

**City of Carson City  
Agenda Report**

**Date Submitted:** August 24, 2015

**Agenda Date Requested:** September 3, 2015  
**Time Requested:** 5 Minutes

**To:** Mayor and Supervisors

**From:** Darren Schulz, Public Works Director

**Subject Title:** For Possible Action: To authorize the Mayor to sign a one (1) year Lost Lakes Reservoirs Water Lease Agreement between Carson City and Carson Water Subconservancy District (Darren Schulz, dschulz@carson.org)

**Staff Summary:** On July 15, 2015, the Carson Water Subconservancy District Board of Directors unanimously approved the Lost Lakes Water Lease Agreement. Approving this Agreement will provide Carson City with up to 50.0 acre feet of additional surface water, to be used from October 1, 2015 until March 31, 2016. It has been the past practice of Carson City to lease these water rights as part of our conjunctive use management plan.

**Type of Action Requested:** (check one)

- Resolution                       Ordinance  
 Formal Action/Motion       Other (Information only)

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

**Recommended Board Action:** I move to authorize the Mayor to sign a one (1) year Lost Lakes Reservoirs Water Lease Agreement between Carson City and Carson Water Subconservancy District.

**Explanation for Recommended Board Action:** In order to provide additional surface water rights for the conjunctive use program, a lease of Carson River storage rights has been negotiated with the Carson Water Subconservancy District (CWSD). The City, per the Alpine decree, cannot pull from the river during the months of October through March. However, these rights will have been stored within the Lost Lakes reservoirs during the irrigation season, which allows for their use during the winter months, under conditions which will be stipulated by the State Water Engineer and Federal Water Master.

The purchase of these water rights will help rest ground water sources over the winter, thereby indirectly assisting the recharging of ground water supplies. The Lost Lakes water rights will be sold to Carson City at \$103.00 per acre foot. The City will only pay for what is delivered, as metered at the City's infiltration wells.

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

**Fiscal Impact:** Up to \$5150.

**Explanation of Impact:** Reduction in budget up to \$5150

**Funding Source:** Complete funding is available in account: 520-3502-435.04-54 Water Purchase / Lease Payment

**Alternatives:** Provide other direction

**Supporting Material:** Lost Lakes – Water Lease Agreement

**Prepared By:** David Bruketta – Utility Manager

Reviewed By:

[Signature]  
(Public Works Director)

Date: 8/25/15

[Signature]  
(City Manager)

Date: 8/25/15

[Signature]  
(District Attorney)

Date: 8/25/2015

[Signature]  
(Finance Director)

Date: 8/25/15

Board Action Taken:

Motion: \_\_\_\_\_ 1: \_\_\_\_\_ Aye/Nay

2: \_\_\_\_\_

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

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

**CARSON WATER SUBCONSERVANCY DISTRICT**  
**777 East William Street, Suite 110A**  
**Carson City, NV 89701**  
**775/887-7450, fax 775/887-7457**

July 30, 2015

Darren Schulz, Director  
Carson City Public Works  
3505 Butti Way  
Carson City, NV 89701

Re: Mud Lake and Lost Lakes Water Lease Agreements

Dear Mr. Schulz:

At our Board meeting on July 15, 2015, the CWSD Board of Directors unanimously approved the Mud Lake and Lost Lakes Water Lease Agreements between CWSD and Carson City. I am enclosing two originals of each agreement for Robert Crowell's and Susan Merriwether's signatures. Once signed, please keep a copy of each for your files and return the others for our records.

If you have any questions, please feel free call me.

Sincerely,



Toni Leffler  
Administrative Assistant

Enclosures

**WATER LEASE AGREEMENT**

This Water Lease Agreement is entered into between the CARSON WATER SUBCONSERVANCY DISTRICT, a political subdivision of the State of Nevada, by and through its duly constituted Board of Directors (hereinafter "CWSD") and CARSON CITY, a political subdivision of the State of Nevada, by and through its duly constituted Board of Supervisors (hereinafter "CITY").

