

SPORTS COMPLEX AND GOLF COURSE EFFLUENT REUSE AGREEMENT

This Effluent Reuse Agreement (the "Agreement") is entered into this _____ day of _____, 1999, by and between the City of Reno, a municipal corporation of the State of Nevada (the "City") and Washoe County, a political subdivision of the State of Nevada (the "County").

WHEREAS, the City owns and operates the Stead Wastewater Treatment Plant (the Plant) which produces large quantities of treated effluent; and

WHEREAS, the County owns and operates an 18-hole public golf course known as the Sierra Sage Golf Course (the "Golf Course") located at 6355 Silver Lake Blvd., Reno, Nevada, and is the owner of the right to use more than 300 acre feet per year of ground water rights in connection with the operation of the Golf Course; and

WHEREAS, the County is in the process of developing a park known as the North Valleys Regional Sports Complex (the "Sports Complex") located at 8085 Silver Lake Blvd., Reno, Nevada, which will serve residents of the City as well as residents of the County; and

WHEREAS, the County requires large quantities of water for the operation and maintenance of the Golf Course and Sports Complex and is willing to purchase from the City treated effluent produced at the Plant for the irrigation requirements of such facilities; and

WHEREAS, the City is willing to design and construct such facilities as may be necessary to treat, store and convey treated effluent from the Plant to the Sports Complex and Golf Course; and

WHEREAS, the County is willing to sell a minimum of 300 acre feet of ground water rights used in connection with the operation of the Golf Course and to use the proceeds from such sale for the development of the Sports Complex; and

WHEREAS, the City and County both desire to reduce to writing their agreements and understandings with respect to the foregoing matters;

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth hereinafter, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

Section 1. Term

1.1. This Agreement shall remain in effect until and unless it is terminated in accordance with the provisions of this Agreement regarding termination.

Section 2. Construction of Facilities

2.1. The City shall design and construct those facilities described in Attachment "A" for the purpose of treating, storing and conveying treated effluent from the Plant to the Golf Course and Sports Complex and any well monitoring sites required under the terms of any

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effluent management plans required and shall prepare such effluent management plans as may be required to allow the County to utilize such effluent at no cost to the County other than as provided herein. The City and County shall jointly supervise the preparation of any such effluent management plans.

2.2. The County shall design and construct such onsite irrigation facilities as may be necessary to distribute and utilize the treated effluent within the Golf Course and Sports Complex. The County hereby irrevocably grants the City an easement to utilize the effluent transmission main previously constructed by the County within the fairways of the Golf Course site to convey treated effluent to other future reuse sites. The County hereby also grants an easement to the City within the Golf Course for the purpose of constructing and maintaining, at the City's expense, an extension of such main to be used for the purpose of conveying treated effluent to such other sites. The city may utilize such easements without charge by the County.

2.3. The respective rights and duties of the City and County with respect to the ownership, operation, maintenance and replacement of the facilities to be constructed hereunder are identified in Attachment "A".

2.4. The City and County shall diligently proceed with the construction of the improvements required under this Agreement.

Section 3. Permits and Plans

3.1. The City and County shall comply with effluent management plans for the Golf Course and Sports Complex.

3.2 The County shall obtain any permit that may be required to utilize the treated effluent from the Nevada Division of Environmental Protection and any other agency or governmental unit with jurisdiction over such matters and comply with the requirements of any such permit at its own cost.

3.3. The City shall obtain any permit that may be required to provide the treated effluent from the Nevada Division of Environmental Protection and any other agency or governmental unit with jurisdiction over such matters and comply with the requirements of any such permit at its own cost.

3.4. The City hereby assigns a secondary water right to the County of the right to use 350 acre feet annually of treated effluent from the Plant for use at the Sports Complex and Golf Course, subject to the terms of this Agreement, from the primary rights held by the City for the Plant and agrees to use its best efforts to obtain secondary water right permits from the Nevada State Engineer for such purposes. The City shall pay all permit fees charged by the State Engineer for such a secondary water right permit.

