development, including the StoneGate Project, as identified in Washoe County’s planning document titled, “2017 Cold Springs Wastewater System Facility Plan”.

WHEREAS, Reno annexed the StoneGate property in 2005 and through the approval process anticipated wastewater treatment would be provided for the StoneGate Project by Washoe County.

WHEREAS, NRS Chapter 277 provides that any one or more public agencies may contract with any one or more public agencies to perform any governmental service, activity or undertaking which any public agency, entering into the contract, is authorized to perform, and Washoe County and Reno are public agencies authorized to enter into such interlocal and cooperative agreements.

WHEREAS, Reno and County desire to enter this Agreement to set forth the terms and conditions and responsibilities of the Parties with respect to: i) ownership, construction, and operation of sanitary sewer infrastructure within City of Reno property or easements; ii) the review, approval, conditioning and dedication of sanitary sewer infrastructure associated with the StoneGate Project; (iii) assessment and collection of sanitary sewer fees and charges, including connection, development and user fees; and iv) securing required permits for work associated with maintenance, repair, and

replacement of sanitary sewer infrastructure located within City of Reno property or easements.

NOW THEREFORE, it is agreed as follows:

1. Definitions. As used herein, the words and phrases set forth below shall have the respective meanings assigned to them in the following definitions:

1.1 “County” shall mean Washoe County, Nevada.

1.2 “Manhole Collars” shall mean the collars adjoining valve and manholes and Public Roads for Onsite Facilities.

1.3 “Offsite Facilities” shall mean all necessary Wastewater and Effluent Facilities located outside the geographic boundaries of the StoneGate Project required to provide wastewater and effluent water service.

1.4 “Onsite Facilities” shall mean all Wastewater and Effluent Facilities located solely within the geographic boundaries of the StoneGate Project that are within right of way, dedicated parcels, and/or easements.

1.5 “Public Road” shall mean the public highways, streets, roads, ways and places as the same now or hereafter exist within Reno, including state highways now or hereafter established within Reno, to whatever extent, if any, Reno may have jurisdiction to authorize the use of same for the purposes herein specified.

1.6 “Reno” shall mean the City of Reno, Nevada.

1.7 “StoneGate Project” shall have the meaning set forth in the recitals.

1.8 “StoneGate PUD” shall have the meaning set forth in the recitals.

1.9 “Wastewater and Effluent Facilities” shall mean all mains, pipes, diversion, treatment, conveyance, turnout, water transmission, distribution related facilities, services, traps, vents, vaults, pump stations, pressure regulating stations, manholes, meters, gauges, regulators, valves, conduits, appliances, attachments, appurtenances used or useful in conjunction with the Wastewater and Effluent Service operations of the County.

1.10 “Wastewater and Effluent Services” shall mean waste water and effluent treatment, management, transmission, disposal and delivery services.

2. County Wastewater Services. It is hereby agreed County shall be the retail service provider for all Wastewater and Effluent Services for the StoneGate Project. The StoneGate Project shall be annexed into and considered part of the County municipal wastewater and effluent service area. Subject to the applicant’s compliance with all

County requirements for the issuance of a wastewater and/or effluent will serve commitment and subject to County rules of service, County will provide all Wastewater and Effluent Services for the StoneGate Project in accordance with County ordinances and rules and regulations for service as such may be amended from time to time by County. County shall have sole authority and responsibility for the operation of its municipal wastewater and effluent system, including any future facility expansions or upgrades that may be necessary to adequately serve the StoneGate Project as determined by the County from time to time. City hereby reserves a right to provide Effluent Services in coordination with the County.

3. Applications for New Service. All applications for Wastewater and Effluent Services within the StoneGate Project shall be submitted to County and reviewed, processed and approved in accordance with this Agreement. All user fees, connection fees and other fees and charges for Wastewater and Effluent Services shall be governed solely by County rules of service, and County shall be the sole party with authority to assess and collect fees and charges, including without limitation collection, user and service fees and charges, for Wastewater and Effluent Service within the StoneGate Project.

