



# WASHOE COUNTY

"Dedicated To Excellence in Public Service"

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CM/ACM KS  
Finance DN  
DA ✓  
Risk Mgt DK  
HR N/A  
Other N/A

## STAFF REPORT

BOARD MEETING DATE: July 14, 2015

**DATE:** June 15, 2015  
**TO:** Board of County Commissioners  
**FROM:** Ben Hutchins, CPA, Division Director, Finance and Administration  
Community Services Department, 954-4646, [bhutchins@washoecounty.us](mailto:bhutchins@washoecounty.us)  
**THROUGH:** Dave Solaro, Arch., P.E., Director,  
Community Services Department, 328-2040, [dsolaro@washoecounty.us](mailto:dsolaro@washoecounty.us)  
**SUBJECT:** Approve the Third Amendment to the Cooperative Agreement for Contractual Professional and Administrative Staff Services between the Western Regional Water Commission and Washoe County, retroactive to July 1, 2015 through June 30, 2016, to reimburse the Community Services Department for staff services provided to the Western Regional Water Commission and the Northern Nevada Water Planning Commission. (All Commission Districts.)

### SUMMARY

Since July 1, 2008, following enactment of the Western Regional Water Commission Act (the Act), Chapter 531, Statutes of Nevada 2007, Washoe County has, through an Interlocal Cooperative Agreement with the Western Regional Water Commission (WRWC), had the responsibility for providing staff support for all activities of the WRWC and the Northern Nevada Water Planning Commission (NNWPC) established under the Act. Three Washoe County employees have been responsible for this work: Jim Smitherman, Water Resources Program Manager, Chris Wessel, Water Resources Planner, and June Davis, Administrative Secretary. The existing Agreement dedicates these three staff to support the WRWC and the NNWPC through a "contract service provider" model. This model was chosen based on it being the simplest, most cost effective method for providing the required services. The existing Agreement expired on June 30, 2015.

Washoe County Strategic Objective supported by this item: Sustainability of our financial, social and natural resources.

### PREVIOUS ACTION

On January 28, 2014, The Board of County Commissioners (Board) approved the Second Amendment to the Cooperative Agreement for Contractual Professional and Administrative staff services, and authorized the Chairman to execute the same.

On June 14, 2011, the Board approved the First Amendment to Cooperative Agreement for Contractual Professional and Administrative Staff Services, and authorized the Chairman to execute the same.

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On October 14, 2008, the Board approved the Cooperative Agreement for Contractual Professional and Administrative Staff Services, and authorized the Chairman to execute the same.

### **BACKGROUND**

The original staffing strategy for the WRWC and the NNWPC had been built around the concept that the WRWC member agencies would provide “in kind” services to support the operational overhead of the WRWC and the NNWPC. The member agencies are no longer providing “in kind” services, as the WRWC has demonstrated the ability to stand on its own financially. The only staff dedicated to supporting the WRWC and the NNWPC will be the three staff identified above who have been dedicated to the WRWC and NNWPC for the last six years.

The proposed Third Amended Cooperative Agreement will: 1) extend the term of the existing Agreement for one additional year to June 30, 2016; 2) reimburse the County for all WRWC and NNWPC employee-related expenditures, including overhead; and, 3) continue to allow the County to use the three designated "Assigned Employees", on a part-time basis, for County business that does not conflict or interfere with their duties to the WRWC and NNWPC, provided that a request for such allocation is made by the County's Director of Community Services and approved by the WRWC Water Resources Program Manager, in his sole discretion, as to availability of time. In such event, the WRWC will not reimburse the County for the costs of the time so allocated.

### **FISCAL IMPACT**

The estimated cost of wages, benefits and overhead budgeted in fiscal year 2015/16, and subject to reimbursement to the County as a result of this agreement, is \$473,305.

Reimbursements will be in the form of a Journal Entry transferring funds from the Regional Water Management Fund to an applicable fund designated by the County; such fund transfers shall occur at the end of each County two-week pay period and be recorded in the fund where employee expenditures are paid. Reimbursements will initially be recorded in Fund 566, Fund Center 669112, Account 460162, but could be redirected in the future.

### **RECOMMENDATION**

It is recommended that the Board of County Commissioners approve the Third Amendment to the Cooperative Agreement for Contractual Professional and Administrative Staff Services between the Western Regional Water Commission and Washoe County, retroactive to July 1, 2015 through June 30, 2016, to reimburse the Community Services Department for staff services provided to the Western Regional Water Commission and the Northern Nevada Water Planning Commission.

### **POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: “Move to approve the Third Amendment to the Cooperative Agreement for Contractual Professional and Administrative Staff Services between the Western Regional Water Commission and Washoe County, retroactive to July 1, 2015 through June 30, 2016, to reimburse the Community Services Department for staff services provided to the Western Regional Water Commission and the Northern Nevada Water Planning Commission.”