3.5 Lab tests and sampling will be provided by the City, unless each Party otherwise agrees; for any compliance reporting requirements of effluent management plans. Any well monitoring sites constructed under this Agreement on County property shall be maintained by the County. All lab tests, sampling reports and monitoring reports shall be made

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available to the County by the City.

Section 4. Sale of Treated Effluent

4.1. As soon thereafter as allowed by the completion of all required effluent distribution and reuse systems and the issuance of all approvals and permits required to be obtained hereunder, the City agrees to make available to the County 350 acre feet of treated effluent annually for use as irrigation water only at the Golf Course and the Sports Complex. The maximum amount of treated effluent that may be available may be temporarily limited by the amount of effluent the Plant produces.

4.2. For peak water usage occurrences at the Sports Complex and Golf Course, the City will ensure that deliveries are not impaired as a result of other commitments made by the City for the delivery of treated effluent. During such peak usage times, supplemental water may be required to meet the County's irrigation needs through the use of existing water services at the Sports Complex or Golf Course. Until sufficient treated effluent becomes available to supply all the irrigation needs of the Sports Facility or Golf Course, such water service or Golf Course water rights as necessary will be maintained by the County for said purposes. The County's obligation for supplemental water set forth herein shall terminate on October 1, 2000.

Section 5. Sale of Sierra Sage Golf Course Water Rights

5.1. No later than the commencement of the delivery of treated effluent pursuant to Section 4.1, the County shall expeditiously use its best efforts to sell at fair market value its rights to 300 acre feet of ground water rights presently used in connection with the irrigation of the Golf Course subject to temporary supplemental water needs which may delay the sale of some Golf Course water rights until October 1, 2000. The County agrees that all the net proceeds derived from such sale will be used solely and expeditiously for the development of the Sports Complex.

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Section 6. Time period of delivery

6.1. The City agrees to convey treated effluent to the Golf Course and Sports Complex throughout the year provided, however, that because irrigation facilities will not be freeze protected, the parties understand that service may not be available during freezing or cold weather conditions.

Section 7. Maintenance and Repair

7.1. The City shall maintain and keep the facilities and equipment required to supply the treated effluent to the Golf Course and Sports Complex in good condition and the County hereby agrees to grant the City such reasonable access to the Golf Course and Sports Complex as may be required to do so. Upon receiving notice of any break, leak, spill, obstruction or other occurrence which affects the pressure, flow or conveyance of treated effluent, the City shall use its best efforts to promptly correct any such problem at its sole expense.

Section 8. Charges for treated effluent

8.1. The charges for treated effluent under this Agreement shall be the actual cost to the City of designing and constructing the facilities described in Attachment "A" incorporated herein (the "Capital Costs"), amortized at six percent for twenty years, plus the amount of annual operation, maintenance and replacement costs (the "OM&R Costs"), payable quarterly. The estimated Capital Costs of the facilities are set forth in Attachment "B" incorporated herein. The payment of Capital Costs shall begin when the effluent facilities are operational.

8.2. For the first full year that effluent facilities are operational, prior to determination of actual costs, the parties agree that the quarterly payments will be based upon estimated annual OM&R Costs of \$40,000. The estimated OM&R Costs for each year subsequent to the first year shall be the actual OM&R Costs for the prior year. The first quarter billing of each following year, or beginning irrigation season, shall take into account any difference between the payments made based on the estimated amount and the actual OM&R costs for the prior year.

8.3. The County shall pay the Capital Costs and OM&R Costs regardless of the amount of treated effluent actually used at the Sports Complex or the Golf Course. During the term of this agreement the OM&R costs shall be prorated equitably between all users.

