FIRST ADDENDUM TO THE SECOND AMENDMENT TO THE INTERLOCAL COOPERATIVE AGREEMENT ESTABLISHING THE CLEAN WATER COALITION DATED JANUARY 4, 2007

This FIRST ADDENDUM TO THE SECOND AMENDMENT TO THE INTERLOCAL COOPERATIVE AGREEMENT ESTABLISHING THE CLEAN WATER COALITION DATED JANUARY 4, 2007 ("First Addendum") is dated this _____ day of _____, 2010 by and among the City of Las Vegas (the "City"), the City of Henderson ("Henderson"), the City of North Las Vegas ("NLV"), and the Clark County Water Reclamation District ("CCWRD") (formerly the Clark County Sanitation District), all of which are political subdivisions of the State of Nevada. The City, Henderson, NLV and CCWRD may hereinafter by referred to individually as a Party or a Member, or collectively as the "Parties" or "Members."

RECITALS

A. While each of the Members share a common environmental, economic and regulatory interest in the efficient and responsible collection, treatment, reuse and discharge of municipal effluent, one or more Members could find it to be more cost-effective to manage the collection, treatment, reuse and discharge of municipal effluent by using existing Member-owned wastewater treatment facilities.

B. However, Section 18.2 of the Second Amendment to the Interlocal Cooperative Agreement Establishing the Clean Water Coalition dated January 4, 2007, only permits the withdrawal of a Member upon "such terms and conditions as may be specified in an agreement of withdrawal executed by all Members." This subsection makes it extremely difficult for a Member to withdraw.

C. While the intent of subsection 18.2 was originally intended to make it difficult for a Member to exit the consortium of Members, the Members now realize in this difficult economic climate that a Member should not be required to remain a Member of the CWC unless it is in the interests of that Member's citizenry. One or more Members may decide that the fees required to remain a member of the CWC are not cost-effective, and that the savings achieved by withdrawing from the CWC could be passed back to that Member's citizenry through reductions in connection fees and monthly usage charges.

D. The Members now desire to append the Second Amendment to the Interlocal Cooperative Agreement Establishing the Clean Water Coalition dated January 4, 2007 (the "CWC Interlocal") to permit a Member to withdraw at will upon a period of required notice to the other Members. This First Addendum is meant to accomplish that desire.

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NOW THEREFORE, based upon good and sufficient consideration, the Members have mutually agreed to the following:

1. Amended Language.

For purposes of this amendment, words deleted from the CWC Interlocal are explicitly shown with a ~~strike through~~ and words added to the CWC Interlocal are explicitly underlined. Words in plain text remain unchanged and effective.

2. The Members hereby amend Section V of the CWC Interlocal as follows:

Section V
Approval of Certain Matters by the Governing Boards of the Members

5.1 Except as provided in Subsection 5.2, the approval of the governing boards of each Member, in addition to action taken by the Board as required by this Amended Agreement, shall be required for the following actions:

(a) Approval and amendment of all Capital Improvement Plans.

(b) Approval and amendment of all Annual Operating Budgets and Annual Capital Budgets.

(c) Authorization to borrow money.

(d) Admission of new Members.

(e) Termination of this Agreement.

(f) Approval of an Annual Operating Plan or a Regional Water Quality Plan that will require a Member Agency to expend $100,000 per annum or more of its funds with respect to its operations.

5.2 After the date established by the Board pursuant to the provisions of Paragraph 12.2.1, the approval of the governing boards of each Member shall not be required with respect to items (b) ~~and (c)~~ set forth above in Subsection 5.1. ~~and items (b) and (c) set forth above in Subsection 4.7 shall no longer require unanimous consent of the representatives or alternates of all Board Members.~~

3. The Members hereby amend Subsection 12.1.3 of the CWC Interlocal as follows:

12.1.3 The CWC shall not, during any fiscal year, expend or contract to expend any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts appropriated in the annual budgets for any category of expenditure, unless such expenditure is specifically approved by a unanimous vote the Board.

