

## **AGREEMENT FOR JOINT PLANNING AND SITE EVALUATION FOR DOMESTIC WATER TREATMENT PLANT**

Nevada Irrigation District (NID) and the City of Lincoln (Lincoln), having agreed to cooperate and jointly evaluate the development of domestic water treatment capacity to serve areas of NID both within and outside the city limits of Lincoln, and to share the conclusions, results, recommendations of any evaluations in connection therewith, do hereby agree as follows.

### RECITALS

1. Lincoln provides treated water service within its city limits and requires an assured wholesale supply of treated water in order to provide said service to meet the growing demands of Lincoln.

2. NID is an irrigation district whose political boundaries overlap portions of Lincoln's city limits and it is authorized to provide retail and/or wholesale water service within its political boundaries, including within Lincoln.

3. NID and Lincoln agree that NID should develop a source of treated water available for wholesale service to Lincoln for resale to all of Lincoln's customers within NID's boundaries and for retail distribution by NID to customers within NID's boundaries not otherwise served by Lincoln.

4. Lincoln currently purchases treated surface water at wholesale from Placer County Water Agency (PCWA) and, in part, is utilizing water received from PCWA for the provision of retail treated water service to customers of Lincoln that are within the political boundaries of NID.

5. Lincoln has experienced substantial growth in its political boundaries and in its population and said growth is expected to continue. Lincoln is currently evaluating an expansion of its city limits in order to accommodate additional growth projected within its sphere of influence. Such growth in the city boundaries shall expand the area in which the political boundaries of NID and Lincoln overlap.

6. Lincoln seeks a permanent supply of treated water from NID at wholesale in sufficient quantity to allow Lincoln to serve all those customers within NID who are within the city limits so that water purchased from PCWA can be used by Lincoln for demand projected to occur outside NID's boundaries.

7. NID does not have adequate treatment capacity within the vicinity of Lincoln and Lincoln and NID agree that a large treatment plant, able to serve all of Lincoln's wholesale requirements within NID, and NID's retail obligations not within the City of Lincoln is the most

efficient method of developing such capacity.

8. NID has initiated the planning for a treatment plant sufficient to provide both wholesale service to Lincoln and retail service to NID's customers.

9. On \_\_\_\_\_, 2003, NID and City of Lincoln entered into a Memorandum of Understanding (MOU) acknowledging the importance and benefits of Lincoln acquiring treated water service from NID and of NID providing water to Lincoln to serve all of its customers who reside within the overlap area; and for NID to provide water for retail distribution to NID customers within the NID's boundaries that do not lie within the Lincoln city limits, and confirming the parties' mutual intent to work cooperatively to complete a water treatment planning and site study for a plant sized to assure adequate supplies of domestic water to provide such service ("Study"). NID and Lincoln have met and conferred and agree that it is appropriate to jointly undertake a water treatment plant planning and site study as the initial step in the development of adequate treated water capacity.

10. In order to ensure that the preparation of such a study can proceed on a timely basis, NID has already prepared and distributed a request for proposals (RFP) for the planning and site study. Lincoln has reviewed the RFP, has approved it, and desires to participate with and cooperate with NID in the development of the study and to share in the conclusions and recommendations made by the study and in consideration for its participation in and use of the study results, Lincoln has agreed to share with NID in the costs of the study.

NOW, THEREFORE, for adequate consideration, receipt of which is hereby acknowledged, NID and Lincoln do agree as follows.

#### AGREEMENT

1. Lincoln hereby ratifies the RFP heretofore issued by NID. Lincoln jointly with NID, will evaluate the responses to the RFP. NID and Lincoln will consult and jointly approve the consultant to be retained by NID.

2. Upon selection of the consultant, NID shall enter into a contract with the consultant. Lincoln will not be a signatory thereof but will review and approve the form of contract and NID will ensure that the consultant acknowledges Lincoln's joint interest with NID in the study and its conclusions. NID will be responsible for the day-to-day administration of the service agreement with the consultant performing the study. NID will, on an ongoing basis, consult with Lincoln on all matters relating to the administration of the service agreement with the consultant. NID shall not alter, expand or decrease, the scope of work set forth in the RFP without prior consultation and approval from Lincoln. Upon its request Lincoln shall be copied on all correspondence to and from the consultant and will participate in all scheduled conferences, by telephone, e-mail, or in person.