8.4. To the extent that any other effluent user, in addition to the County, uses any of the facilities described in Attachment "B" to deliver treated effluent to any location other than the Golf Course or Sports Complex during the twenty year term for payback of the Capital Costs, the City agrees that such user shall be billed during that term a Capital Cost prorated to the percentage of actual facilities used as described in Attachment "B". The capital billing rate will be determined by dividing the usage by any user by the total usage and multiplying that product by the prorated capital rate allocable to the use of those facilities described in Attachment "B". In calculating the capital rate set forth herein, the usage by the County is agreed to be of 350 acre feet per year. The City shall determine the capital rate for other effluent users. The funds collected from other effluent users for capital costs associated with the use of facilities described in Attachment "B" shall be applied to reduce the outstanding Capital Costs.

8.5. Upon expiration of the 20 year period for repayment of Capital Costs and full repayment of Capital Costs, the County shall pay only the annual OM&R Costs for effluent delivered to the Golf Course and Sports Complex thereafter unless agreed to otherwise. Charges for treated effluent to the Golf Course and Sports Complex will not include Capital Costs other than those described in Attachment "B".

8.6. Notwithstanding the foregoing provisions, the minimum rate charge for treated effluent shall be not less than half the cost of potable water for a similar service and the maximum rate charge shall be not greater than seventy percent of the cost of potable water for a similar service. Potable water service costs shall be defined as the cost of water charged by the largest supplier of water in Washoe County which presently is Sierra Pacific Power.

8.7. The County agrees to assist the City by providing a winter storage site for effluent for

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future reuse purposes should the Sports Complex be advantageous for such purposes subject to the availability of a location that complies with the Sports Complex Master Plan.

8.8. The City shall invoice the appropriate County department at the end of each calendar quarter for the charges due under Section 8.

8.9. All invoices shall be itemized and have attached copies of supporting documentation as may be appropriate to facilitate prompt review and payment.

8.10. The County shall pay all invoices not later than forty-five (45) days after their issuance.

8.11 The City shall convey the improvements so designated in attachment "A" to the County and County shall convey the improvements so designated in attachment "A" to the City upon completion of construction and final acceptance for such improvements.

Section 9. Indemnification

9.1. The County shall maintain the Golf Course and Sports Complex and associated appurtenances and conduct its activities with respect to the use of the treated effluent so as not to endanger any person thereon and the County hereby covenants and agrees to defend, indemnify, save and hold the City harmless from any and all liability, loss, costs, charges, penalties, obligations, expenses, attorneys' fees, litigation, judgments, damages, claims and demands of any kind in connection with, arising out of, or by reason of the negligent use of treated effluent at the Golf Course and/or Sports Complex except as provided in Section 9.2.

9.2. The City hereby covenants and agrees to defend, indemnify, save and hold the County harmless from any and all liability, loss, costs, charges, penalties, obligations, expenses, attorneys' fees, litigation, judgments, damages, claims and demands of any kind in connection with, arising out of, or by reason of supplying treated effluent to the County that does not comply with the requirements of any applicable regulatory permit.

9.3. The County agrees that the City shall be held harmless and not liable for any damages sustained by the County at the Golf Course and/or Sports Complex including, but not limited to, any harmful effects on landscape, loss of revenue, site soil degradation, increased chemical costs, increased maintenance or cost of another water source resulting from water being supplied to the Plant from a potable water purveyor other than Sierra Pacific Power Company or Silver Lake Water Company.

Section 10. Interruption of deliveries

10.1. The City may temporarily interrupt or reduce deliveries of treated effluent if the City determines that such interruption or reduction is necessary or desirable in case of system emergencies, in order to install equipment, make repairs to, make replacements within, make investigations and inspections of, or perform other work on the City's facilities. Except in case of emergency and in order that the County's operations will not be unreasonably interfered with, the City shall give reasonable notice to the County of any such

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interruption or reduction, the reason for such interruption or reduction, and the probable duration of such interruption or reduction to the extent of the City's knowledge of the situation.

Section 11. Assignment and Sublease

11.1. The County shall not convey, sell, grant, assign, lease or encumber any right under this Agreement or any right to use the treated effluent obtained thereby without the express written consent of the City which shall not be unreasonably withheld.