**THIRD AMENDMENT  
TO  
COOPERATIVE AGREEMENT FOR CONTRACTUAL  
PROFESSIONAL AND ADMINISTRATIVE STAFF SERVICES**

The following Sections of the COOPERATIVE AGREEMENT (the "Agreement"), dated November 7, 2008, entered into between Washoe County (the "County"), a political subdivision of the State of Nevada, and the Western Regional Water Commission (the "WRWC"), a Joint Powers Authority created pursuant Chapter 531, Statutes of Nevada 2007, the "Western Regional Water Commission Act" and cooperative agreement under Chapter 277, Nevada Revised Statutes, are hereby amended to provide as follows:

**2. TERM.**

The term of this Agreement, unless otherwise terminated or extended as provided herein, shall be from the "Effective Date" of this Agreement, as further defined in Section 7, until June 30, 2016.

**4. REIMBURSEMENT.**

For each year of this Agreement, or for future years of the Agreement should the Parties mutually agree to continue this arrangement, the WRWC will allocate sufficient resources in its annual budget to fully and promptly reimburse the County for the wages, benefits, and allocated overhead of the Assigned Employees attributable to providing the Services defined in Section 3.5, above. For budgeting purposes, compensation for the Services provided shall be set at a level sufficient and equivalent to cover fully the County's actual direct and indirect costs for the Services provided, including wages, hours, compensatory time, sick leave, special sick leave, annual leave, insurance premiums, worker's compensation coverage and claims, and all other benefits the County now provides, or may provide in the future. Reimbursable allocated overhead shall include, but not be limited to, the categories and items listed in Exhibit E, subject to approval of the WRWC Water Resources Program Manager, to carry out the specific intention

of the Parties to fully reimburse the County for all of its direct and indirect costs related to providing the Services. The County shall be responsible for the payment of any insurance and Worker's compensation claims that were made by the Assigned Employees prior to the Effective Date of this Agreement. Reimbursement will be in the form of a Journal Entry transferring funds from the Regional Water Management Fund to an applicable fund designated by the County, and shall exclude documented wages, benefits, and allocated overhead attributable to tasks and duties performed by the Assigned Employees for the benefit of the County pursuant to Section 3.7, above. Such fund transfer shall occur at the end of each County two-week pay period except for reimbursement of allocated overhead which shall occur at least semi-annually.

The Agreement as amended to include the revisions set forth above is incorporated herein by reference, and all other terms and conditions of the Agreement shall remain in full force and effect.

This Third Amendment is effective July 1, 2015, regardless of the dates of execution by the Parties ("Effective Date").

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment.

WESTERN REGIONAL WATER COMMISSION

WASHOE COUNTY

Dated this \_\_\_ day of \_\_\_\_\_, 2015

Dated this \_\_\_ day of \_\_\_\_\_, 2015

By \_\_\_\_\_  
Vaughn Hartung  
Chairman

By \_\_\_\_\_  
Marsha Berkbigler  
Chair, Washoe County Commission

APPROVED AS TO FORM:  
Rhodes Law Offices, Ltd.

APPROVED AS TO FORM:  
Washoe County District Attorney

By \_\_\_\_\_  
John B. Rhodes, Legal Counsel

By \_\_\_\_\_  
Paul A. Lipparelli  
Assistant District Attorney

**EXHIBIT E**  
**OVERHEAD CATAGORIES**

**1. Washoe County Community Services Department (“CSD”)**

Categories identified as benefiting the Western Regional Water Commission (“WRWC”) may include the following; however, additional categories may also be applicable. The basis of allocation and final categories will be evaluated and finalized by the WRWC Water Resources Program Manager and County Management.

- a. Finance and Administrative Staff who provide service to the WRWC, including all employee-related costs outlined in Section 4 of the Third Amendment to the Agreement.
  
- b. Services and Supplies
  - Building Janitorial
  - Building Alarm
  - Repairs and Maintenance
  - Copy Machine Expense
  - Office Supplies
  - Telephone / Land Lines
  - Office Space
  - Electric and Gas
  - Water and Sewer
  - Software (not provided by Information Technology Dept.)
  - Depreciation (as applicable)

**2. Washoe County General Fund – Water Resources Indirect Cost Allocation Plan**

- a. County Manager
- b. Community Relations
- c. Management Services
- d. Internal Audit
- e. Comptroller / Accounting
- f. Budget Division
- g. Purchasing Administration
- h. Telecommunications
- i. Information Technology Supplies and Services
- j. Enterprise Infrastructure
- k. WINnet
- l. Human Resources
- m. County Treasurer
- n. Public Works Administration
- o. General Services Administration
- p. Facility Management
- q. Prefunded Retiree Health Fund

**SECOND AMENDMENT  
TO  
COOPERATIVE AGREEMENT FOR CONTRACTUAL  
PROFESSIONAL AND ADMINISTRATIVE STAFF SERVICES**

The following Sections of the COOPERATIVE AGREEMENT (the "Agreement"), dated November 7, 2008, entered into between Washoe County (the "County"), a political subdivision of the State of Nevada, and the Western Regional Water Commission (the "WRWC"), a Joint Powers Authority created pursuant Chapter 531, Statutes of Nevada 2007, the "Western Regional Water Commission Act" and cooperative agreement under Chapter 277, Nevada Revised Statutes, are hereby amended to provide as follows:

**2. TERM.**

The term of this Agreement, unless otherwise terminated or extended as provided herein, shall be from the "Effective Date" of this Agreement, as further defined in Section 7, until June 30, 2015.

