



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** July 18, 2019

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Discussion and possible action regarding a one-year Lost Lakes Water Lease Agreement between Carson City and Carson Water Subconservancy District (“CWSD”) for an amount not to exceed \$6,100. (Darren Schulz, dschulz@carson.org)

Staff Summary: As part of its conjunctive use program, Carson City has negotiated to lease water storage rights at Lost Lakes from CWSD. The Lease will provide Carson City with up to 100.0 acre-feet of additional surface water, to be used from October 1, 2019 to March 31, 2020. The cost of the water is \$55 per acre-foot; however, Carson City is also paying for the temporary water right change application that is required and will cost \$600, which brings the total to \$6,100. On June 19, 2019, the CWSD Board of Directors unanimously approved the Lost Lakes Water Lease Agreement.

Agenda Action: Formal Action / Motion **Time Requested:** 5 minutes

Proposed Motion

I move to authorize the Mayor to sign the Agreement as proposed.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

Carson City has exercised a similar agreement for Lost Lakes Water from CWSD in calendar years 2015 and 2016.

Background/Issues & Analysis

Carson City engages in the commonly used, best management practice of conjunctive use of water to provide sustainable sources of water to its residents. Conjunctive use means maximizing the use of available surface water sources so that the groundwater table can replenish and be used when the surface water sources are not available. In order to provide additional surface water rights for the conjunctive use program, a lease of Carson River storage rights at the Lost Lakes has been negotiated with the CWSD. Carson City, per the Alpine decree, cannot pull water from the Carson River during the months of October through March. However, CWSD can store water within the Lost Lakes reservoirs during the irrigation season, and Carson City can then lease the rights to that water. This allows Carson City to use the water stored at the Lost Lakes during the winter months, under conditions which will be stipulated by the State Water Engineer and Federal Water Master. The cost of the water is \$55 per acre-foot; however, Carson City is also paying for the temporary water right change application that is required which will cost \$600, bringing the total to \$6,100.

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Water Purchase/Lease Payment - 52035302-500450

Is it currently budgeted? Yes

Explanation of Fiscal Impact: Reduction in budget up to \$6,100.

Alternatives

Do not approve agreement and provide other direction to staff.

Attachments:

[CWSD Lost Lakes Water Lease Agreement.pdf](#)

Board Action Taken:

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

(Vote Recorded By)

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, 2020. CITY agrees to lease and use an amount not to exceed 100.0-acre feet of CWSD water from Lost Lakes.

CITY shall pay CWSD \$55.00 per acre foot for water pumped by CITY. As used in this

Agreement, the term “water delivery season” means the period beginning October 1, 2019 and ending March 31, 2020. 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. CITY shall make payment to CWSD by no later than the 15th of June based on the actual metered usage.

2. Costs of Diversion and Delivery of Water

CWSD will submit the Temporary Permit to the Nevada State Engineer and pay the application fees. The City will reimburse CWSD the fees once CWSD receives the Temporary Permit from the State Engineer. CWSD shall bear the costs of delivery of the water to CITY’s point of re-diversion, including the costs of 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. The City must first use all the Mud Lake water before pumping the Lost Lake water.

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

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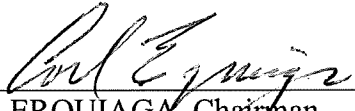
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IN WITNESS WHEREOF, the parties have executed this Agreement.

CARSON WATER
SUBCONSERVANCY DISTRICT

CARSON CITY



CARL ERQUIAGA, Chairman

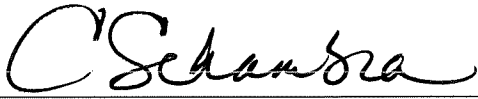
ROBERT CROWELL, Mayor

Dated: 6/19/19

Dated: _____

ATTEST:

ATTEST:



CATRINA SCHAMBRA, Secretary to the Board

AUBREY ROWLATT, Clerk-Recorder

Dated: 6/19/19

Dated: _____