

Mem # 4-2B

**CITY OF CARSON CITY  
REQUEST FOR BOARD ACTION**

**Date Submitted:** January 5, 2007

**Agenda Date Requested :** January 18, 2007

**Time Requested:** Consent Agenda

**To:** Mayor and Supervisors

**From:** Public Works Department

**Subject Title:** Action to approve and authorize the Mayor to sign the Kings Canyon Creek Users Agreement.

**Staff Summary:** This users agreement replaces the 2002 agreement that was approved by the Board on February 7<sup>th</sup>, 2002. The agreement has been modified to set the price for leased water at 40 cents per thousand gallons and is for one year.

The users agreement allows for ACRE, LLC (formerly Andersen) and Carson City to work out operational schedules on an annual basis utilizing the resource to its utmost capacity. It allows exchanges of water and a willingness to assist each other in times of emergency.

**Type of Action Requested:** (Check one)  
 Resolution                       Ordinance  
 Formal Action/Motion       Other (Informational)

**Does This Action Require A Business Impact Statement:**  Yes     No

**Recommended Board Action:** I move to approve and authorize the Mayor to sign the Kings Canyon Creek Users Agreement.

**Explanation for Recommended Board Action:** Currently, Carson City utilizes Kings Canyon Creek Water Rights. Carson City owns 63.9% of the annual Kings Canyon flows and ACRE, LLC (formerly Andersen) owns 31% of the annual flow.

Carson City enjoys an admirable working relationship with ACRE, LLC. Public Works recommends continuation of the Kings Canyon Creek Users Agreement in order to maintain a working relationship with the users.

This users agreement replaces the 2002 agreement that was approved by the Board on February 7<sup>th</sup>, 2002. The agreement has been modified to set the price for leased water at 40 cents per thousand gallons and is for one year.

The users agreement allows for ACRE, LLC and Carson City to work out operational schedules on an annual basis utilizing the resource to its utmost capacity. It allows exchanges of water and a willingness to assist each other in times of emergency.

Public Works recommends approval of this agreement.

**Applicable Statue, Code, Policy, Rule or Regulation:** N/A

**Fiscal Impact:** N/A

**Explanation of Impact:** N/A

**Funding Source:** N/A

**Alternatives:** Do Not Approve

**Prepared by:** Ken Arnold, Public Works Operations Manager

**Reviewed By:** [Signature]  
(Department Head)

**Date:** 1/15/07

**Concurrences:** [Signature]  
(City Manager)

**Date:** 1/19/07

Melanie Buketta  
(District Attorney)

**Date:** 1/19/07

[Signature]  
(Finance Director)

**Date:** 1/19/07

**Board Action Taken:**

Motion	1:	Aye/Nay
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**(Vote Recorded By)**

## KINGS CANYON CREEK USERS AGREEMENT

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, 2007, between  
CARSON CITY, a consolidated municipality, hereinafter referred to as "CITY", and ACRE,  
LLC, hereinafter referred to as "CO-OPERATOR".

WHEREAS, CITY owns 63.9% of the annual Kings Canyon Creek flows; and,  
WHEREAS, the CO-OPERATOR owns 31% of the annual Kings Canyon Creek flow, as  
recognized by the State of Nevada Division of Water Resources; and,

WHEREAS, both the CITY and CO-OPERATOR recognize that Kings Canyon Creek, a natural  
resource that is vital to agricultural, wildlife, municipal and industrial uses;

NOW, THEREFORE, CITY and CO-OPERATOR agree as follows:

1. To meet the beginning of April each year after the April 1<sup>st</sup> U.S. Department of  
Agricultural, Soil Conservation Service (U.S.G.S.), Sno-survey to discuss the operational  
schedule of Kings Canyon Creek for the spring and summer months and to meet during  
October for the fall and winter months.
2. The CO-OPERATOR may elect either paragraph (a) or (b) below but not both.
  - (a) If the CO-OPERATOR believes Kings Canyon water exists beyond his needs, he  
may offer to lease their water to the CITY at 40 cents per thousand gallons.  
Payment will be based on appropriate ownership percentages applied to the  
monthly measurements at the Quill Ranch Treatment Plant measuring device in  
the Kings Canyon vault.

(b) The CO-OPERATOR may accept whole or partial payment from the CITY in the form of an equivalent volume of water. The CITY and CO-OPERATOR, by mutual agreement, will determine the schedule for the use of the water, and the schedule will not conflict with the other water rotation schedules. The volume of water will be measured at the U.S.G.S. Kings Canyon Creek Gauging Station.

3. To assist each other in times of emergency when additional water may be needed such as in times of fire and drought.
4. That this agreement shall be recorded in the office of the Recorder of Carson City, Nevada.
5. The CO-OPERATOR or the Board of Supervisors may terminate this agreement by providing written notice to the address listed below not less than 90 days prior to the date of termination of the agreement.

ACRE, LLC

Andrew Burnham

P.O. Box 1746, Carson City, NV 89702

3505 Butti Way, Carson City, NV 89701

6. This agreement replaces the 2002 agreement and shall be effective from January 1, 2007 for a period of one (1) year, unless terminated by either party as set forth in this agreement.
7. In the event that the State Division of Water Resources, or a Court of competent jurisdiction, changes the allocation as set forth above, then payment shall be altered to reflect the revised percentages for the remainder of this agreement.

Subscribed and sworn to before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

CO-OPERATOR: *David L. Johnson* Trustee  
ACRE, LLC

CARSON CITY  
A Consolidated Municipality:

BY: \_\_\_\_\_ Date: \_\_\_\_\_  
Marv Teixeira, Mayor

ATTEST: \_\_\_\_\_ Date: \_\_\_\_\_  
Alan Glover, Clerk Recorder