



# CITY OF FERNLEY

## CITY COUNCIL

### AGENDA REPORT

**Meeting Date: June 17, 2020**

<b>REPORT TO:</b>	Mayor and City Council
<b>REPORT THRU:</b>	Derek Starkey, City Engineer
<b>REPORT FROM:</b>	<b>Kari Weitzel, Admin Specialist III</b>
<b>REVIEWED BY:</b>	David Rigdon, Special City Water Attorney
<b>REVIEWED BY:</b>	Denise Lewis, City Treasurer

<b>FINANCIAL IMPACT:</b> Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/>	<b>CURRENTLY BUDGETED:</b> Yes: <input type="checkbox"/> No: <input type="checkbox"/>	<b>FUND/ACCOUNT:</b>
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<b>ACTION REQUESTED:</b> <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Receive/File
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<b>AGENDA ITEM: Staff Report (For Possible Action):</b>  Possible Action to Approve the First Amendment to the Sierra West Development Water Rights Banking and Dedication Agreement executed on July 14, 2006. The effect of the amendment will be to renew the banking agreement for an additional 15 years.
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<b>Business Impact (per NRS Chapter 237):</b> <input type="checkbox"/> A Business Impact Statement is Attached. <input checked="" type="checkbox"/> A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).
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<b>Agenda Item Brief:</b> <ol style="list-style-type: none"><li>1. On July 14, 2006, Sierra West Development banked 112.5 afa of Newlands Project water rights with the City to be used as a credit against future water will-serve commitments.</li><li>2. The beneficial interest in these water rights is currently held by Kim and Susan McCreary (67.725 afa) and Michael and Claudia Casey (44.775 afa).</li><li>3. The current banking agreement had a term of 15 years and is set to expire on July 14, 2021.</li><li>4. Both parties wish to renew the banking agreement for an additional term of 15 years (will expire on July 14, 2036).</li></ol>
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**See attached report for background, analysis, alternatives.**

**RECOMMENDED MOTION:**

“I move to approve the First Amendment to the Water Rights Banking and Dedication Agreement executed on July 14, 2006 by and between Sierra West Development and the City of Fernley.”

**ALTERNATIVES:**

In lieu of approval of the amendment, the Council could decline to renew the banking agreement altogether, or could approve the amendment but change the length of time of the renewal term.

**PROJECT SUMMARY:**

The First Amendment to the Water Rights Banking and Dedication Agreement proposes to renew the agreement for one (1) additional fifteen (15) year period that will expire on July 14, 2036.

**BACKGROUND:**

These water rights were originally banked with the City on July 14, 2006. The banking agreement states that the term of the agreement is fifteen (15) years but that the agreement can be renewed “for successive terms of agreed upon duration.” To date, the water rights have not been committed to will-serves and the beneficial interest is held by two different parties. Kim and Susan McCreary own the beneficial interest in 67.725 afa, while Michael and Claudia Casey own the beneficial interest in 44.775 afa. Both parties desire to transfer their respective interests to H2O NV Investments, LLC. Prior to doing so, they need the renewal approved. They are proposing to renew the agreement for one (1) additional fifteen (15) year term.

**ANALYSIS:**

N/A

**FINDINGS:**

N/A

**LEGAL IMPLICATIONS:**

N/A

**FINANCIAL IMPLICATIONS:**

N/A

**ATTACHMENTS:**

- 1) July 14, 2006 Banking Agreement.
- 2) Proposed First Amendment to the Banking Agreement.