

Item # 4-2A

**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 Ash 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 35 cents per thousand gallons and is for one year.

The users agreement allows for ACRE, LLC (formerly Andersen), Mr. Goni, 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 Ash Canyon Creek Users Agreement.

**Explanation for Recommended Board Action:** Currently, Carson City utilizes Ash Canyon Creek Water Rights. Carson City owns 66.8841% of the annual Ash Canyon flows and ACRE, LLC (formerly Andersen) owns 23.6005% and William Goni owns 2.251% of the annual flow.

Carson City enjoys an admirable working relationship with the users, ACRE, LLC and William Goni. Public Works recommends continuation of the Ash 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 35 cents per thousand gallons and is for one year.

The users agreement allows for ACRE, LLC, Mr. Goni, 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:** 1/3/07

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

**Date:** 1/9/07

[Signature]  
(District Attorney)

**Date:** 1/9/07

[Signature]  
(Finance Director)

**Date:** 1/9/07

**Board Action Taken:**

**Motion** \_\_\_\_\_ **1:** \_\_\_\_\_  
\_\_\_\_\_ **2:** \_\_\_\_\_

**Aye/Nay**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
**(Vote Recorded By)**

**ASH CANYON CREEK USERS AGREEMENT**

THIS AGREEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 2007 by and between CARSON CITY a consolidated municipality of the State of Nevada, hereinafter referred to as "CITY", and ACRE, LLC and William Goni, hereinafter referred to as "CO-OPERATORS".

WHEREAS, the CITY owns 66.8841% of the annual Ash Canyon Creek flows and,

WHEREAS, the other CO-OPERATORS own percentages from Ash Canyon Creek as follows:

ACRE, LLC	<u>23.6005%</u>
William Goni	<u>2.251%</u>

As recognized by the Sate of Nevada Division of Water Resources,

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

NOW, THEREFORE, CITY AND CO-OPERATORS agree as follows:

1. To establish an Ash Canyon Creek users group for the purposes of stream flow operation.
2. To meet the beginning of April each year after the April 1<sup>st</sup>, U.S. Department of Agricultural, Soil Conservation Service, Sno-survey is published to discuss the operational schedule of Ash Canyon Creek for the spring and summer months and to meet during October for the fall and winter months.
3. A CO-OPERATOR may elect either paragraph (a) or (b) below but not both.
  - (a) If any CO-OPERATOR believes Ash Canyon water exists beyond their needs, they may offer to lease their water to the CITY at 35 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 Ash Canyon vault.

(b) A CO- OPERATOR may accept whole or partial payment from the CITY in the form of 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 CO-OPERATOR'S water rotation schedules. The volume of water will be measured at the U.S.G.S. Ash Canyon Creek Gauging Station.

4. The CITY hereby grants the CO-OPERATORS use of the 18" City pipeline from the CITY'S point of diversion in Ash Canyon Creek to the 12" clean out valve on the south side of Ash Canyon Creek for the transportation of CO-OPERATORS water during their rotation periods or at other mutually agreeable times.
5. To assist each other in time of emergency when additional water may be needed such as in times of fire and drought.
6. That this agreement shall be recorded in the office of the Recorder of Carson City, Nevada.
7. All of the co-operators acting together may agree to terminate this agreement by providing written notification, signed by an authorized representative of each co-operator, not less than 90 days prior to the date of the termination. No individual co-operator may terminate this agreement without the agreement of the other two co-operators.

The Board of Supervisors of Carson City may terminate this agreement by majority vote and then by providing written notification to each co-operator, signed by the Mayor of Carson City, not less than 90 days prior to the date of termination.

8. By signing this agreement, CITY or CO-OPERATORS are not bound by the percentages as presented in this agreement, if the State Division of Water Resources changes the allocation. In the event that the State Division of Water Resources, or a Court of competent jurisdiction, changes the allocation, the revised percentages will be applied for the remainder of this agreement.
9. This agreement replaces the 2002 agreement and shall be effective from January 1, 2007 for a period of one (1) year, unless terminated as set forth in this agreement.

CARSON CITY  
A Consolidated Municipality

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

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

William Goni Date: 1-2-07  
William Goni

Chris Colvard Date: Dec. 19/06  
ACRE, LLC