

**City of Carson City
Agenda Report**

Date Submitted: May 20, 2011

Agenda Date Requested: June 2, 2011
Time Requested: Consent Agenda

To: Mayor and Supervisors

From: Public Works Department

Subject Title: Action to adopt Resolution No. _____ a resolution approving and authorizing the Mayor to sign Amendment #1 to an Interlocal Agreement by and between Carson City and the State of Nevada, Division of State Lands and Carson City for Induced Water Infiltration System, Roadway and Monitoring Wells in Vicee Canyon. (Andy Burnham)

Staff Summary: Adoption of the Resolution approving this amendment will increase annual lease payment for 2.23 acres of State owned property in Vicee Canyon from \$1,115.00 to \$2,485.00. There has not been an increase since the initial contract approval date of April 16, 2004.

Type of Action Requested: (check one)
 Resolution Ordinance
 Formal Action/Motion Other (Status Report)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to adopt Resolution No. _____ a resolution approving and authorizing the Mayor to sign Amendment #1 to an Interlocal Agreement by and between Carson City and the State of Nevada, Division of State Lands and Carson City for Induced Water Infiltration System, Roadway and Monitoring Wells in Vicee Canyon.

Explanation of Recommended Board Action: As the Board is aware, Carson City Public Works - Water Division operates and maintains water recharge basins and monitoring wells in Vicee Canyon on 2.23 acres of land owned by the State of Nevada, Division of State Lands. This recharge project is an important element of the City's overall water storage and production program. The revised rental rate has been derived from the 2011 Carson City Assessor's Office property values in the vicinity of the leased area, less 10% (see cover letter to Amendment). It is necessary to continue the rental of this property. The current agreement expires June 30, 2014, and will need to be renewed for another 10 year period.

Fiscal Impact: \$2,485.00 per year.

Funding Source: 520-3502


Explanation of Impact: Funding provided for in FY 2010/2011

Alternatives: Do not approve and advise otherwise.

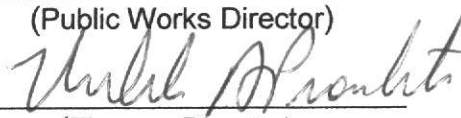
Supporting Material:

1. Resolution (Exhibit A)
2. Amendment and Agreement with State Lands (Exhibit B)

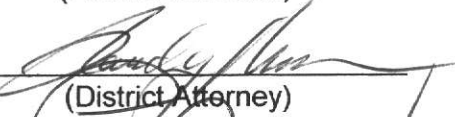
Prepared By: Ken Arnold, Environmental Manager

Reviewed By: 
(Public Works Director)

Date: 5-24-11

Concurrences: 
(Finance Director)

Date: 5/24/11


(District Attorney)

Date: 5/24/11


(City Manager)

Date: 5/24/11

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)

RESOLUTION NO. _____

RESOLUTION ADOPTING AND APPROVING AMENDMENT #1 TO AN INTERLOCAL AGREEMENT BY AND BETWEEN CARSON CITY AND THE STATE OF NEVADA, DIVISION OF STATE LANDS AND CARSON CITY FOR INDUCED WATER INFILTRATION SYSTEM, ROADWAY AND MONITORING WELLS IN VICEE CANYON

WHEREAS, any two or more public agencies may enter into cooperative agreements for the performance of any governmental function pursuant to NRS 277.080 to 277.180, inclusive; and

WHEREAS, NRS 277.110 provides that every such agreement must be by formal resolution or ordinance of the governing body of each public agency included and must be spread at large upon the minutes, or attached in full thereto as an exhibit, of each governing body; and

WHEREAS, the parties to Amendment #1 to an Interlocal Agreement by and between Carson City and the State of Nevada, Division of State Lands and Carson City for Induced Water Infiltration System, Roadway and Monitoring Wells in Vicee Canyon, desire to adopt and approve such agreement as required by NRS 277.110. A copy of the amendment and the original agreement are attached to this Resolution as Exhibit "B"; and

WHEREAS, both parties to Amendment #1 to an Interlocal Agreement by and between Carson City and the State of Nevada, Division of State Lands and Carson City for Induced Water Infiltration System, Roadway and Monitoring Wells in Vicee Canyon are public agencies as defined by NRS 277.100; and

NOW, THEREFORE, BE IT RESOLVED that the terms and conditions of Amendment #1 to an Interlocal Agreement by and between Carson City and the State of Nevada, Division of State Lands and Carson City for Induced Water Infiltration System, Roadway and Monitoring Wells in Vicee Canyon are hereby adopted and approved; and

BE IT FURTHER RESOLVED that Amendment #1 to an Interlocal Agreement by and between Carson City and the State of Nevada, Division of State Lands and Carson City for Induced Water Infiltration System, Roadway and Monitoring Wells in Vicee Canyon shall be spread at large upon the minutes or attached in full thereto as an exhibit, and that a copy of this Resolution shall be sent to State of Nevada, Division of State Lands.