3. NID and Lincoln will each provide technical and administrative personnel as

required to monitor, direct, comment upon and review the study results. Lincoln and NID will each designate a technical working group ("Technical Committee") who will convene at least monthly, and more often if called by either party, for purposes of carrying out their responsibilities hereunder.

4. NID shall be responsible for payments to the consultant performing the study. Payments will be made in accordance with the progress payment schedule in the service agreement with the consultant. Lincoln shall reimburse NID for its share of the costs as invoiced by NID. Lincoln agrees that its share of the invoiced cost is 50%. Lincoln will not be responsible for any payments required as a result of change orders or scope changes approved by NID unless Lincoln has received prior notification thereof and it has agreed to pay its fifty (50%) percent share of such increased cost. All costs payable by Lincoln shall be billed by NID not more frequently than monthly and shall be paid by the City of Lincoln within \_30\_ days of invoicing by NID. Lincoln may, during business hours, request copies of and review all billings, invoices and records of NID underlying payment to the Consultant.

5. While it is agreed that the preliminary feasibility study under the RFP does not constitute a project under the California Environmental Quality Act ("CEQA"), NID and Lincoln will adhere to the requirements of the CEQA in the siting, design, and construction of the water facilities. The Technical Committee established under Paragraph 3 above shall, as part of its responsibilities, engage in routine evaluation of status of the project in light of the requirements of CEQA and will make appropriate recommendations to their respective governing bodies as to any steps that need to be initiated and/or modified as a result of compliance with CEQA.

6. This Agreement is whole and entire and may not be modified without the express written agreement of NID and Lincoln. Either party may terminate this Agreement with or without cause upon giving the other party thirty (30) days written notice thereof. During the thirty (30) day notice period, the parties shall meet in an attempt to determine the basis of any disagreement and an attempt to resolve same. Absent written agreement of the parties confirming the reestablishment of the agreement, the agreement will terminate, without further action, thirty (30) days after one or the other party gives notice of termination. In the event of termination, Lincoln and NID shall remain responsible for those consultant costs undertaken or incurred prior to the effective date of said termination. NID and Lincoln shall be jointly entitled to the consultant work product and supporting documents developed through the date of termination.

7. As long as this agreement remains in force and effect, no party will take any action in connection with the planning, design or siting of the treatment plant, as recommended by the study, absent the express joint approval of both Lincoln and NID.

8. It is agreed by Lincoln and NID that decisions regarding future annexation of Lincoln

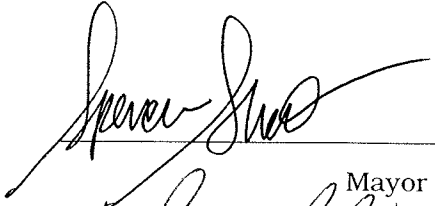
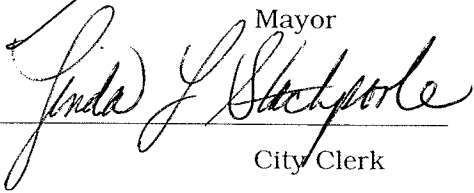
into areas then served treated water by NID, and issues involving responsibility for service in such areas, including ownership of constructed facilities, water rates and capacity fees, is beyond the scope of the agreement and will require additional negotiations and agreement.

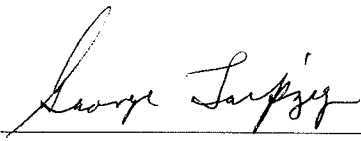
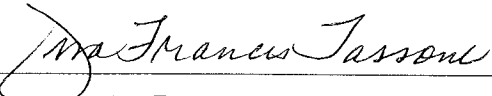
Agreed to this 24<sup>th</sup> day of FEBRUARY, 2004, at Lincoln.

California.

CITY OF LINCOLN

NEVADA IRRIGATION DISTRICT

  
\_\_\_\_\_  
Mayor  
  
\_\_\_\_\_  
City Clerk

  
\_\_\_\_\_  
George Leipzig, President  
  
\_\_\_\_\_  
Lisa Francis Tassone, Clerk of the Board