Section 12. Cessation or Reduction of Wastewater Treatment Complex Operations

12.1. If the City intends to cease or reduce operations of the Plant at its present site in such a manner that it will no longer be able to supply treated effluent to the County in the quantity specified hereunder, the City may terminate the Agreement by providing notice to the County at least 24 months prior to such cessation or reduction of operations if the City provides the County with a source of water sufficient to replace the amount of treated effluent agreed to be provided pursuant to this Agreement.

Section 13. Cessation of County Operations

13.1. If the County permanently discontinues or ceases operations or conditions change at the Golf Course or Sports Complex so that these facilities no longer require or need treated effluent for their operations, either party may terminate the Agreement by providing written notice to the other party. If the County terminates the Agreement pursuant to this section, the County shall remain liable for the payment of any unpaid costs to the City associated with the construction of the facilities plus all charges for operation, maintenance and replacement that accrued prior to the time of termination.

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Section 14. Default

14.1. Except with respect to the provisions of section 9.2, in the event that the City fails to perform any covenant or term of the Agreement, the sole remedy of the County for such default shall be the right to terminate the Agreement. The County reserves the right to exercise any remedies available to it in connection with any failure of the City to perform any covenant or term set forth in section 9.2.

14.2. Except with respect to the provisions of sections 8, 9 and 11, in the event that the County fails to perform any covenant or term of the Agreement, the sole remedy of the City for such default shall be the right to terminate the Agreement. The City reserves the right to exercise any remedies available to it in connection with any failure of the County to perform any covenant or term set forth in section 8, 9 and/or 11.

Section 15. Notices

15.1. Any and all notices and demands by either party hereto to the other party required or desired to be given hereunder shall be in writing and shall be validly given or made if served either personally or if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested, addressed as follows:

If to the City: Sanitary Engineer
City of Reno
P. O. Box 1900
Reno, NV 89505-1900

If to the County: Manager, Utility Services Division
Washoe County Dept. of Water Resources
P.O. Box 11130
Reno, NV 89520

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16. Successors

16.1. The Agreement is binding on the City and the County and each of their successors in interest.

IN WITNESS WHEREOF, the undersigned have executed this Effluent Reuse Agreement as of the date first written above.

CITY OF RENO

By: _____
Jeff Griffin, Mayor

ATTEST:

City Clerk

Approved as to form:
City Attorney

WASHOE COUNTY BOARD OF
COMMISSIONERS

By: Jim Galloway
Jim Galloway, Chairman 3/16/99

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ATTEST:

Amy Harvey
County Clerk

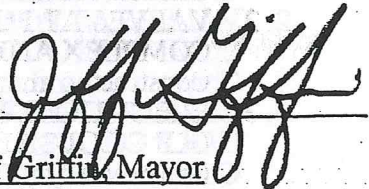
Approved as to form:
Washoe County District Attorney

16. Successors

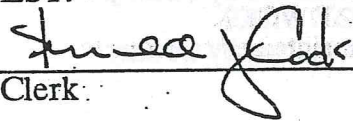
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IN WITNESS WHEREOF, the undersigned have executed this Effluent Reu: Agreement as of the date first written above.

CITY OF RENO

By: 
Jeff Griffin, Mayor

ATTEST:


City Clerk

Approved as to form:
City Attorney

WASHOE COUNTY BOARD OF COMMISSIONERS

By: _____
Jim Galloway, Chairman 17E-6h

ATTEST:

County Clerk

Approved as to form:
Washoe County District Attorney

ATTACHMENT "A"
FACILITIES TO TREAT, STORE AND
CONVEY TREATED EFFLUENT
CONSTRUCTED BY CITY OF RENO

1. **EFFLUENT TRANSMISSION MAINS TO SPORTS COMPLEX AND GOLF COURSE STORAGE PONDS (FROM PLANT)**
Constructed and maintained by City
2. **VALVES AT PONDS (END OF TRANSMISSION MAIN - TO PONDS AT SPORTS COMPLEX AND GOLF COURSE)**
Constructed and maintained by City
3. **ELECTRICAL SWITCH GEAR, POWER SUPPLIES AT SPORTS COMPLEX AND GOLF COURSE**
Constructed by City and conveyed to and maintained by County
4. **TELEMETRY AT SPORTS COMPLEX AND GOLF COURSE**
Constructed by City and conveyed to and maintained by County
5. **STORAGE POND, LINERS, PUMP HEADWORKS**
Constructed by City and conveyed to and maintained by County
6. **WATER METERS**
Constructed and maintained by City
7. **MONITORING WELLS**
Constructed by City and conveyed to and maintained by County
8. **EFFLUENT LINE TO WASHOE COUNTY SCHOOL SITE on GOLF COURSE**
Constructed by County and conveyed to and maintained by City
9. **FENCING (FOR FENCE AROUND POND ONLY AT SPORTS COMPLEX)**
Constructed by City and conveyed to and maintained by County
10. **LANDSCAPING (none provided by City at Sports Complex or Golf Course)**
11. **ALL FACILITIES AT THE PLANT**
Constructed and maintained by City

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ATTACHMENT "B"
ESTIMATED COSTS OF FACILITIES

The main effluent reuse facilities consist of the pumping facility at the Reno/Stead Wastewater Plant, pipeline conveyance system and improvements at the Golf Course and the Regional Sports Complex necessary for effluent irrigation.

The list below includes an estimate of construction costs for chargeable capital costs:

1. Pipeline Cost Estimate
2. Reuse Pump Station Cost Estimate
3. Washoe County Sports Complex Cost Estimate
4. Sierra Sage Golf Course Estimate
5. Connection Vaults .

Items 1 through 5 estimates above are further defined and attached as part of Attachment "B".

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Attachment "B"

RENO-STEAD EFFLUENT REUSE
Pipeline Cost Estimate

BID ITEM	ITEM NAME	EST. QUANTITY	UNITS	UNIT PRICE	ITEM TOTAL
1	Mobilization/Demobilization	1	LS	25,000	\$25,000
2	12 in. PVC Effluent Pipeline	3,150	LF	35	\$110,250
3	12 in. Gate Valves	3	EA	1,500	\$4,500
4	1 in. Combination Air Release Assembly	5	EA	2,500	\$12,500
5	Railroad Crossing (bore and jack)	63	LF	500	\$31,500
6	Trench Asphalt Surface Repair	1,310	LF	17	\$22,270
7	Drainage Reconstruction	1	LS	20,000	\$20,000
8	Traffic Control	1	LS	10,000	\$10,000
	Sports Complex Connection				
9	8 in. PVC Effluent Pipeline	300	LF	32	\$9,600
10	8 in. Gate Valves	2	EA	1,300	\$2,600
11	1 in. Combination Air Release Assembly	1	EA	2,500	\$2,500
12	Surface Restoration	300	LF	2	\$600
	SUBTOTAL				\$251,320
	CONTINGENCY (10%)				\$25,100
			TOTAL		\$276,420

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RENO-STEAD EFFLUENT REUSE
 Reuse Pump Station Cost Estimate