Vicee Canyon amendment, continued;

Upon motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted this _____ day of 2010 by the following vote:

AYES: _____ NAYS: _____

ABSENT: _____ ABSTAIN: _____

Resolution No. _____

Robert L. Crowell, Mayor
Carson City, Nevada

ATTEST:

Alan Glover, Clerk
Carson City, Nevada

LEO DROZDOFF
Director

BRIAN SANDOVAL
Governor

State Land Office
State Land Use Planning Agency
Nevada Tahoe Resource Team
Conservation Bond Program-Q1

Department of Conservation
and Natural Resources

JAMES R. LAWRENCE
Administrator



Address Reply to

Division of State Lands
901 S. Stewart St. Suite 5003
Carson City, Nevada 89701
Phone (775) 684-2720
Fax (775) 684-2721
Web www.lands.nv.gov

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

Division of State Lands

May 9, 2011

CARSON CITY UTILITIES DEPARTMENT
3505 BUTTI WAY
CARSON CITY, NV 89701-3498

Re: Lease Amendment Induced Water Infiltration System and Monitoring Wells

Gentlemen:

A Lease was issued on April 16, 2004 for a water recharge project, access road and six (6) monitoring wells on State property in Vicee Canyon. Per the terms of the lease, the annual rental fee may be re-evaluated every 5 years to reflect any change in market value. Our records indicate that no fee adjustment has been made since 2004.

The State of Nevada is obligated to receive full fair market value for use of all School Grant Lands, which are held in trust for our citizens. A comparison of 2011 Carson City Assessor's Office property values in the vicinity of the leased area indicates an average fair market value of \$12,386.00 per acre. Based on your use of 2.23 total acres for the water infiltration system, road and monitoring wells, a total value estimate of \$27,621.00 was considered. We adjusted the value downward by 10% and used an average rate of return to arrive at a rental rate of \$2,485.00 per year.

We would appreciate your review of this amendment, and if you concur, please sign both copies as Lessee where indicated and return them to our office as soon as you can. A fully executed copy will be returned to you when all signatures have been obtained. If you disagree with the above rental valuation, please provide our office with any supporting information.

If you have any questions, please do not hesitate to contact me.

Sincerely,


Rick Murray

Land Agent III
Nevada Division of State Lands
901 S. Stewart St, #5003
Carson City, NV 89701

REM/Enclosures



GRANT 1-7, REM, #3947
Carson City A.P.N.: 007-091-81

Recording requested by & return to:
Division of State Lands
901 S. Stewart St. Suite 5003
Carson City, NV 89701-5246

LEASE AMENDMENT #1
**CARSON CITY INDUCED WATER INFILTRATION SYSTEM,
ROADWAY AND MONITORING WELLS – VICEE CANYON**

THIS LEASE AMENDMENT, made and entered into this ____ day of _____, 2011, by and between the STATE OF NEVADA, acting through the DIVISION OF STATE LANDS, and the State Land Registrar, hereinafter referred to as LESSOR and CARSON CITY, NEVADA, hereinafter referred to as LESSEE.

WITNESSETH:

WHEREAS, LESSOR and LESSEE entered into a Lease/Easement dated April 16, 2004 for the purpose of operating a water infiltration system, a roadway and six (6) monitoring wells over and under a portion of that certain Nevada School Trust property situated and lying with the NE 1/4 of the NW 1/4 of Section 12, Township 15 North, Range 19 East, M.D.M., as shown on **Exhibit A**; and

WHEREAS, LESSOR may re-evaluate and update the fair market rental value of said property at five (5) year intervals, as specified in Condition 4 - Consideration, in the original Lease/Easement to reflect any changes in economic rent; and

WHEREAS, LESSOR is required to charge full market value for all uses on School Trust Lands and deposit those payments into the permanent School Trust Fund; and

NOW THEREFORE, in consideration of this Amendment to the Lease/Easement for the above described water induction system, roadway and monitoring facilities LESSEE hereby agrees to pay an annual easement fee in the amount of TWO THOUSAND FOUR HUNDRED EIGHTY FIVE AND NO/100 DOLLARS (\$2,485.00) to LESSOR for the use of 2.23 total acres of State property. LESSOR further reserves the right to reevaluate, reassess and adjust the easement fee every five (5) years. Should LESSEE dispute the amount of said fee, an appraisal can be conducted at LESSEE'S expense to determine the fair market rent.