**3.7 Services to WRWC and NNWPC.** The County shall require the Assigned Employees to devote their productive time, ability and attention exclusively to the business of the WRWC and NNWPC during the term of this Agreement except, at the request of the Washoe County Director of Water Resources, and subject to availability as determined by and in the sole discretion of the WRWC Water Resources Program Manager designated in Exhibit B, the Assigned Employees may devote a portion of their productive time, ability and attention to tasks and duties for the benefit of the County, provided also that the performance of such tasks and duties does not conflict or interfere with the Services to be provided under Section 3.5, above. To the extent that the Assigned Employees perform such tasks and duties for the County, their corresponding wages, benefits, and allocated overhead (as defined in Section 4, below) shall be the sole responsibility of the County, shall be documented by written record, and shall not be subject to reimbursement as provided under Section 4, below. The provisions of this Section 3.7 shall be retroactive for the 2011 calendar year. The Assigned Employees shall not during the

normal working day, except as provided immediately above, directly or indirectly render any services of a business, commercial or professional nature to any person, firm or entity other than WRWC and the NNWPC.

#### **4. REIMBURSEMENT.**

For each year of this Agreement, or for future years of the Agreement should the Parties mutually agree to continue this arrangement, the WRWC will allocate sufficient resources in its annual budget to fully and promptly reimburse the County for the wages, benefits, and allocated overhead of the Assigned Employees attributable to providing the Services defined in Section 3.5, above. For budgeting purposes, compensation for the Services provided shall be set at a level sufficient and equivalent to cover fully the County's actual direct and indirect costs for the Services provided, including wages, hours, compensatory time, sick leave, special sick leave, annual leave, insurance premiums, worker's compensation coverage and claims, and all other benefits the County now provides, or may provide in the future. Reimbursable allocated overhead shall include, but not be limited to, the categories and items listed in Exhibit D, as the same subject to approval of the WRWC Water Resources Program Manager, to carry out the specific intention of the Parties to fully reimburse the County for all of its direct and indirect costs related to providing the Services. The County shall be responsible for the payment of any insurance and Worker's compensation claims that were made by the Assigned Employees prior to the Effective Date of this Agreement. Reimbursement will be in the form of a Journal Entry transferring funds from the Regional Water Management Fund to the County's Water Enterprise fund, and shall exclude documented wages, benefits, and allocated overhead attributable to tasks and duties performed by the Assigned Employees for the benefit of the County pursuant to Section 3.7, above. Such fund transfer shall occur at the end of each County two-week pay period except for reimbursement of allocated overhead which shall occur at least semi-annually.

Section 6 of the Agreement is hereby deleted in its entirety, and the following is inserted in its place and stead:

**6. REFERENCES TO DEPARTMENT OF WATER RESOURCES.**

Any references to the County's Department of Water Resources, or the Director of that department, in the Agreement, the First Amendment to the Agreement, or this Second Amendment to the Agreement, shall be deemed to refer to the County's Community Services Department, or the Director of that department.

The Agreement as amended to include the revisions set forth above is incorporated herein by reference, and all other terms and conditions of the Agreement shall remain in full force and effect.

This Second Amendment is effective July 1, 2013, except as provided in Section 3.7, above, regardless of the dates of execution by the Parties ("Effective Date").

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment.

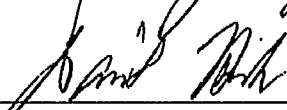
WESTERN REGIONAL WATER COMMISSION

WASHOE COUNTY

Dated this 11<sup>th</sup> day of December, 2013

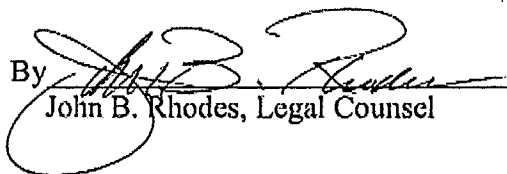
Dated this 24<sup>th</sup> day of January, 2013

By   
Mike Carrigan, Chairman

By   
David Humke  
Chairman, Board of Commissioners

APPROVED AS TO FORM:  
Rhodes Law Offices, Ltd.

