

**FIRST AMENDMENT  
TO  
COOPERATIVE AGREEMENT BETWEEN SOUTHERN NEVADA WATER  
AUTHORITY AND MOAPA VALLEY WATER DISTRICT**

This First Amendment to the March 16, 2006, Cooperative Agreement Between Southern Nevada Water Authority and Moapa Valley Water District (“Amendment”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, (“Execution Date”) by and between the Moapa Valley Water District (“MVWD”), a political subdivision of the State of Nevada created by Chapter 477, Statutes of Nevada 1983, and the Southern Nevada Water Authority (“SNWA”), a political subdivision of the State of Nevada and a joint powers authority created on July 25, 1991, through a Cooperative Agreement entered into pursuant to Nevada Revised Statutes Chapter 277. MVWD and SNWA are sometimes herein collectively referred to as the “Parties” or individually as “Party.” Capitalized terms in this Amendment shall have the same meaning as defined in the March 16, 2006, Cooperative Agreement Between Southern Nevada Water Authority and Moapa Valley Water District (“2006 Cooperative Agreement”).

**RECITALS**

- A. In the 2006 Cooperative Agreement, MVWD agreed to pay 50% of any Surcharge assessed by CPB for use of the leased water outside of MVWD’s service area.
- B. Since 2008, when use of leased water outside of the Moapa Valley began, SNWA has paid 100% of the Surcharge assessed by CPB for use of the leased water outside of MVWD’s service area.

- C. Simultaneously with the execution of this Amendment, the Parties have also entered into an amendment to the August 20, 2009, Moapa Transmission System Design, Construction, Operation, and Maintenance Agreement (“O&M Amendment”).
- D. In the O&M Amendment, the Parties agreed to waive SNWA’s payment for any wheeling fees that may have been due in 2010, 2011, 2012, 2013, 2014 and 2015. The Parties wish to waive MVWD’s payment of the Surcharge that would be due under the 2006 Cooperative Agreement for calendar year 2008 through the Execution Date of this Amendment.
- E. The Parties also wish to release MVWD from payment of 50% of the Surcharge in the future and make other changes to the 2006 Cooperative Agreement.

NOW, THEREFORE, in consideration of the mutual promises and commitments described herein, the Parties agree as follows:

### **AGREEMENT**

- 1. Section 3(b) of the Agreement is hereby deleted.
- 2. Section 3(c) of the Agreement is hereby deleted and replaced with the following Section 3(c):

MVWD and SNWA shall each pay CPB for the amount of Church Water each of them uses.

3. Section 3(d) of the Agreement is hereby deleted and replaced with the following Section 3(d):

If a Surcharge is assessed by CPB in any year during the term of the Lease for Church Water used by SNWA outside MVWD's service area, SNWA will pay 100% of such assessed Surcharge. If a Surcharge is assessed by CPB in any year during the term of the Lease for Church Water used by MVWD outside MVWD's service area, MVWD will pay 100% of such assessed Surcharge.

4. SNWA hereby releases MVWD from any obligation to repay SNWA for the Surcharge applicable to water used during calendar year 2008 through the Execution Date of this Amendment.

5. All other terms of the Agreement remain in full force and effect.

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IN WITNESS HEREOF, each of the Parties has executed this Amendment as of the date and year first above written.

MOAPA VALLEY WATER DISTRICT

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Joseph Davis, General Manager

Approved as to form:

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Byron Mills, Esq., Counsel for MVWD

SOUTHERN NEVADA WATER AUTHORITY

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John J. Entsminger, General Manager

Approved as to form:

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Dana R. Walsh, Director of Legal Services

**FIRST AMENDMENT  
TO  
MOAPA TRANSMISSION SYSTEM  
DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE  
AGREEMENT**

This First Amendment to the Moapa Transmission System Design, Construction, Operation and Maintenance Agreement (“Amendment”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, (“Execution Date”) by and between the Moapa Valley Water District (“MVWD”), a political subdivision of the State of Nevada created by Chapter 477, Statutes of Nevada 1983, and the Southern Nevada Water Authority (“SNWA”), a political subdivision of the State of Nevada and a joint powers authority created on July 25, 1991, through a Cooperative Agreement entered into pursuant to Nevada Revised Statutes Chapter 277. MVWD and SNWA are sometimes herein collectively referred to as the “Parties” or individually as a “Party.” Capitalized terms in this Amendment shall have the same meaning as defined in the August 20, 2009, Moapa Transmission System Design, Construction, Operation, and Maintenance Agreement.