LESSEE shall record this Lease Amendment at the Carson City Recorder's Office. All other terms and conditions of the Lease/Easement remain in full force and effect, with no other changes or amendments thereto.

IN WITNESS WHEREOF, the parties hereto have executed this amended lease as of the day and year first above written.

LESSOR:
STATE OF NEVADA
Division of State Lands

By: _____
JAMES R. LAWRENCE
Administrator and Ex-Officio
State Land Registrar

STATE OF NEVADA)
 ss.
CARSON CITY)

On, _____, 2011, personally appeared before me, a notary public, JAMES R. LAWRENCE, Administrator and Ex-Officio State Land Registrar, Division of State Lands, who acknowledged that he executed the above instrument.

NOTARY PUBLIC

LESSEE:

CARSON CITY, NEVADA

A Consolidated Municipality of the State of Nevada

By _____
ROBERT CROWELL
Mayor

STATE OF NEVADA)
) ss.
CARSON CITY)

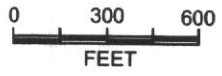
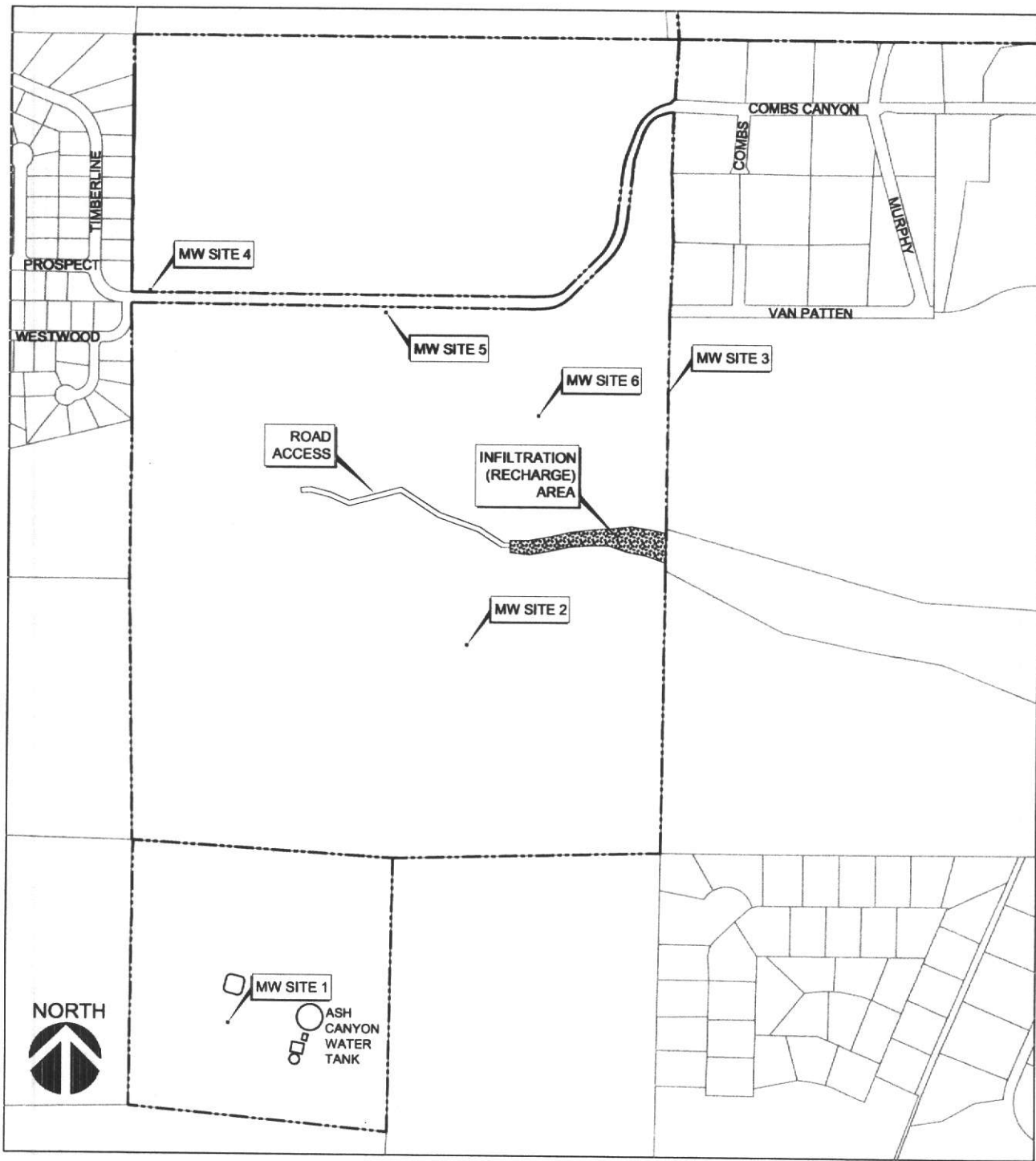
On, _____, 2011, personally appeared before me, a notary public,
_____, of CARSON CITY, who acknowledged that he/she executed the
above instrument.