3.1 Offsite Facilities. All Offsite Facilities necessary for Wastewater and Effluent Service to the StoneGate Project shall be constructed to and comply with County design standards and specifications. Final inspection and approval of constructed Offsite Facilities will be performed solely by County. For purposes of clarification, County shall be the lead agency for review and approval, and recommendations of conditions for Offsite Facilities engineering design applications, and Reno shall provide conformance review and comments on such applications for conformance to the StoneGate PUD. County shall process all applications for new Wastewater and Effluent Service in the StoneGate Project in a prompt and non-discriminatory manner consistent with all other applications for new service in the County retail service area.

3.2 Onsite Facilities. With the exception of Manhole Collars, all Onsite Facilities shall be constructed to and comply with County design standards and specifications as detailed in the StoneGate PUD. Manhole Collars will be designed and constructed and brought to grade in accordance with Reno manhole collar design standards in effect at the time of Agreement, as such standards may be amended by Reno from time to time. In the event of a conflict between the County and City design standards that are not specifically identified in this agreement or may be in conflict with the StoneGate PUD, the County and City shall mutually agree on the design standards to be used for design and construction. Final inspection and approval of constructed Onsite Facilities will be performed by County. For purposes of clarification, City shall be the lead agency for review and approval, and recommendations of conditions for Onsite Facilities engineering design applications, consistent with County design standards and specifications, and County shall provide conformance review and comments on such applications.

4. Ownership of Wastewater Facilities. All Wastewater and Effluent Facilities within or necessary for service to the StoneGate Project and located within City Property or easements shall be offered for dedication to the County following

construction and final inspection and approval as set forth in Section 3 and in accordance with Washoe County ordinances and policies. Upon acceptance by County, all Wastewater and Effluent Facilities, including Onsite Facilities shall be owned by the County and County shall be solely responsible for all operation, repair, maintenance, and replacement of such Wastewater and Effluent Facilities.

5. Easement for Wastewater and Effluent Facilities. Reno hereby grants to County and its contractors a non-exclusive easement in gross to access (including ingress and egress), over, under and across the below described Easement Area for use by the County for the purpose and within the limitations stated herein. This easement is subject to all rights of way, reservations, easements, liens, encumbrances of record or which may be ascertained by inspection of the Servient Tenement and Easement Area.

5.1. Easement Area. Any Public Road, easement or parcel of land that is owned by the City and is designated on any parcel or subdivision map within the Stonegate Planned Unit Development as a “PUE” or a place where Wastewater and Effluent Facilities are to be located. Unless otherwise stated on the map, the width of the Easement Area is ten feet from each side of the centerline where the Wastewater and Effluent Facilities are located.

5.2. Purpose. County may go upon, across, under, and over the Easement Area to construct, extend, operate, maintain, repair, upgrade and move or remove Wastewater or Effluent Facilities.

5.3. Term. This easement is intended to be a permanent easement for so long as County owns and operates the Wastewater and Effluent Facilities and agrees to perform its obligations under this Section 5 with respect to such operations.

5.4. Documents and further assurances. City agrees to execute any documents or map notations depicting the Easement Area and any reference to this Agreement.

5.5. Permits required. Except in an emergency, prior to performing any invasive activity on the Easement Area, County shall obtain an encroachment or excavation permit from the City, and shall observe the limitations on that permit.

5.6. Emergency Work. With respect to unplanned emergency repair work, County will immediately notify Reno of such repair work.

5.7. Replacement of improvements in Easement Area. County agrees to replace all improvements removed or damaged by County or its contractors in using the easement.

5.8. Relocations. Should it be necessary to relocate sewer infrastructure from current Easement Areas, City will cooperate with the County in seeking and determining lowest cost solutions for utility relocations and/or mitigation measures to avoid relocations.

5.9. Hazardous Substances. County agrees to comply with all Environmental Laws applicable to the County in operating the facilities in the Easement Area and has not and shall not suffer or permit the storage or release of any significant amount of any Hazardous Substance on the Easement Area and agrees to remove or clean up any such release at County's expense. "Environmental Laws" means all city or county ordinances, all federal or state statutes and their implementing regulations relating to the protection of health, safety and the indoor or outdoor environment, the protection or use of surface water or ground water, or the management, manufacture, possession, presence, use generation, transportation, treatment of hazardous substances or material including, but not limited to the laws identified in NRS 40.504 as those laws are amended from time to time. "Hazardous Substance" has the meaning set out in NRS 40.504 as now existing or hereafter amended, and includes, without limitation, asbestos, polychlorinated biphenyls and petroleum. "Release" has the meaning set out in NRS40.505.