**RECITALS**

A. On August 20, 2009, the Parties entered into the Moapa Transmission System Design, Construction, Operation, and Maintenance Agreement (“Agreement”). The Agreement delineates the ownership, design, construction, operational, and maintenance responsibilities of the Parties with regard to the Moapa Transmission System (“MTS”). The MTS treats and conveys groundwater from Coyote Spring Valley to MVWD’s distribution system to facilitate the Order 1169 pump test and allow SNWA to convey the groundwater to Lake Mead.

B. The Order 1169 pump test began on November 15, 2010, and the Nevada State Engineer declared the pump test to be completed as of December 31, 2012, in Order 1169A. Although the pump test is complete, SNWA may continue to use the MTS as one part of its water resources portfolio, but there may be instances where SNWA does not need the MTS to operate on a full time basis.

C. Currently, the Agreement does not fully address the temporary suspension of operations and intermittent use of the MTS.

D. On April 20, 2006, SNWA, MVWD, CSI, the Moapa Band of Paiute Indians, and the United States Fish and Wildlife Service entered into a Memorandum of Agreement (“2006 MOA”) regarding protection of the Moapa Dace and development of groundwater in and around the Coyote Spring Valley hydrographic basin. In the 2006 MOA, SNWA agreed to transfer 724 acre-feet per year (“afy”) from Permit No. 49414 to MVWD to effectuate the dedication of in-stream flows in the Apcar Stream (a tributary of the Muddy River). In exchange, MVWD agreed to suspend diversion of MVWD’s 724 acre-feet per year Jones Spring water right (Certificate No. 10060).

E. In the Agreement, “Substitute Water” is defined as 724 afy of Coyote Spring Valley groundwater from Permit No. 49414, which SNWA agreed to transfer to MVWD in the 2006 MOA to effectuate the dedication of in-stream flows in the Apcar Stream, to substitute for MVWD’s suspension of utilization of its 724 afy Jones Spring water right.

F. Concurrently with execution of the 2006 MOA, MVWD entered into the Jones Spring Agreement with the Muddy Valley Irrigation Company and U.S. Fish and Wildlife Service. The Jones Spring Agreement provides that as long as MVWD is in full compliance with the

terms of the 2006 MOA, MVWD is able to resume use of Jones Spring water in the event Substitute Water from SNWA is unavailable or unusable to meet MVWD's municipal needs.

G. Currently, the Agreement does not address provision of Substitute Water in times when the MTS is not operating to produce Coyote Spring Valley groundwater for MVWD to use instead of MVWD's Jones Spring water right.

H. Due to the federal environmental permit requirements for the MTS and Coyote Spring Valley groundwater pumping, it is essential to the Parties that MVWD continue to refrain from diverting its Jones Spring water right, even in times when SNWA is unable to provide Substitute Water from Coyote Spring Valley.

I. The Parties intend to amend the Agreement to address temporary suspension of operations and intermittent use of the MTS, to allow for costs to be calculated on a fiscal year basis, and to add or clarify various other provisions in the Agreement.

NOW, THEREFORE, in consideration of the mutual promises and commitments described herein, the Parties agree as follows:

#### **AGREEMENT**

1. Section 1.38 is hereby deleted.

2. Section 1.39 is hereby deleted and replaced with the following Section 1.39:

1.39 "Year" means fiscal year, which begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup>.

