



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: October 5, 2017

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: To authorize staff to pursue all possible avenues to effectuate the sale of Carson City's interest in Water Permit 36079 (Certificate 11627), located in Washoe Valley totaling 8.62 acre feet, and for the highest dollar amount possible. (Stephanie Hicks; SHicks@carson.org)

Staff Summary: Following the Board's motion in May of 2017 to proceed with the sale of Carson City's interest in Water Permit 36079 (Certificate 11627), located in Washoe Valley totaling 8.62 acre feet, staff advertised and posted the bid on August 24, 2017, through Carson City's online bid management system. The sale was advertised for a minimum bid amount of \$50,000, the appraised value of the water rights. On September 21, 2017, only one bid received was for the amount \$25,000. Staff is requesting the flexibility to pursue all possible avenues to effectuate the sale in order to obtain the highest possible purchase price for the City.

Agenda Action: Formal Action/Motion

Time Requested: Consent

Proposed Motion

Move to authorize staff to pursue all possible avenues to effectuate the sale of Carson City's interest in Water Permit 36079 (Certificate 11627), located in Washoe Valley totaling 8.62 acre feet, and for the highest dollar amount possible.

Board's Strategic Goal

Efficient Government

Previous Action

April 7, 2016 - The Board of Supervisors approved a motion to direct staff to have the water under Permit 36079 (Certificate 11627) appraised and sold on the open market for an amount not less than the appraised value.

May 18, 2017 - The Board of Supervisors adopted Resolution No. 2017-R- 11 determining that Carson City's interest in Water Permit 36079 (Certificate 11627), located in Washoe Valley totaling 8.62 acre feet, is no longer required for public use and the sale of these water rights is desirable and in the best interest of the City pursuant to NRS 533.550 and NRS 332.185, and authorized method of open market sale for said personal property through the City's online Bid Management System, giving staff the authority to accept final and highest bid.

Background/Issues & Analysis

The City's water rights in Washoe Valley associated with Well #12 are currently unused and cannot be moved to another site where they could be utilized by Carson City. As such, the water rights are subject to forfeiture for non-use.

On April 2016, the Board of Supervisors approved a motion to direct staff to have the water under Permit 36079 appraised and sold on the open market for an amount not less than the appraised value. The appraisal was completed and the water rights were valued at \$50,000.

In March of 2017, an update to the appraisal was completed and no new records of sale were found. Therefore, the value of the water rights remains at \$50,000. In May of 2017, staff brought a resolution to the Board pursuant to NRS 533.550 and NRS 332.185. NRS 533.550 requires that when a public body sells water rights, at least one public hearing must be held at which public comment was solicited and specific findings must be made. NRS 332.185 allows the City to dispose of personal property in any manner, including, without limitation, at public auction, if the City determines that the property is no longer required for public use and deems such action desirable and in the best interests of the local government.

The Board made the required findings and adopted Resolution No. 2017-R- 11 determining that Carson City's interest in Water Permit 36079 (Certificate 11627), located in Washoe Valley totaling 8.62 acre feet, is no longer required for public use and the sale of these water rights is desirable and in the best interest of the City. Additionally, the Board authorized method of open market sale for said personal property through the City's online Bid Management System, giving staff the authority to accept final and highest bid.

On August 24, 2017, the sale of water rights was posted on the City's online Bid Management System and notice was published in the newspaper. The sale was advertised for a minimum bid amount of \$50,000, the appraised value of the water rights. On September 21, 2017, only one bid received was for the amount \$25,000 well below the minimum bid.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 533.550 Sale or lease of water right by public body for more than 5-year term.

NRS 332.185 allows the City to dispose of personal property in any manner, including, without limitation, at public auction, if the City determines that the property is no longer required for public use and deems such action desirable and in the best interests of the local government.

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: 520-0000-372-75-00 Miscellaneous Other Revenue;
520-3502-435-03-09 Professional Services

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: Net fiscal impact would be the proceeds from the sale minus the costs associated with selling the water (appraisal, etc.).

Alternatives

Propose alternative method for open market sale of water rights.

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)