4. The Members hereby amend Subsection 12.3 of the CWC Interlocal as follows:

12.3 Revenue Bonds. Upon a unanimous vote of the Board, the Board shall have the power and authority to issue revenue bonds, notes, and other obligations for the purposes and in accordance with the procedure and requirements set forth in NRS 277.0705 through 277.0755.

5. The Members hereby amend Subsection 12.4 of the CWC Interlocal as follows:

12.4 Other Indebtedness. Upon a unanimous vote of the Board, the Board shall have the power and authority to issue bonds, notes, and other indebtedness, and to participate in state and local bond banks as provided by law.

6. The Members hereby amend Subsection 14.3 of the CWC Interlocal as follows:

14.3 The funds of CWC shall be used to defend, indemnify, and hold harmless the CWC, its officers and employees, and any Member for actions taken within the scope of the CWC. Nothing herein shall limit the right of the CWC to purchase insurance to provide coverage for any of the foregoing. This indemnification shall inure to and be used to defend, indemnify, and hold harmless a Member after withdrawal of that Member from the CWC for any actions or omissions of the CWC during the withdrawing Member's tenure in the CWC.

7. The Members hereby amend Subsection 16.1 of the CWC Interlocal as follows:

16.1 Operating Member owned and operated Discharge facilities shall consist of all existing facilities of each Operating Member to the point of connection ("Point of Connection"), which shall be determined in each instance by the Board. All facilities, including monitoring and measuring equipment downstream of the Point of Connection, shall be owned and maintained by the CWC from and after the determination of the Point of Connection by the Board. Promptly, after the determination of the Point of Connection, each Operating Member shall transfer title to any facilities it may own downstream of the Point of Connection to the CWC, free and clear of all encumbrances, together with easements not less than 30 feet in width on either side of the centerline of such facilities, together with necessary access easements from public roads. Conveyance of title to any facilities, easements, real property, or any type or kind of equipment shall be approved by the governing body of the Member requested to make such a conveyance prior to any such conveyance.

8. The Members hereby amend Section XVIII of the CWC Interlocal as follows:

Section XVIII

Withdrawal or Termination

18.1 The CWC shall continue in existence until dissolved in accordance with terms of this Section.

~~18.2 A Member may withdraw from CWC on such terms and conditions as may be specified in an agreement of withdrawal executed by all Members.~~

18.~~3~~2 This Amended Agreement may be rescinded and the CWC terminated by a written agreement of termination executed by all Members except during the term of any outstanding indebtedness incurred by or at the request of the CWC or for which the CWC is otherwise responsible, unless such indebtedness is dealt with in a manner satisfactory to the holder or holders of such debt and satisfactory to all of the Members. This section does not apply to the opportunity for any Member to withdraw, as provided by subsection 18.4, below.

18.~~4~~3 On termination of the CWC, all of the assets of the CWC shall be disposed of in accordance with the above-referenced written agreement of termination.

18.4 Withdrawal of a Member. Notwithstanding 18.1 or 18.2, a Member may withdraw from the CWC and entirely terminate its relationship with the CWC for any reason, or no reason at all, upon sixty (60) calendar days written notice to the General Manager of the CWC.

The General Manager is hereby authorized and shall refund the withdrawing Member's proportionate share of the total of the CWC's cash and cash equivalents within seven (7) calendar days after the last day of the withdrawing Member's membership in the CWC, without the need for specific Board authorization as follows:

18.4.1 Refund of monies to a Withdrawing Member. A withdrawing Member is entitled to a refund of that Member's contribution to the CWC and the SCOP project on a based upon its proportionate total "amount of contribution" to the CWC. This total includes any and all monies provided to the CWC by a Member, specifically including any monies collected by the CWC that exceed the yearly budget for CWC operations.