APPROVED AS TO FORM:  
Washoe County District Attorney

By   
John B. Rhodes, Legal Counsel

By   
Deputy District Attorney



**FIRST AMENDMENT  
TO  
COOPERATIVE AGREEMENT FOR CONTRACTUAL  
PROFESSIONAL AND ADMINISTRATIVE STAFF SERVICES**

The following Sections of the COOPERATIVE AGREEMENT (the "Agreement"), dated November 7, 2008, entered into between Washoe County, a political subdivision of the State of Nevada (the "County"), and the Western Regional Water Commission, a Joint Powers Authority created pursuant Chapter 531, Statutes of Nevada 2007, the "Western Regional Water Commission Act" and cooperative agreement under Chapter 277 (the "WRWC"), or individually, "Party, or collectively, as the context requires, "Parties", are hereby amended to provide as follows:

**2. TERM.**

The term of this Agreement, unless otherwise terminated or extended as provided herein, shall be from the "Effective Date" of this Agreement, as further defined in Section 7, until June 30, 2014.

**3.7 Services to WRWC and NNWPC.** County shall require the Assigned Employees to devote their productive time, ability and attention exclusively to the business of the WRWC and NNWPC during the term of this Agreement except, at the request of the Washoe County Director of Water Resources, and subject to availability as determined by and in the sole discretion of the WRWC Water Resources Manager designated in Exhibit B, the Assigned Employees may devote a portion of their productive time, ability and attention to tasks and duties for the benefit of the County, provided also that the performance of such tasks and duties do not conflict or interfere with the Services to be provided under Section 3.5, above. To the extent that the Assigned Employees perform such tasks and duties for the County, their corresponding wages and benefits shall be the sole responsibility of the County, shall be documented by written record, and shall not be subject to reimbursement as provided under Section 4., below. The provisions of this Section 3.7 shall be retroactive for the 2011 calendar year. The Assigned

Employees shall not during the normal working day, except as provided immediately above, directly or indirectly render any services of a business, commercial or professional nature to any person, firm or entity other than WRWC and the NNWPC.

#### **4. REIMBURSEMENT.**

For each year of this Agreement, or for future years of the Agreement should the Parties mutually agree to continue this arrangement, the WRWC will allocate sufficient resources in its annual budget to fully and promptly reimburse the County for the wages and benefits of the Assigned Employees attributable to providing the Services defined in Section 3.5, above. For budgeting purposes, compensation for the Services provided shall be set at a level sufficient and equivalent to cover fully the County's actual costs for the Services provided, including wages, hours, compensatory time, sick leave, special sick leave, annual leave, insurance premiums, worker's compensation coverage and claims, and all other benefits the County now provides, or may provide in the future. The County shall be responsible for the payment of any insurance and Worker's compensation claims that were made by the Assigned Employees prior to the Effective Date of this Agreement. Reimbursement will be in the form of a Journal Entry transferring funds from the Regional Water Management Fund to the County's Water Enterprise fund, and shall exclude documented wages and benefits attributable to tasks and duties performed by the Assigned Employees for the benefit of the County pursuant to Section 3.7, above. Such fund transfer shall occur at the end of each County two-week pay period.

The Agreement as amended to include the revisions set forth above is incorporated herein by reference, and all other terms and conditions of the Agreement shall remain in full force and effect.

This Amendment is effective July 1, 2011, except as provided in Section 3.7, above, regardless of the dates of execution by the Parties ("Effective Date").

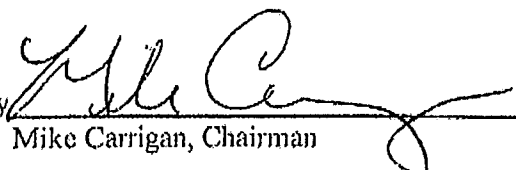
IN WITNESS WHEREOF, the Parties hereto have executed this Amendment.


WESTERN REGIONAL WATER COMMISSION

WASHOE COUNTY

Dated this 19<sup>th</sup> day of March, 2011

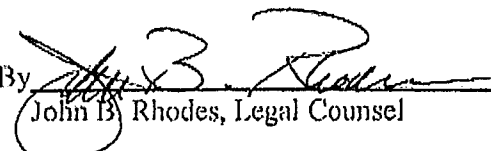
Dated this 14<sup>th</sup> day of June, 2011

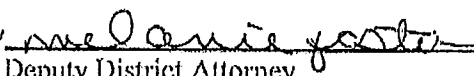
By   
Mike Carrigan, Chairman

By   
Chairman, Board of Commissioners

APPROVED AS TO FORM:  
Rhodes Law Offices, Ltd.

APPROVED AS TO FORM:  
Washoe County District Attorney

By   
John B. Rhodes, Legal Counsel

By   
Deputy District Attorney

**COOPERATIVE AGREEMENT FOR CONTRACTUAL  
PROFESSIONAL AND ADMINISTRATIVE STAFF SERVICES**

This Cooperative Agreement is made and entered into this 7th day of November, 2008, by and between Washoe County, a political subdivision of the State of Nevada ("County"), and the Western Regional Water Commission, a Joint Powers Authority created pursuant Chapter 531, Statutes of Nevada 2007, the "Western Regional Water Commission Act" and cooperative agreement under Chapter 277 ("WRWC"), or individually, "Party, or collectively, as the context requires, "Parties".