It is the intent of the Parties that every time "Year" or "year" appears in the

Agreement, it shall refer to a fiscal year and not a calendar year. Any reference to

the term “quarter” in this Agreement shall refer to a fiscal quarter (ie. July to September, October to December, January to March, April to June).

3. The fourth and fifth sentences in Section 4.2.1 of the Agreement are hereby deleted and replaced with the following sentences:

Water entering the MVWD Distribution System will have a chlorine residual in the range of 0.2 mg/L to 1.0 mg/L. To monitor this, MVWD shall provide SNWA with chlorine residual readings taken once a month at the entry point to the MVWD 3MG Reservoir.

4. As described in Section 12.1 of the Agreement, the final repayment schedules for the SNWA Capital Facilities Costs and the MVWD Capital Facilities Costs are attached hereto and incorporated herein as Exhibit A to this Amendment.

5. The following sentence is hereby added to the end of Section 12.1.1:

To the extent that the Parties owe each other payments for Annual Capital Facilities Costs for 2010, 2011, 2012, 2013, 2014, and 2015, the Parties hereby release each other from any obligation to pay any Annual Capital Facilities Costs for those years.

6. A new Section 12.1.3 is hereby added to the Agreement as follows:

12.1.3 In any year when SNWA conveys less than the full amount of Substitute Water through the MTS, SNWA shall be responsible for payment of 100% of the Parties’ Annual Capital Facilities Costs.

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7. Section 12.3 is hereby deleted and replaced with the following Section 12.3:

12.3 Wheeling Fee. To the extent that a Wheeling Fee was due and payable for 2010, 2011, 2012, 2013, 2014, and 2015, MVWD hereby releases SNWA from any obligation to pay the Wheeling Fee for those years. No Wheeling Fee shall be paid by SNWA for the remaining term of this Agreement, as MVWD is being fully compensated by the other payments SNWA will make to MVWD pursuant to the terms of this Agreement.

8. The following three sentences are hereby added to Section 12.4 of the Agreement:

The Parties may agree during the annual meeting to adjust the first quarter payment of each Year to reflect payment for the invoice for additional funds due or a credit for the refund for overpayments in-lieu of a separate payment or refund. To the extent that the Parties owe each other additional payments for Annual O&M Costs for 2010, 2011, 2012, 2013, 2014, and 2015, the Parties hereby release each other from any obligation to pay any unpaid Annual O&M Costs for those years. In any year when SNWA conveys less than the full amount of Substitute Water through the MTS, SNWA shall pay 100% of the Parties' Annual O&M Costs which consist of the minimal maintenance costs necessary to keep facilities ready for future start up.

9. Section 13 of the Agreement is hereby deleted and replaced with the following Section 13:

13. Annual Meeting of the Parties. On or before March 15 of each year this Agreement is in effect, the Parties shall meet to discuss operation and maintenance of the Project for the coming year, including whether any water will be conveyed through the Project. Both Parties should also be prepared to discuss whether they anticipate needing to convey water through the Project anytime during the next five years. No later than 10 business days before the Annual

Meeting, each Party shall provide the other with its estimate of water deliveries for the coming year, if any; estimated quarterly and Annual O&M Costs; estimated funding needs for the O&M Emergency Reserve Funds (as defined in Section 16.1); and other information concerning the Project to ensure the Project is operated to the benefit of both Parties.

10. Section 16 of the Agreement is hereby deleted and replaced with the following Section 16:

16. Emergency Repair and Response. The Parties shall develop an Emergency Preparedness Plan for facilities each Party operates and maintains under this Agreement and shall make the plan available for review by the other Party. If an emergency occurs, each Party shall use its best efforts to deal with the emergency, make repairs, and to maintain or restore normal operations, and shall make every reasonable effort to contact the other Party to receive prior authorization for any needed emergency repairs and expenditures. If a Party is not available to authorize such emergency expenditures, the other Party may proceed without authorization, provided that that Party notifies the other Party within 24 hours of the occurrence and provided that the emergency expenditure is less than \$10,000. Any emergency expenditure greater than \$10,000 requires prior authorization by the other Party.