BID ITEM	ITEM NAME	EST. QUANTITY	UNITS	UNIT PRICE	ITEM TOTAL
GENERAL					
1	Mobilization/Demobilization	1	LS	\$83,000	\$83,000
EFFLUENT PUMP STATION					
1	Excavation and Site Work	1	LS	\$20,000	\$20,000
2	Pipe, Valves, Fittings, and Supports	1	LS	\$80,000	\$80,000
3	460 GPM Pumps	2	EA	\$15,000	\$30,000
4	240 GPM Pumps	2	EA	\$8,000	\$16,000
5	Jockey Pump	2	EA	\$8,000	\$16,000
6	Block Structure	1	LS	\$80,000	\$80,000
7	Electrical	1	LS	\$70,000	\$70,000
8	Miscellaneous Metals / Stairs	1	LS	\$16,000	\$16,000
9	HVAC	1	LS	\$12,000	\$12,000
10	Coatings	1	LS	\$8,000	\$8,000
11	Surge Control / Air Chamber	1	LS	\$20,000	\$20,000
12	12 in. Pipeline to Lear Connection	1	LS	\$24,000	\$24,000
DIURNAL STORAGE AT PLANT SITE					
1	Excavation	2,400	CY	\$5	\$12,000
2	Cover	1,560	SF	\$30.00	\$46,800
3	Pipe, Valves, Fittings, and Supports	1	LS	\$18,000	\$18,000
4	Reinforced Concrete	400	CY	\$425	\$170,000
5	Site Work Dewatering and Miscellaneous	1	LS	\$40,000	\$40,000
CENTRAL REUSE MONITORING AND TELEMTRY SYSTEM					
1	Master Unit, Software, Program, and Miscellaneous	1	LS	\$42,000	\$42,000
SUBTOTAL					\$803,800
CONTINGENCY (10%)					\$80,400
TOTAL					\$884,200

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Attachment "B"

RENO-STEAD EFFLUENT REUSE
Washoe County Sports Complex

BID	ITEM NAME	EST.	UNITS	UNIT	ITEM
ITEM		QUANTITY		PRICE	TOTAL
GENERAL					
1	Mobilization/Demobilization	1	LS	\$30,000	\$30,000
STORAGE POND					
1	Excavation/Backfill	9,000	CY	\$3.50	\$31,500
2	Lining	70,000	SF	\$0.85	\$59,500
3	Geotextile	70,000	SF	\$0.15	\$10,500
4	Miscellaneous	1	LS	\$5,000	\$5,000
5	Pavement	12,000	SF	\$1.10	\$13,200
6	Fencing	1,400	LF	\$20.00	\$28,000
PUMPING STATION					
1	Excavation and Site Work	1	LS	\$10,000	\$10,000
2	Wet Well	1	LS	\$15,000	\$15,000
3	Pipe, Valves, Fittings, and Supports	1	LS	\$25,000	\$25,000
4	500 GPM Pumps	2	EA	\$15,000	\$30,000
5	Jockey Pump	1	LS	\$8,000	\$8,000
6	Surge Tank	1	LS	\$8,000	\$8,000
7	Magnetic Flow Meter	1	LS	\$4,000	\$4,000
8	Electrical	1	LS	\$20,000	\$20,000
9	Coatings	1	LS	\$3,000	\$3,000
10	Building	1	LS	\$25,000	\$25,000
11	Electrical and Valve Vaults	2	EA	\$500	\$1,000
12	Effluent Control Valve Vault & Meter	1	EA	\$21,600	\$21,600
13	Intake Screen and Structure	1	EA	\$5,000	\$5,000
SUBTOTAL					\$353,300
CONTINGENCY (10%)					\$35,330
TOTAL					\$388,630

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RENO-STEAD EFFLUENT REUSE
Connection Vaults - Sky Vista and Mayor's Park

BID ITEM	ITEM NAME	EST. QUANTITY	UNITS	UNIT PRICE	ITEM TOTAL
MAYORS PARK					
1	Meter, Control Vault & Telemetry	1	LS	\$21,600	\$21,600
POCKET PARKS Sky Vista					
1	Meter, Control Vault & Telemetry	5	LS	\$21,600	\$108,000
DRIP SYSTEMS Sky Vista					
1	Meter System & Vault	3	LS	\$2,500	\$7,500
SUBTOTAL					\$137,100
CONTINGENCY (10%)					\$13,700
TOTAL					\$150,800

SUMMARY ALL EFFLUENT REUSE ITEMS

Reuse Pump Station Cost Estimate	\$884,200
Pipeline Cost Estimate	\$276,420
Washoe County Sports Complex	\$388,630
Sierra Sage Golf Course	\$189,300
Connection Vaults - Sky Vista and Mayor's Park	\$150,800
TOTAL EFFLUENT REUSE ITEMS	\$1,889,350

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