WHEREAS, the Parties are public agencies authorized by Chapter 277 of the Nevada Revised Statutes to enter into interlocal and cooperative agreements with each other for the performance of governmental functions; and

WHEREAS, the County desires to provide to the WRWC on a contractual and reimbursable basis the services of certain County employees from the County's Department of Water Resources, who have historically been fully dedicated to supporting and performing the duties, functions and responsibilities necessary and proper for the planning and implementation of regional water matters; and

WHEREAS, the WRWC desires to utilize the resources and services of these certain County employees as contract service providers to perform duties, functions and responsibilities necessary and proper for the planning and implementation of regional water matters; and

WHEREAS, the County and the WRWC wish to formalize this Agreement to provide for the assignment of certain County employees (hereinafter "Assigned Employees") to the WRWC, on a contractual and reimbursable basis, to provide appropriate administrative and professional services for the planning and implementation of regional water matters for the WRWC and the Northern Nevada Water Planning Commission ("NNWPC");

NOW THEREFORE, based upon the foregoing recitals, and in consideration of the mutual promises and benefits to be exchanged, it is agreed between the Parties as follows:

1. PURPOSE.

The purpose of this Agreement is to provide the WRWC and the NNWPC with appropriate administrative and professional staff services for the planning and implementation of regional water matters as requested by the WRWC and the NNWPC and according to the WRWC's Work Plan, and adopted annual budget, subject to reimbursement as provided herein.

2. TERM.

The term of this Agreement, unless otherwise terminated or extended as provided herein, shall be from the "Effective Date" of this Agreement, as further defined in Section 7, until June 30, 2011.

3. ASSIGNED EMPLOYEES AND SCOPE OF SERVICES.

3.1 Assigned Employees. As of the Effective Date of this Agreement, the County shall assign the employee(s) identified in Exhibit A (Support Staff) to perform administrative support services for the NNWPC, and the employees identified in Exhibit B (Professional Staff) to perform professional services for the WRWC and NNWPC. Services to be performed by the Assigned Employees are further defined in Section 3.5.

3.2 Employee Status. Assigned Employees retain all rights and status of Washoe County employees and are subject to all County employment, ethics, and operational policies and procedures.

3.3 Support Staff. In the event the County must select and assign other County personnel to perform the Support Staff services under this Agreement, the County shall consult with WRWC and NNWPC regarding recruitment process and selection criteria and the County shall select and assign new or existing County personnel to perform such services.

3.4 Professional Staff. With the prior written consent of the Professional Staff, the County may provide written drafts of its employee performance evaluation of the Professional Staff to the WRWC for comment at the WRWC's April meeting of each year. The WRWC shall provide oral or written comments to Washoe County's Water Resources Department Director on the draft evaluations and shall indicate as part of these comments whether the WRWC desires to retain such Professional Staff in their capacity under this Agreement for the next fiscal year. County agrees to give consideration to the performance evaluation comments by the WRWC in County's employment evaluation of the Professional Staff. In the event WRWC wishes to replace these employees, or in the event such employees leave County employment or are otherwise terminated by the County, County and WRWC shall confer to determine a replacement/recruitment schedule and process. County shall use its best efforts to replace such employees, subject to the consent of the WRWC, which consent shall not be unreasonably withheld.

3.5 Scope of Services. The services provided hereunder by the Assigned Employees shall include the performance of administrative support and professional services necessary to facilitate the WRWC's achieving its program goals as outlined in the draft Work Plan reviewed by the WRWC on May 16, 2008, attached hereto as Exhibit C and incorporated herein by reference, and the WRWC Budget adopted annually, as they are both from time to time revised or amended. Additional professional services shall include the preparation, publication and administration of requests for qualifications, proposals, or bids; the preparation and administration of contracts in

accordance with applicable provisions of state law for the purchase of supplies, materials, equipment, contractual and consulting or professional services required by the NNWPC and WRWC; and the preparation of recommendations and staff reports for the WRWC and the NNWPC (collectively, "Services"). No member of the WRWC Board of Trustees may request the Assigned Employees to perform any services outside the scope of the Work Plan, unless such request is approved by a vote of the WRWC Board.

3.6 Direction and Supervision. The County shall require the Washoe County Director of Water Resources to supervise the Assigned Employees in their performance of the Services contemplated hereunder. The Director shall take all steps necessary to ensure the full and competent performance of the Assigned Employees' duties and responsibilities, and shall emphasize the effective operation of the WRWC and the NNWPC. The Parties agree that during the performance of this Agreement, the Assigned Employees shall remain located at and operate from their current employment location in the Department of Water Resources. The Director shall monitor, review and authorize, if appropriate, all sick leave, vacation leave, continuing education and other such similar requests made by the Assigned Employees. County and WRWC agree that at the request of any Professional Staff, the Director and the Chair of the WRWC shall meet and confer to resolve any conflicts pertaining to the direction of such staff.