5.10. Reports and mitigation. County agrees to immediately report to City any damage to or discharge of a Hazardous Substance in the Easement Area, and to take all reasonable steps and measures to mitigate the damage to the Easement Area and other users if the damage or release comes from the Wastewater and Effluent Facilities.

5.11. Indemnifications. The provisions of Section 8 of this Agreement are incorporated by reference in this paragraph and extend to any claim or liability arising out of any breach of this Section 5, whether or not any such breach is willful, negligent, intentional or unintentional or accidental.

6. County Customers. All customers within the StoneGate Project for Wastewater and Effluent Service shall be County customers. County may charge customers within the StoneGate Project for Wastewater and Effluent Services pursuant to the appropriate rate schedule adopted from time to time by action of the Board of County Commissioners.

7. Term and Termination. The term of this Agreement shall commence on the effective date and shall terminate on the earlier of: i) mutual written Agreement of the parties; or ii) the date Reno assumes all responsibility for and becomes the municipal provider of all Wastewater and Effluent Services for the StoneGate Project.

8. Mutual Indemnities and Limitations. To the fullest extent permitted by law, each Party shall indemnify, hold harmless and defend the other Parties from and against any and all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising in whole or in part out of any alleged negligent or willful acts or omissions of the indemnifying Party, its officers, employees and agents, related to this Agreement, excepting any liability arising out of the negligence or willful acts or omissions of the indemnified Parties. Notwithstanding the foregoing, no Party waives available NRS Chapter 41 liability limitations and other liability limitations available at law in all cases.

9. Miscellaneous.

9.1 Entire Understanding of the Parties. This Agreement contains all the obligations and agreements of the parties with respect to the subject matter hereof, and oral or written obligations not contained herein shall have no force or effect to alter any term or condition of this Agreement. This agreement supersedes and replaces the Memorandum of Understanding entered between Reno and County dated December 12, 2018.

9.2 Amendment. This Agreement may be amended or modified only by the mutual written agreement of the County and City and ratification by their respective governing boards.

9.3 Ratification By Governing Boards. This Agreement is contingent upon ratification by official action of the governing body of the parties hereto.

9.4 Severability. If any provision of this Agreement is held illegal or unenforceable in a judicial proceeding, such provision shall be severed and shall be inoperative, and, provided that the fundamental terms and conditions of this Agreement remain legal and enforceable, the remainder of this Agreement shall remain operative and binding on the Parties.

9.5 Waiver. A waiver of any breach of any provision of this Agreement by any party shall not be construed to be a waiver of any preceding or succeeding breach.

9.6 Cooperation and Further Assurances. The parties shall execute and deliver such further documents, agreements, instruments and notices and shall take such other actions as may be necessary or appropriate to effectuate the intent and purpose of this Agreement. Each party will cooperate in good faith with the other party to this Agreement and their agents in carrying out their respective responsibilities under this Agreement, with the express understanding and intent of providing Wastewater and Effluent Services in the most efficient manner.

9.7 Governing Law. This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of Nevada.

9.8 Third Party Beneficiaries. Heinz Ranch Land Company, LLC and its successors in interest to any property within the StoneGate Project are expressly made third party beneficiaries of this Agreement.

9.9 Dispute Resolution. Any dispute under this Agreement shall be submitted first to mutually agreeable informal dispute resolution before instituting any legal action. Should either party hereto institute a legal action or dispute resolution proceeding of any kind to enforce any provision hereof or for damages by reason of an alleged breach of any provision of this Agreement, neither party shall be entitled to recover any amount as a reasonable attorney's fee, for any reason, even if said party is deemed to be the prevailing party in such action or proceeding. Costs of suit may be awarded to the prevailing party as allowed by law.

IN WITNESS WHEREOF, the Parties have set their hands with the intent to be bound.

CITY OF RENO

Dated _____, 2019

By: _____
Hillary L. Schieve, Mayor

ATTEST:

Ashley D. Turney, City Clerk

APPROVED AS TO FORM:

Susan Ball Rothe, Deputy City Attorney

Dated _____, 2019

WASHOE COUNTY

By: _____
Vaughn Hartung, Chair
Washoe County Commission

ATTEST:

Washoe County Clerk

APPROVED AS TO FORM:

Paul Lipparelli, Chief Deputy District
Attorney