NOTARY PUBLIC

APPROVED as to Form:
CATHERINE CORTEZ MASTO
Attorney General

By: *Kevin Benson*
KEVIN BENSON
Deputy Attorney General

Date: 5-4-11



EXPLANATION

STATE LANDS

MW SITE 1 MONITORING WELL SITE

WATER RECHARGE, ACCESS ROAD AND MONITORING WELL SITES LEASE / EASEMENT

**STATE OF NEVADA
MARLETTE LAKE WATER SYSTEM
& SCHOOL GRANT LANDS**

NE¼ NW¼ SEC 12, T15N, R19E
CARSON CITY, NV



REFERENCE
Copy of
original lease

GRANT 1-6, # 2270, JDC
Portion of APN Carson City-07-091-81

Return to:
DIVISION OF STATE LANDS
333 W Nye Lane, Room 118
Carson City NV 89706

LEASE/EASEMENT

THIS LEASE/EASEMENT, made and entered into this 16th day of April, 2004, between the STATE OF NEVADA, acting through its Division of State Lands, hereinafter referred to as LESSOR, and CARSON CITY, hereinafter referred to as LESSEE, both of whom understand and agree as follows:

WITNESSETH:

WHEREAS, LESSOR owns a parcel of School Grant Land as hereinafter described and

WHEREAS, LESSEE desires to use a portion of the School Grant Land for a water recharge project, access road and for six (6) monitoring wells.

WHEREAS, LESSOR is obligated to receive full fair market value for the use of School Grant Land; and

WHEREAS, LESSOR AND LESSEE entered into a LEASE/EASEMENT October 25, 1989 recorded in the Office of Carson City Recorder, May 1, 1990, file

#99524 and the LEASE/EASEMENT agreement was amended in September 19, 1994.

WHEREAS, LESSOR and LESSEE have agreed that the lands can continue to be utilized for this purpose,

NOW THEREFORE, for and in consideration of the rents herein described and the covenants, terms and conditions herein contained, the parties further understand and agree as follows:

1. **LEASE/EASEMENT DESCRIPTION:** LESSOR does by these presents lease unto LESSEE land situated in the City/County of Carson City, State of Nevada, more particularly described as follows to-wit:

INDUCED WATER INFILTRATION SYSTEM LEASE/EASEMENT DESCRIPTION

Description of the Lease/Easement for Induced Infiltration of Water and associated improvements within the Northeast Quarter (NE $\frac{1}{4}$) of the Northwest Quarter (NW $\frac{1}{4}$) of Section 12, Township 15 North, Range 19 East, M.D.M., more particularly described as follows:

Commencing at the Northwest (NW) corner of Section 12, Township 15 North, Range 19 East, M.D.M., Carson City, Nevada; thence South 59° 20' 14" East, a distance of 2,165.74 feet to the Northwest (NW) corner of said easement, said point also being the TRUE POINT OF BEGINNING; thence along the following courses: North 89° 34' 35" East, a distance of 93.85 feet; thence North 80° 09' 20" East, a distance of 98.74 feet; thence North 77° 29' 28" East, a distance of 101.36 feet; thence North 83° 10' 01" East, a distance of 101.18 feet; thence North 85° 57' 43" East, a distance of 98.64 feet; thence North 83° 56' 08" East, a distance of 105.38 feet; thence South 81° 07' 31" East, a distance of 99.96 feet; thence South 78° 29' 04" East, a distance of 74.46 feet; thence South 00° 09' 26" West, a distance of 142.91 feet; thence North 71° 40' 46" West, a distance of 104.28 feet; thence North 80° 12' 00" West, a distance of 90.25 feet; thence North 70° 59' 35" West, a distance of 95.67 feet; thence North 89° 30' 32" West, a distance of 95.36 feet; thence South 85° 59' 40" West, a distance of 100.76 feet; thence South 77° 29' 28" West, a distance of 101.36 feet; thence South 80° 09' 20" West, a distance of 98.74 feet; thence North 84° 20' 37" West, a distance of