3.7 Services to WRWC and NNWPC only. County shall require Assigned Employees to devote their productive time, ability and attention during the normal working day exclusively to the business of the WRWC and NNWPC during the term of this Agreement. Assigned Employees shall not, during the normal working day, directly or indirectly render any services of a business, commercial or professional nature to any person, firm or entity other than WRWC and the NNWPC.

3.8 County Policies. County shall require Assigned Employees to abide by the policies, rules, regulations and current practices and usages applicable to County employees as established and amended by County from time to time. County shall require Assigned Employees to perform the duties and responsibilities faithfully and loyally consistent with those County Policies.

#### 4. REIMBURSEMENT.

For each year of this Agreement, or for future years of the Agreement should the Parties mutually agree to continue this arrangement, the WRWC will allocate sufficient resources in its annual budget to fully and promptly reimburse the County for the wages and benefits of the Assigned Employees. For budgeting purposes, compensation for the Services provided shall be set at a level sufficient and equivalent to cover fully the County's actual costs for the services provided, including wages, hours, compensatory time, sick leave, special sick leave, annual leave, insurance premiums, worker's compensation coverage, and all other benefits the County now provides, or may provide in the future. County shall be responsible for the payment of any insurance and Worker's compensation claims that were made by the Assigned Employees prior to the Effective Date of this Agreement. Reimbursement will be in the form of a Journal Entry

transferring funds from the Regional Water Management Fund to the Water Enterprise fund and such fund transfer shall occur at the end of each County two-week pay period.

## 5. TERMINATION.

5.1 Termination by Convenience. Either Party, in its sole discretion, may terminate this Agreement for the next fiscal year by providing sixty (60) days prior written notice to the other Party. Any notice of termination issued during any fiscal year for which the County has agreed to perform services outlined in the Work Plan or Annual Budget shall only be effective to the end of the fiscal year, that is, June 30<sup>th</sup> of such fiscal year.

5.2 Termination by Breach and Right to Cure. Either Party may terminate this Agreement if the other Party fails to perform its obligations under this Agreement. Prior to such termination, however, the Party seeking the termination shall give the other Party written notice of the breach and of the other Party's intent to terminate. If the Party has not entirely cured the breach within thirty (30) days of receipt of the notice, then the Party giving notice may terminate the Agreement at any time thereafter by giving a written notice of termination.

5.3 Dissolution of WRWC. This Agreement shall terminate upon the dissolution of the WRWC; provided, however, the County shall be compensated from existing WRWC funds for any work it has performed prior to termination upon WRWC's dissolution.

## 6. COUNTY ADMINISTRATIVE AND SYSTEM SERVICES.

County agrees to continue to provide at its sole cost and expense all employee and human resource services for the Assigned Employees, including administration of the systems and packages currently received by Assigned Employees for payroll, worker's compensation, dental, vision and health insurance and other employee wage and benefit programs currently received by Assigned Employees. The County agrees to provide administration of worker's compensation claims, insurance claims and safety and risk management services for the Assigned Employees who are contract service providers for this Agreement. Except as provided in any subsequent interlocal agreement between the Parties, other services than those herein described may be requested by the WRWC, and may be provided by County, at the County's sole discretion.

## 7. EFFECTIVE DATE.

Upon the ratification by the governing boards of the Parties, the provisions of this Agreement shall be retroactive to July 1, 2008.

## MISCELLANEOUS

### 8. ARBITRATION.

8.1 Disputes or claims arising out this Agreement, which cannot be resolved by negotiation, shall be settled by arbitration in accordance with NRS Chapter 38 (Uniform Arbitration Act of 2000). Either Party may demand arbitration in writing. Within ten days from such demand, the Parties shall meet and confer regarding the selection of an arbitrator.

8.2 The Parties shall agree to the arbitrator within ten (10) days of the first meeting contemplated in 8.1 above. If the Parties cannot agree, the Parties shall each select a representative that is a practicing attorney who has been licensed in the State of Nevada for a minimum of fifteen (15) years. Those two individuals will then select the arbitrator who must be a practicing attorney licensed in Nevada for a minimum of fifteen (15) years.

8.3 The Parties shall set a date for arbitration within ten (10) days of selection of an arbitrator, and shall follow the procedures and rules set out in NRS Chapter 38 unless another set of rules and procedures are agreed upon.

8.4 Each Party shall pay one half of the bills and invoices for time and expenses submitted by the arbitrator and shall also bear its own costs of arbitration, including attorney's fees. Neither Party shall be deemed the prevailing Party for purposes of otherwise allocating costs and fees.

