

**City of Carson City
Agenda Report**

Date Submitted: November 25, 2013

Agenda Date Requested: December 5, 2013

Time Requested: 30 Minutes

To: Mayor and Supervisors

From: City Manager

Subject Title: For Possible Action: Having the City Manager and staff explore possible ways to ensure the City will continue to have the ability to discharge excess reclaimed wastewater onto the Empire Ranch Golf Course real property, including possibly purchasing it through a bankruptcy court approved sale.

Staff Summary: The Empire Ranch Golf Course real property is an asset of the bankruptcy estate; Empire Ranch Golf Course, LLC, bankruptcy, Case No. 12-51565-btb. It is an integral part of the City's sewer system through the application of reclaimed water for irrigation. As a current creditor in this bankruptcy, the City should explore steps that would ensure the most cost efficient way to manage its sewer system. See CCMC Title 12. This would include exploring the possibility of acquiring such real property. Approval of this action item will facilitate internal discussions and discussions among interested parties, including Debtor Dwight Millard and his counsel, secured creditors, and the bankruptcy court.

Type of Action Requested: (check one)

Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move that we authorize the City Manager and staff to explore ways to ensure the City will continue to have the ability to discharge reclaimed wastewater onto the Empire Ranch Golf Course real property, including exploring the possibility of a City purchase of such land.

Explanation for Recommended Board Action:

This is consistent with the City's goal from its 2012/13 Strategic Plan to provide a clean and healthy environment. Achieving a more balanced land use pattern requires a focus on "[b]alancing future growth with available water resources and sewer capacity." Master Plan at Chapter 2, p. 2-2 and see pp. 3-1 – 3-2. Droughts and wet years are acts of God. Without maintaining the City's ability to use this land to dispose of excess wastewater, its sale to another could jeopardize the operation of its sewer system. An acquisition of such land by the City would enable it to use this property as it deems fit, facilitating the continued fiscally prudent operation of its sewer system by providing a disposal area for excess reclaimed water during wet years and increasing the availability of reclaimed water during drought years.

Applicable Statute, Code, Policy, Rule or Regulation: Not Applicable

Fiscal Impact: Unknown at this time.

Explanation of Impact: Eventually, although Debtor Dwight Millard exercised an option to allow the continued discharge of the City's reclaimed wastewater on this golf course, there is no guarantee that a subsequent owner would allow this. The City needs to explore possible ways to ensure the ability to continue using this property to facilitate the continued proper and fiscally prudent operation of its sewer system.

Alternatives: Do nothing in this regard and hope that whoever acquires the Empire Ranch Golf Course real property will cooperate with the City in this regard.

Supporting Material: Agreement and addenda.

Prepared By: City Manager

Reviewed By: [Signature] Date: 11-25-13
(Public Works Director)

[Signature] Date: 11/25/13
(City Manager)

[Signature] Date: 11/25/13
(District Attorney)

[Signature] Date: 11/25/13
(Finance Director)

Board Action Taken:

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

(Vote Recorded By)

AGREEMENT

This Agreement made this 17th day of MARCH,
1983, between Carson City, Nevada, a consolidated municipality,
hereinafter referred to as "CITY", and MICHAEL DARLING, hereinafter
referred to as "DARLING".

WHEREAS, CITY will construct and operate a wastewater treatment
plant which will make reclaimed water usable and available for irri-
gation; and

WHEREAS, CITY is in need of a site for the disposal of its
wastewater; and

WHEREAS, DARLING owns certain real property utilized for
agricultural purposes and described in Exhibit "A"; and DARLING
desires to use said reclaimed water for irrigation of said lands; and

WHEREAS, DARLING has certain water rights, more specifically
described in Exhibit "B" attached hereto and by this reference
incorporated herein, which he utilizes for purposes of irrigating
the land described in Exhibit "A";

NOW, THEREFORE, CITY and DARLING agree as follows:

1. DARLING shall use all reclaimed water supplied under
this Agreement for irrigation of farmlands; provided, however, that
in the event said reclaimed water may be utilized for other purposes
specifically approved by any governmental agencies having jurisdiction
in connection with the uses of said reclaimed water, that DARLING, at
his option, may utilize said reclaimed water for such other approved
uses. Said use shall be confined to those lands described in Exhibit
"A" which is attached hereto and incorporated herein; provided, however,
that the land described in Exhibit "C", which comprises a portion of
the land described in Exhibit "A", may be withdrawn by DARLING, upon
two (2) years written notice to CITY, at any time during the term
of this Agreement with respect to the applicability of the terms of
this Agreement.

2. Except as otherwise provided herein, DARLING shall not
use said reclaimed water in the production of crops for human
consumption.

FILED FOR RECORD
AT THE REQUEST OF
TED THORNTON
CARSON CITY CLERK
1983 MAR 17 PM 3:00
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3. DARLING shall use said reclaimed water in accordance with standards and regulations established by the Nevada Division of Environmental Protection.

4. CITY shall treat said reclaimed water at its wastewater treatment plant in accordance with standards and regulations established by the Nevada Division of Environmental Protection and shall comply with applicable discharge requirements pertaining to discharges from the Carson City Wastewater Treatment Plant issued by the Nevada Division of Environmental Protection or any other governmental agency having jurisdiction. CITY shall perform all sampling and laboratory testing that is required by the Nevada Division of Environmental Protection and CITY's discharge permit.

5. CITY shall make available to DARLING a minimum of 500 acre feet of reclaimed water per year during the irrigation season commencing at the beginning of the 1985 irrigation season and reserve to DARLING the right to take delivery of a maximum of 1,385 acre feet of reclaimed water per year. The water shall be delivered at a rate compatible with reasonable agricultural practice:

6. Said delivery of reclaimed water shall commence in 1985. However, if the facilities described in paragraph 12 of this Agreement are completed prior to 1985, the parties may by mutual consent advance said commencement.

7. CITY shall provide the quantity and quality of water, for the lands developed under this Agreement, necessary for proper irrigation of agricultural lands and proper renovation of treated effluent.

8. The parties agree that DARLING is presently able to utilize 1,385 acre feet of reclaimed water per year. Therefore, DARLING shall accept and use all reclaimed water made available by CITY to a maximum of 1,385 acre feet per year, unless the conditions referred to in paragraphs 1, 10 and 11 of this Agreement make such usage impossible. In that event, DARLING shall accept and use as much of the reclaimed water as said conditions permit.