16.1 O&M Emergency Reserve Funds. The Parties shall establish and/or maintain their own O&M Emergency Reserve Funds to be used by the Parties only to fund emergency repairs when such repairs are needed to maintain or restore normal operations of Project facilities. At each Annual Meeting of the Parties held pursuant to Section 13, the Parties shall determine the yearly amount of funding to be contributed by the Parties to the O&M Emergency Reserve Funds.

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11. A new Section 28 is added to the Agreement as follows:

28. Jones Spring. Upon request by SNWA or for so long as the 2006 MOA or the federal environmental permit conditions for the MTS rights of way require it, MVWD agrees not to divert or use its Jones Spring water right (Certificate No. 10060) upstream of the Moapa gage. In any year when MVWD does not request the delivery of Substitute Water, and in exchange for MVWD's agreement not to use Jones Spring, SNWA agrees to pay MVWD \$200,000 per year to cover MVWD's incremental costs of using other water sources instead of Jones Spring water or Substitute Water. The \$200,000 per year payment also includes reimbursement to MVWD for performing the minimal maintenance necessary to keep the MTS facilities ready for future start up, as described on and attached hereto and incorporated herein as Exhibit B to this Amendment. MVWD agrees not to request delivery of Substitute Water before February 1, 2025, unless there is an unforeseen short term emergency need due to temporary constraints in the MVWD Distribution System. Each time MVWD requests delivery of Substitute Water a \$50,000 start-up charge will be deducted from the \$200,000 payment. Additionally, the \$200,000 payment will be decreased by a pro-rated amount during any temporary emergency provision of Substitute Water based on the percentage of Substitute Water provided. For example, if 362 acre-feet of Substitute Water (50% of the 724 acre-feet) is delivered to MVWD, SNWA would pay MVWD \$100,000 (50% of the \$200,000 fee), less the \$50,000 start-up charge. After February 1, 2025, MVWD may choose to request delivery of Substitute Water instead of receiving the \$200,000 per year payment from SNWA. The first \$200,000 payment will be made no later than 30 days after the Execution Date

of this Amendment. Future payments will be made before the new fiscal year begins, no later than June 30<sup>th</sup> of each year.

12. A new Section 29 is added to the Agreement as follows:

29. SNWA Reserved Capacity in MVWD Distribution System. While MVWD still agrees to accept 6,200 gpm (8.9 mgd) of SNWA Coyote Spring Groundwater into the MVWD Distribution System, based on the current capacity of the pump in the MX-5 well, SNWA currently may convey only 3,750 gpm (5.4 mgd) to the MVWD Distribution System. SNWA agrees that it will not use more than 3,750 gpm (5.4 mgd) of capacity in the MVWD Distribution System unless SNWA gives MVWD a minimum of two years prior notice. MVWD may issue new water commitments without regard to SNWA's reservation of 6,200 gpm (8.9 mgd) but will not issue new water commitments that would interfere with SNWA's ability to convey 3,750 gpm (5.4 mgd). Upon notice that SNWA intends to convey more than 3,750 gpm (5.4 mgd), the Parties will negotiate a separate agreement regarding provision of capacity to SNWA and how costs will be shared, if any new costs are necessary. In the event MVWD finds that the MVWD Distribution System capacity will need to be increased to accommodate both the actual demands of MVWD customers and SNWA's 3,750 gpm (5.4 mgd), MVWD will give SNWA two years prior written notice of the need for the capacity increase. At that time, the Parties will decide how best to increase the capacity in the MVWD Distribution System. However, rather than share in the cost to increase MVWD Distribution System Capacity, SNWA may choose, in its sole and absolute discretion, to reduce the amount of SNWA Coyote Spring Groundwater conveyed through the MVWD Distribution System.

13. Nothing in this Amendment shall be construed to amend the terms of the Jones Spring Agreement in any way, including but not limited to, MVWD's ability to resume use of Jones Spring as provided in the Jones Spring Agreement.