### 9. HOLD HARMLESS – LIABILITY.

The WRWC agrees, to the extent allowed by law pursuant to Chapter 41, Nevada Revised Statute, to indemnify and hold harmless County from and against all claims, causes of action or liability, including attorneys' fees for injury or death of any person or damage to property arising from, or connected to, the WRWC's negligence or wrongful misconduct, or the negligence or wrongful misconduct of its trustees, employees or agents, in connection with its performance of this Agreement. County agrees, to the extent allowed by law pursuant to Chapter 41, Nevada Revised Statute, to indemnify and hold harmless WRWC from and against all claims, causes of action or liability, including attorneys' fees, for injury or death of any person or damage to property arising from, or connected to, the County's negligence or wrongful misconduct, or the negligence or wrongful misconduct of its officers, employees or agents, in connection with the performance of this Agreement.

### 10. SEVERABILITY.

If any provision of this Agreement or its application is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall not be affected.



11. MODIFICATION.

This Agreement is the entire Agreement between the Parties. No change, extension, termination or attempted waiver of any of the provisions of this Agreement shall be binding on either Party unless executed in writing by each of the Parties.

12. ASSIGNMENT.

Delegation and No Third-Party Beneficiary. This Agreement is entered into solely for the benefit of the Parties hereto. It shall confer no benefits, direct or indirect, on any third persons, including employees of the Parties. No person or entity other than the Parties themselves may rely upon or enforce any provision of this Agreement. The decision to assert or waive any provision of this Agreement is solely that of each Party. Neither Party may assign any rights hereunder or delegate any duties hereunder without the prior written consent of the other Party, which consent may be withheld in its sole discretion.

13. NOTICES.

All notices, demands or other communications required or permitted to be given in connection with this Agreement, shall be in writing, and shall be deemed delivered when personally delivered to a Party (by personal delivery to an officer or authorized representative or a corporate Party) or, if mailed, three (3) business days after deposit in the United States mail, postage prepaid, certified or registered mail, addressed to the Parties designated representative, whose name and contact information shall be made available and provided to each Party within ten (10) days of this Agreement's Effective Date. Any person may change its address for notice by written notice given in accordance with the foregoing provisions.

14. 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.

15. GOVERNING LAW; VENUE.

This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of Nevada and venue for any action based upon its terms and the Parties' performance hereunder shall be in the Second Judicial District Court of Washoe County.

16. MODIFICATIONS AND AMENDMENTS.

This Agreement may be modified or amended only by a writing signed by an authorized agent of the Party to be bound by the modification or amendment.

17. NON-LIABILITY OF INDIVIDUAL OFFICERS OR EMPLOYEES OF PARTIES.

No official or employee of any Party to this Agreement shall be personally liable to any other Party or any successor in interest, in the event of any default or breach by the Party or for any amount which may become due to any other Party or its successor, or as a result of any representation (except any representation regarding the authority to execute this Agreement), warranty or obligation under the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this agreement on the dates below noted.

WESTERN REGIONAL WATER COMMISSION,  
A political subdivision of the State of Nevada

By: [Signature]  
Michael Carrigan, Chairman  
Board of Trustees

STATE OF NEVADA

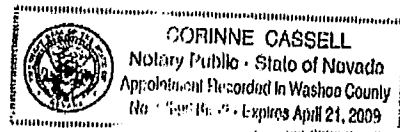
COUNTY OF WASHOE

On this 1<sup>th</sup> day of November, 2008, personally appeared before me, Notary Public, Mike Carrigan, known to me to be the Chairman of the Western Regional Water Commission, known to me to be the Chairman, who acknowledged to me that he executed the above instrument.

[Signature]  
Notary Public

WASHOE COUNTY, a political  
subdivision of the State of Nevada

By: [Signature]  
Robert M. Larkin, Chairman 10/1-1/08  
Washoe County Commission



ATTEST

[Signature]  
Amy Harvey, Washoe County Clerk

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**Exhibit A – Support Staff**

- June Davis, Administrative Secretary

**Exhibit B – Professional Staff**

- Jim Smitherman, Water Resources Program Manager
- Chris Wessell, Water Management Planner

Exhibit C – Work Plan Reviewed by WRWC on May 16, 2008

Proposed Western Regional Water Commission Work Plan

**Recommended near-term items**

(SB 487 / JPA)

1. Plan for the **scheduling and delivery of water resources** held by public purveyors to maximize the yield of regional water resources and facilitate the cooperative administration of regional water conveyance and treatment facilities for the benefit of the public purveyors and members.
2. Plan for maximizing **conjunctive use** by the public purveyors and members, i.e., the combined use of surface water, groundwater and reclaimed water systems to optimize resources, including an analysis of legal and procedural barriers to an optimized conjunctive use program.
3. **Water conservation** plan for municipal, industrial and domestic water resources within the planning area, including recommendations for water conservation agreements among water purveyors and local governments.
4. Plan the process for the **establishment of future service territories** within the planning area in which the public purveyors and all systems for the supply of water resources which are controlled or operated by the public purveyors and members may provide new retail or wholesale water resources to new customers.