For purposes of this subsection, the "amount of contribution" to the CWC is to be calculated upon the following percentages, which are equivalent to the total contributions by each Member into the CWC since the inception of the CWC. Upon withdrawal, each Member is entitled to a refund of monies in the following percentage of all cash or cash equivalents held by the CWC:

18.4.1.1	CCWRD	52%
18.4.1.2	City of Las Vegas	27%
18.4.1.3	City of Henderson	12%
18.4.1.4	City of North Las Vegas	9%

The General Manager may withhold from this required refund a withdrawing Member's proportionate share of the budgeted costs for day-to-day CWC operations for the remainder of the fiscal year in which the withdrawing Member terminates its membership in the CWC in the same proportion as indicated above.

As an example, if NLV was to terminate its relationship with the CWC, and there was a total of Sixty Five Million Dollars ($65,000,000.00) in cash and cash equivalents held by the CWC, and the operating budget for the CWC that fiscal year was Four Million Dollars ($4,000.000.00), and NLV terminated its relationship with the CWC with 6 months remaining in the fiscal year, NLV would be entitled to a 9% refund ($65M x 9% = $5,850,000.00), minus NLV's 9% share of that fiscal year's remaining operating costs for the CWC ($4M x 50% of the year x 9% = $180,000.00), for a total of $5,670,000.00.

18.4.2 Nothwithstanding the dispute resolution language at Section XX herein, any dispute between a withdrawing Member and the CWC regarding a withdrawing Member's refund shall not be forwarded for Board resolution or arbitration or mediation as provided by Section XX. If the General Manager fails to refund the necessary amount of money to a withdrawing Member as provided above, such withdrawing Member may immediately avail itself any judicial remedy available to it under Nevada law, including, but not limited to an action before the Eighth Judicial District Court, Clark County, Nevada.

18.4.3 Refund of Individual Connection Charges Pursuant to Law. For seven hundred-thirty (730) calendar days after the withdrawal of a Member from the CWC pursuant to this section 18.4, the CWC shall recognize any proper refund request for connection fees from a person within the jurisdiction of the withdrawing Member, provided that the withdrawing Member approved the refund of such connection fees pursuant to its municipal code, rules or regulations, whichever applies to such refund request.

9. CWC Interlocal Terms Remain Unchanged.

Except as explicitly appended by this First Addendum, the terms and provisions of the CWC Interlocal remain unchanged and effective as provided therein.

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10. Counterparts Authorized.

This First Addendum may be executed in counterparts, each of which will be an original with regard to any Member whose name appears thereon and all of which together will constitute one and the same First Addendum. Each Member shall deliver five (5) original executed copies to the City for distribution to the other Members and the General Manager of the CWC.

11. Condition to Effectiveness of First Addendum.

This First Addendum shall become effective upon the signatures of all Members and upon the signature of the Nevada Attorney General pursuant to NRS 277.140.

IN WITNESS WHEREOF, the parties here to have caused this agreement to be executed by their duly authorized representatives on the day and in the year first above written.

CITY OF LAS VEGAS

By: _____

OSCAR B. GOODMAN, Mayor

ATTEST:

_____

Beverly Bridges, MMC, City Clerk

Approved as to Form: _____

Deputy City Attorney

CLARK COUNTY WATER
RECLAMATION DISTRICT

By: _____

LARRY BROWN, Chairman

ATTEST:

_____

DIANA ALBA, County Clerk

Approved as to Form: _____

Deputy District Attorney

CITY OF HENDERSON

By: _____

ANDY HAFEN, Mayor

ATTEST:

_____

Sabrina Mercadante, CMC, Acting City Clerk

Approved as to Form: _____

Deputy City Attorney

CITY OF NORTH LAS VEGAS

By: _____

SHARI BUCK, Mayor

ATTEST:

_____

KAREN L. STORMS, CMC, City Clerk

Approved as to Form: _____

Deputy City Attorney

APPROVED AS TO FORM AND LEGALITY (NRS 277.140)
this _____ day of _____ 2010.

CATHERINE CORTEZ MASTO
NEVADA ATTORNEY GENERAL

By:_____

Title:_____