14. All other terms of the Agreement remain in full force and effect.

IN WITNESS HEREOF, each of the Parties has executed this Amendment as of the date and year first above written.

MOAPA VALLEY WATER DISTRICT

\_\_\_\_\_  
Joseph Davis, General Manager

Approved as to form:

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Byron Mills, Esq., Counsel for MVWD

SOUTHERN NEVADA WATER AUTHORITY

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John J. Entsminger, General Manager

Approved as to form:

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Dana R. Walsh, Director of Legal Services



**SNWA**  
**Moapa Transmission System - SNWA Capital Costs**

25 Year Repayment Schedule

Capital Facilities Costs \$52,208,659  
 Interest and Finance Fees 5.20%  
 Payback Period in Years 25

Year	Interest (\$)	Principal (\$)	Annual Payment (\$)	Remaining Balance (\$)
1	2,714,850.27	1,064,083.76	3,778,934.03	51,144,575.24
2	2,659,517.91	1,119,416.11	3,778,934.03	50,025,159.13
3	2,601,308.27	1,177,625.75	3,778,934.03	48,847,533.37
4	2,540,071.74	1,238,862.29	3,778,934.03	47,608,671.08
5	2,475,650.90	1,303,283.13	3,778,934.03	46,305,387.95
6	2,407,880.17	1,371,053.85	3,778,934.03	44,934,334.10
7	2,336,585.37	1,442,348.65	3,778,934.03	43,491,985.45
8	2,261,583.24	1,517,350.78	3,778,934.03	41,974,634.66
9	2,182,681.00	1,596,253.02	3,778,934.03	40,378,381.64
10	2,099,675.85	1,679,258.18	3,778,934.03	38,699,123.46
11	2,012,354.42	1,766,579.61	3,778,934.03	36,932,543.85
12	1,920,492.28	1,858,441.75	3,778,934.03	35,074,102.10
13	1,823,853.31	1,955,080.72	3,778,934.03	33,119,021.39
14	1,722,189.11	2,056,744.91	3,778,934.03	31,062,276.47
15	1,615,238.38	2,163,695.65	3,778,934.03	28,898,580.82
16	1,502,726.20	2,276,207.82	3,778,934.03	26,622,373.00
17	1,384,363.40	2,394,570.63	3,778,934.03	24,227,802.37
18	1,259,845.72	2,519,088.30	3,778,934.03	21,708,714.06
19	1,128,853.13	2,650,080.90	3,778,934.03	19,058,633.17
20	991,048.92	2,787,885.10	3,778,934.03	16,270,748.06
21	846,078.90	2,932,855.13	3,778,934.03	13,337,892.94
22	693,570.43	3,085,363.59	3,778,934.03	10,252,529.34
23	533,131.53	3,245,802.50	3,778,934.03	7,006,726.84
24	364,349.80	3,414,584.23	3,778,934.03	3,592,142.61
25	186,791.42	3,592,142.61	3,778,934.03	0.00
Total	42,264,691.67	52,208,659.00	94,473,350.67	

## **EXHIBIT B**

The following are the types of minimal maintenance activities MVWD agrees to perform in order to keep the MTS ready for future start up:

- Upkeep of electrical power to the site
- Upkeep of the fire protection system with water in the regulating tank or with Fire Department approval to disconnect
- Rodent protection
- Vandalism protection
- Pumping the well to waste on a regular basis

**FIRST AMENDMENT  
TO  
MEMORANDUM OF UNDERSTANDING  
BETWEEN THE SOUTHERN NEVADA WATER AUTHORITY AND  
THE MOAPA VALLEY WATER DISTRICT REGARDING THE  
DEVELOPMENT OF COYOTE SPRING GROUNDWATER RESOURCES**