94.41 feet; thence North 00° 35' 34" West, a distance of 60.00 feet to the TRUE POINT OF BEGINNING. Containing 68,933 square feet more or less.

ROADWAY DESCRIPTION

Description of a roadway Lease/Easement TWENTY-FIVE (25) feet in width within the North Half (N½) of the Northwest Quarter (NW¼) of Section 12, Township 15 North, Range 19 East, M.D.M., more particularly described as follows:

Commencing at the Northwest (NW) corner of Section 12, Township 15 North, Range 19 East, M.D.M., Carson City, Nevada; thence South 44° 28' 00" East, a distance of 1200.46 feet to the Northwest (NW) corner of said Easement, said point also being the TRUE POINT OF BEGINNING; thence along the following courses North 87° 22' 13" East, a distance of 51.97 feet; thence South 75° 33' 15" East, a distance of 97.90 feet; thence South 66° 11' 59" East, a distance of 98.37 feet; thence North 75° 14' 17" East, a distance of 260.56 feet; thence South 57° 21' 06" East, a distance of 227.29 feet; thence South 70° 48' 28" East, a distance of 204.49 feet; thence South 57° 48' 07" East, a distance of 142.38 feet; thence North 89° 34' 35" East, a distance of 28.49 feet; thence South 00° 35' 34" East, a distance of 21.06 feet; thence South 89° 34' 35" West, a distance of 42.03 feet; thence North 57° 48' 07" West, a distance of 139.53 feet; thence North 70° 48' 28" West, a distance of 204.59 feet; thence North 57° 21' 06" West, a distance of 219.27 feet; thence South 75° 14' 17" West a distance of 258.33 feet; thence North 66° 11' 59" West, a distance of 105.07 feet; thence North 75° 33' 15" West, a distance of 92.10 feet; thence South 87° 22' 13" West, a distance of 48.22 feet; thence North 02° 37' 47" West, a distance of 25 feet to the TRUE POINT OF BEGINNING. Containing 27,618 square feet more or less

MONITORING WELLS DESCRIPTION

BEGINNING, at the Southwest corner of Section 12; thence 530 feet east and 1800 feet north to Site 1; thence 1150 feet East and 1850 feet North to Site 2; thence 980 feet East and 1230 feet North to Site 3, all in Section 12, containing an area of 300 square feet.

BEGINNING, for each of the following sites, at the Northwest corner of Section 12; thence 100 feet East and 100 feet North being in Section 1, site 4; thence 1150 feet East and 100 feet South to Site 5; thence 750 feet east and 500 feet South to site 6, sites 5 and 6 being in Section 12, containing an area of 300 square feet.

2. **USE OF LEASE/EASEMENT AREA:** The leased area will be used for a water infiltration system, maintenance roadway and sites for six (6) monitoring wells over, upon, across and through the land hereinafter described; together with the right to enter upon the land to construct, maintain, and repair said system and road; together with the right to clear and keep cleared any obstruction from the surface or subsurface as may be necessary to insure the safe and proper operation of said systems and road.
3. **TERM OF LEASE/EASEMENT:** The LEASE/EASEMENT granted by LESSOR and as described more particularly herein shall continue for a period of TEN (10) years, July 1, 2004 through June 30, 2014 or unless sooner terminated by the parties hereto, so long as the same may be necessary and required for the purposes for which granted. If at any time during said term should LESSEE discontinue said use for a period of ONE (1) year, the LEASE/EASEMENT shall thereupon terminate, and all right, title and interest therein shall revert to LESSOR, its successors and assigns.
4. **CONSIDERATION:** LESSEE agrees to pay LESSOR for fair market rental of said property the sum of ONE THOUSAND ONE HUNDRED FIFTEEN DOLLARS (\$1,115.00) per year payable in advance on or before the first day of July each year this LEASE/EASEMENT is in effect. It being understood and agreed this rental fee will be reevaluated and updated at

not less than five (5) year intervals to reflect any changes in economic rent. Should an appraisal be required to determine the fair market rent of the demised premises such costs shall be borne by LESSEE.