(RWPC / Staff Recommendations)

5. Watershed-based water quality planning, including a plan for the development of a **Truckee River third-party total maximum daily load (TMDL)** for nutrients among affected entities and regulatory agencies.
6. Develop an **integrated water resources management plan for the north valleys** including water supply, wastewater, reclaimed water, storm water and flood control.
7. Develop a **regional hydrologic model** to evaluate changes in land use in the Truckee Meadows and the effect on Truckee River flood hydrology, working in conjunction with the Truckee River Flood Project.
8. Existing, ongoing water conservation projects, recommended by the RWPC:
  - Water Audit Program
  - Annual maintenance of Washoe Evapotranspiration (ET) Project
  - Certified Landscape Technician Exam Program
  - Additional projects as developed

9. Complete the RWPC-recommended projects in progress and receive the ongoing services listed below:

Name	Provider	Percent Complete	Balance Remaining	Notes
Hydrologic Criteria & Drainage Design Manual	WRC	99%	\$2,389	Final product being compiled for delivery
Flood Storage Volume Mitigation - Phase II	Nimbus Engineers	70%	12,075	Final report being reviewed
WaterWise Program - Watershed Based Educational Program	City of Reno, Sparks, UNR	71%	8,785	Ongoing program
Groundwater Monitoring Program Using Satellite Radar Images	Dr. Gary Oppliger	30%	29,358	Ongoing, year 2 of 2-year program
Minutes for Water Planning Commission meetings	Niki Linn	69%	4,060	Ongoing
Minutes for WPC subcommittee meetings	Niki Linn	52%	8,080	Ongoing
North Valleys Flood Storage Mitigation Project - Phase II	City of Reno	93%	30,822	Final report delivered 6/07, final bill being prepared
Sparks TMSA/FSA Facility Plan	Stantec	100%	105,716	Final plan delivered 1/08, final bill being prepared
Plan Update Assistance	ECO:LOGIC	69%	7,686	Ongoing
Plan Update editing & formatting	Niki Linn	0%	20,000	Ongoing
Nevada Field Guide for Construction site BMP's	City of Reno	0%	10,000	Publication expected 8/08
Washoe ET Program	DRI (Desert Research Institute)	27%	15,092	Ongoing
River Construction Site Permitting Handbook & Web-based Info.	Kennedy Jenks	0%	49,640	WRWC approval 4/11/08
Silver Lake Playa LOMR Education	City of Reno	0%	77,072	WRWC approval 4/11/08

**Recommended intermediate- or long-term items**

(SB 487 / JPA)

1. Develop an updated **comprehensive plan** by 2011, through the Water Planning Commission
2. Study and make recommendations to members regarding **water conservation ordinances or tariffs** to implement the water conservation plan and the comprehensive plan.
3. Evaluate and develop recommendations regarding the **consolidation of public purveyors** in the planning area as part of the comprehensive plan.
4. Plan for **water resources shortage sharing** among purveyors, and implement the plan with the approval of all affected entities.

(RWPC / Staff Items)

5. Plan for the expansion and **regional integration of reclaimed water systems** and analyze legal and procedural barriers to expanded uses of reclaimed water.
6. Investigate and evaluate the **water quality effects caused by septic systems** in priority areas.
7. Examine the status of the science concerning climate change and consider the possible effects to the region.

**EXHIBIT D**  
**OVERHEAD CATAGORIES**

**1. Washoe County Community Services Department ("CSD") / Water Resources Unit**

Categories identified as benefiting the Western Regional Water Commission ("WRWC") by CSD Management and WRWC Water Resources Program Manager. Basis of allocation is labor-related dollars.

- a. Finance and Administrative Staff who provide service to the WRWC, including all employee-related costs described in Section 4 of the Second Amendment to the Agreement.
  
- b. Services and Supplies
  - Energy Way Building Janitorial
  - Energy Way Building Alarm
  - Energy Way Repairs and Maintenance
  - Copy Machine Expense
  - Office Supplies
  - Telephone / Land Lines
  - Energy Way Building Lease
  - Energy Way Electric and Gas
  - Energy Way Water and Sewer
  - Software (not provided by Information Technology Dept.)
  - Depreciation
    - Tenant Improvements to Energy Way
    - SAP Utility Billing
    - Plotter / Scanner

**2. Washoe County General Fund – Water Resources Indirect Cost Allocation Plan**

- a. County Manager
- b. Community Relations
- c. Management Services
- d. Internal Audit
- e. Comptroller / Accounting
- f. Budget Division
- g. Purchasing Administration
- h. Telecommunications
- i. Information Technology Supplies and Services
- j. Enterprise Infrastructure
- k. WINnet
- l. Human Resources
- m. County Treasurer
- n. Public Works Administration
- o. General Services Administration
- p. Facility Management
- q. Prefunded Retiree Health Fund