WITNESSETH:

WHEREAS, CWSD holds title to 219.0 acre feet of water rights, including storage rights in Upper and Lower Lost Lakes Reservoirs, Claim Numbers 812 and 813 in the Alpine Decree; and

WHEREAS, CITY desires to lease CWSD water for one (1) year for use within the boundaries of CITY for municipal purposes; and

WHEREAS, CWSD has made or will make any necessary application(s) to the State Engineer for permission to use CWSD's water rights for the purposes contemplated under this Agreement.

THEREFORE, in consideration of the mutual undertakings and for other good and valuable consideration, the parties agree and contract as follows:

1. Term of Agreement/Cost of Water

The term of this Agreement shall commence on the date both parties have executed the Agreement and shall continue through June 30, 2016. CITY agrees to lease and use an amount not to exceed 50.0 acre feet of CWSD water from Lost Lakes.

CITY shall pay CWSD \$103.00 per acre foot for water pumped by CITY. As used in this Agreement, the term “water delivery season” means the period beginning October 1, 2015, and ending March 31, 2016. The amount of water that can be pumped by CITY shall be determined by the actual amount of water released from Lost Lakes less any loss of water determined by the State Engineer or the Federal Water Master, due to conveyance from Lost Lakes Reservoirs to CITY’s point of re-diversion. CITY shall pay CWSD for only the amount of water that is pumped, and CITY shall make payment to CWSD by no later than the 15<sup>th</sup> of June based on the actual metered usage.

2. Costs of Diversion and Delivery of Water

CWSD shall bear the costs of delivery of the water to CITY’s point of re-diversion, including the costs of any required approvals by the State Engineer, operation and maintenance of upstream storage facilities, and payment of water fees to the Federal Water Master. CITY shall bear the costs associated with pumping the water from the two induction wells (Well Numbers 25 and 41B), measuring devices, pipelines, and other transporting devices.

3. Treatment

CITY shall be responsible for the treatment of all water for municipal purposes, including water leased from CWSD, to applicable local, state, and federal standards.

4. Hold Harmless

CITY and CWSD agree to indemnify and hold the other harmless for any claims or actions including damages, costs, and attorney’s fees concerning the use of this water by CITY as specified in this Agreement.

5. General Provisions

The officials executing this Agreement hereby warrant and guarantee that they have the authority to act for and bind the respective organizations which they represent; all notices required by this Agreement shall be in writing, must be sent to the addresses provided herein, and are deemed effective upon placement in the United States Mail, postage prepaid; this Agreement constitutes the entire agreement between the parties; this Agreement shall be enforced and construed according to the laws of the State of Nevada; the prevailing party to any dispute involving this Agreement is entitled to an award of reasonable attorney's fees and costs; and any modification of this Agreement must be made by a writing signed by both parties.

For notice purposes, the addresses of each party are as follows:

CARSON WATER  
SUBCONSERVANCY DISTRICT  
Attn.: Edwin James  
General Manager  
777 E. William St., #110A  
Carson City, NV 89701  
775/887-7450

CARSON CITY  
  
Attn.: Darren Schulz  
Public Works Director  
3505 Butti Way  
Carson City, NV 89701  
775/887-2355 x- 7391

6. Termination of Agreement

Unless otherwise agreed to by both parties in writing, this Agreement shall be terminated only if the State of Nevada or a court of competent jurisdiction prevents the delivery of the surface water that is the subject of this Agreement to CITY's point of re-diversion or if the Federal Water

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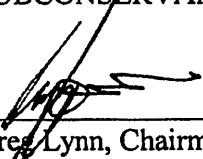
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Master prevents the use of the subject water in which case CWSD and CITY are relieved from performance under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement.

CARSON WATER  
SUBCONSERVANCY DISTRICT

CARSON CITY

  
\_\_\_\_\_  
Greg Lynn, Chairman

\_\_\_\_\_  
ROBERT CROWELL, Mayor

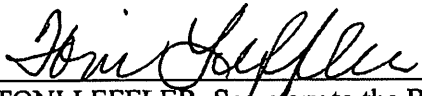
Dated: \_\_\_\_\_

7/15/15

Dated: \_\_\_\_\_

ATTEST:

ATTEST:

  
\_\_\_\_\_  
TONI LEFFLER, Secretary to the Board

\_\_\_\_\_  
SUSAN MERRIWETHER, Clerk-Recorder

Dated: \_\_\_\_\_

7/15/15

Dated: \_\_\_\_\_