5. **LATE PAYMENT FEE:** If any base rent payment is not made to LESSOR on or before July 1 as provided herein, the LESSEE shall pay the LESSOR as a late payment fee an amount equal to \$25.00 or one percent (1%) of the amount due, whichever is greater, plus one percent (1%) per month of said amount due including interest thereafter until paid in full.
6. **LIMITATION ON USE OF LEASE/EASEMENT:** The property mentioned herein may be occupied and used by LESSEE solely for a water infiltration system, maintenance road and monitoring well purposes, allowing ingress and egress to the system, and for incidental purposes related thereto including but not limited to the construction and maintenance of the system, roadway and wells.
7. **ASSIGNMENT OR SUBLEASE:** This LEASE/EASEMENT is non-assignable. No sublease may be assigned under this LEASE/EASEMENT.
8. **MAINTENANCE:** LESSEE shall bear all costs related to any required maintenance and related improvements. LESSEE agrees to minimize the disturbance to the land and vegetation at all times during maintenance of the system and roadway. LESSEE agrees that any areas that are disturbed during maintenance of the system and road will be repaired, revegetated or re-seeded as deemed necessary by LESSOR.

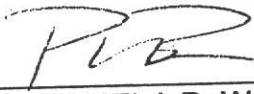
9. **TERMINATION:** LESSOR and LESSEE shall have the right to terminate this LEASE/EASEMENT at any time during the term hereof provided, however, either party shall give a NINETY (90) day written notice of election to terminate. In the event of termination it is understood that all right, title, and interest of LESSEE to said premises shall thereupon terminate and shall revert to LESSOR, its successors and assigns.
10. **INDEMNIFICATION:** LESSEE, its successors and assigns, and/or its agent(s) or contractor(s) understands and agrees to the fullest extent of NRS chapter 41 liability limitations, Carson City, as Indemnitor, agrees to indemnify, hold harmless and defend the State of Nevada, as Indemnitee, from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of Carson City, its officers, employees and agents. This indemnification does not exclude the State of Nevada's right to participate in its defense of a matter subject to this indemnification. The indemnification obligation under this paragraph is conditioned upon receipt of written notice by the indemnifying party within 90 days of the indemnified party's actual notice of any actual or pending claim or cause of action. Carson City shall not be liable to indemnify or hold harmless any attorneys' fees and costs for the indemnified party's chosen right to participate with legal counsel of its choice.

11. **EFFECTIVE DATE:** This LEASE/EASEMENT shall not become effective unless and until the approval of the State Board of Examiners and the Interim Finance Committee have been secured as required by NRS 322.007.
12. **WARRANTIES:** LESSOR makes no warranty as to the condition of or the adequacy of the leased premises for the proposed uses of LESSEE.

IN WITNESS WHEREOF, the parties hereto have subscribed this LEASE/EASEMENT on the day and year first above written.

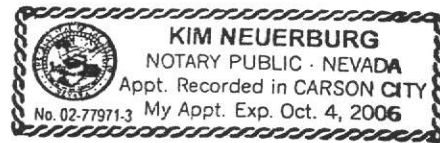
LESSOR:

**STATE OF NEVADA
Division of State Lands**

By: 
**PAMELA B. WILCOX
Administrator and Ex-Officio
State Land Registrar**


STATE OF NEVADA)
CARSON CITY)
On April 16,)
2004, personally appeared before me a notary
public, PAMELA B. WILCOX, Administrator
and Ex-Officio State Land Registrar, Division
of State Lands, who acknowledged that she
executed the above instrument.


NOTARY PUBLIC




APPROVED as to Form:

**BRIAN SANDOVAL
Attorney General**

By: 
**GEORGE TAYLOR
Deputy Attorney General**

LESSEE:

**CITY OF CARSON CITY
A MUNICIPAL CORPORATION**

By: 
Ray Masayko, Mayor

Date: 5/20/04

Date of Council Action: 5/20/04

ATTEST:


Alan Glover, City Clerk

(SEAL)

APPROVED as to Form:

**CARSON CITY
District Attorney**

By: 
NOEL WATERS
District Attorney

APPROVED:

BOARD OF EXAMINERS

By: _____

Date: _____

APPROVED:

INTERIM FINANCE COMMITTEE

By: _____

Date: _____