This First Amendment to the Memorandum of Understanding Between the Southern Nevada Water Authority and the Moapa Valley Water District Regarding the Development of Coyote Spring Groundwater Resources (“Amendment”) is entered into this \_\_\_\_ day of \_\_\_\_\_, 2015, (“Execution Date”) by and between the Moapa Valley Water District (“MVWD”), a political subdivision of the State of Nevada created by Chapter 477, Statutes of Nevada 1983, and the Southern Nevada Water Authority (“SNWA”), a political subdivision of the State of Nevada and a joint powers authority created on July 25, 1991, through a Cooperative Agreement entered into pursuant to Nevada Revised Statutes Chapter 277. MVWD and SNWA are sometimes herein collectively referred to as the “Parties” or individually as “Party.” Capitalized terms in this Amendment shall have the same meaning as defined in the August 2, 2002 Memorandum of Understanding Between the Southern Nevada Water Authority and the Moapa Valley Water District Regarding the Development of Coyote Spring Groundwater Resources.

**RECITALS**

A. On August 2, 2002, the Parties entered into the Memorandum of Understanding Between the Southern Nevada Water Authority and the Moapa Valley Water District Regarding the Development of Coyote Spring Groundwater Resources (“2002 MOU”). In the 2002 MOU, the Parties memorialized their mutual commitment to work cooperatively to resolve regional water

supply issues, including development of groundwater resources in Coyote Spring Valley and construction of water delivery infrastructure in three phases. In the 2002 MOU, SNWA and MVWD also agreed to negotiate in good faith to exchange Coyote Spring Valley groundwater rights owned by SNWA for Muddy River water rights owned by MVWD. SNWA and MVWD anticipated that SNWA would charge MVWD a wheeling charge to be applied against MVWD's share of funding the capital costs for the conveyance of such exchanged water.

B. On April 17, 2008, SNWA and MVWD entered into a Cooperative Water Resource Agreement which provided that MVWD may acquire up to 6,000 acre-feet per year of SNWA's permitted Coyote Spring Valley groundwater rights by exchanging a like amount of Muddy River water rights owned by MVWD or others.

C. Simultaneously with the execution of this Amendment, the Parties have also entered into an amendment to the August 20, 2009, Moapa Transmission System Design, Construction, Operation, and Maintenance Agreement ("O&M Amendment").

D. In the O&M Amendment, the Parties agreed to waive SNWA's payment for any wheeling fees that may have been due in 2010, 2011, 2012, 2013, 2014 and 2015.

E. Also simultaneously with the execution of this Amendment, the Parties have also entered into an amendment to the March 16, 2006, Cooperative Agreement Between Southern Nevada Water Authority and Moapa Valley Water District ("Cooperative Agreement Amendment").

F. In the Cooperative Agreement Amendment, MVWD is released from payment of the 50% surcharge imposed by the Corporation of the Presiding Bishop ("CPB") for use of water leased from CPB outside of MVWD's service area.

G. The Parties wish to waive MVWD's payment of any wheeling fees that MVWD would need to pay SNWA pursuant to the 2002 MOU.

NOW, THEREFORE, in consideration of the mutual promises and commitments described herein, the Parties agree as follows:

**AGREEMENT**

1. Paragraph III(B)(3) is hereby deleted and replaced with the following Paragraph III(B)(3):

3. MVWD Funding Sources. It is anticipated that MVWD’s funding contribution will be financed in part by MVWD using all reasonable means to secure federal funding available through the Water Resources Development Act of 1999 and the Energy and Water Appropriations Act of 2002 together with any required matching funds by MVWD (“Federal Funds”). SNWA will not charge MVWD a wheeling fee for conveyance of any MVWD Coyote Spring Valley groundwater through the Moapa Transmission System.

2. All other terms of the 2002 MOU remain in full force and effect.

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IN WITNESS HEREOF, each of the Parties has executed this Amendment as of the date and year first above written.

MOAPA VALLEY WATER DISTRICT

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Joseph Davis, General Manager

Approved as to form:

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Byron Mills, Esq., Counsel for MVWD

SOUTHERN NEVADA WATER AUTHORITY

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John J. Entsminger, General Manager

Approved as to form:

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Dana R. Walsh, Director of Legal Services