



## STAFF REPORT

**TO:** Chairman and Board Members  
**THRU:** Mark Foree, General Manager  
**FROM:** John Erwin, Dir. Natural Resources-Planning & Management  
**DATE:** April 6, 2015  
**SUBJECT:** Request for Board to amend the May 16, 2013 Interlocal Agreement for the Acquisition of Water Quality Water Rights between TMWA and the Western Regional Water Commission

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### Recommendation

Staff recommends the Board approve the amendment to the “Interlocal Agreement for Acquisition of Water Quality Water Rights” (“Agreement”) between TMWA and the Western Regional Water Commission (“WRWC”).

### Discussion

A shared goal of TMWA and WRWC is the implementation of the Truckee River Operating Agreement (“TROA”). Section 1.E.4 of TROA provides that “Reno, Sparks and Washoe County agree to provide 6,700 acre-feet of water rights for water quality purposes no later than when [TROA] takes effect...” While the obligation to acquire water rights is held by Reno, Sparks and the County (“RSW”), the acquisition of water quality rights is a critical step necessary to the implementation of TROA and therefore is a matter in which TMWA has a significant direct and indirect interests. TMWA has the authority to negotiate, execute and implement its obligations under TROA while pursuing and enhancing the interests Reno, Sparks and Washoe County. On May 16, 2013 TMWA and WRWC executed an interlocal agreement which provisioned TMWA to secure and develop additional water supplies, provide for the acquisition, development, management and conservation of regional water resources, to provide for water quality management as contemplated by and in accordance with the TROA, with the ultimate goal assisting Reno, Sparks and Washoe County in satisfaction of the water quality obligations under Section 1.E.4 of TROA. Of the \$2.7 million WRWC allocated to the Agreement, \$2.43 million has been spent to-date to acquire approximately 438 acre feet.

Reno, Sparks and Washoe County have requested that title to the WQ Water Rights held for water quality purposes by TMWA be conveyed to them, as tenants in common with undivided 1/3 interests each.

The attached amendment to the Agreement is required to effect the transfer Reno, Sparks and Washoe County seek.

AMENDMENT TO  
INTERLOCAL AGREEMENT FOR ACQUISITION  
OF WATER QUALITY WATER RIGHTS

This Amendment to Interlocal Agreement For Acquisition of Water Quality Water Rights ("Amendment") dated for identification purposes only as of April 15, 2015, is entered by and between the TRUCKEE MEADOWS WATER AUTHORITY, a Joint Powers Authority created pursuant to NRS Chapter 277 among Reno, Sparks and Washoe County, Nevada ("TMWA") and the WESTERN REGIONAL WATER COMMISSION, a political subdivision of the State of Nevada ("WRWC").

RECITALS

WHEREAS, WRWC and TMWA are public agencies authorized by Chapter 277 of the Nevada Revised Statutes to enter into interlocal and cooperative agreements with each other for the performance of governmental functions.

WHEREAS, on or about May 16, 2013, WRWC and TMWA entered into that certain Interlocal Agreement For Acquisition of Water Quality Water Rights ("Original Agreement"), pursuant to which the Parties agreed to certain terms to facilitate unified and cooperative efforts to secure and develop additional water supplies and manage existing water resources, through the cooperative implementation of a mechanism to acquire and manage water rights for water quality purposes("WQ Water Rights") to support partial satisfaction of the obligations of Reno, Sparks and Washoe County required under Section 1.E.4 of TROA, and to facilitate the implementation of TROA.

WHEREAS, TMWA has acquired and is managing WQ Water Rights pursuant to the Original Agreement, and continues to seek additional WQ Water Rights for acquisition and or exchange as permitted therein.

WHEREAS, Reno, Sparks and Washoe County have requested that title to the WQ Water Rights held for water quality purposes by TMWA be conveyed to them, as tenants in common with undivided 1/3 interests each.

NOW THEREFORE, TMWA and WRWC desire to amend the Original Agreement as follows:

1. Section 2.6. The Original Agreement is hereby amended by adding a new section, as follows:

2.6 Transfer To and Assumption by Reno, Sparks and Washoe County. Notwithstanding the anything to the contrary in the Original Agreement, TMWA shall, upon receipt of written request by Reno, Sparks and Washoe County, convey title to the WQ Water Rights and/or other TMWA owned rights exchanged for the WQ Water Rights for water quality purposes directly to Reno, Sparks and Washoe County, as tenants in common with undivided 1/3 interests each, in connection with and for the purpose of partially satisfying the obligations under Section 1.E.4 of TROA.

2. Entire Understanding of the Parties, and Interpretation. This Amendment and the Original Agreement contains all the commitments and agreements of the parties with respect to the subject matter thereof. To the extent the provisions of this Amendment conflict with any of

the terms and conditions of the Original Agreement, the provisions of this Amendment shall control.

3. Amendment. This Amendment may be amended or modified only by the mutual written agreement of WRWC and TMWA and ratification by their respective governing boards.

4. Effective Date. This Amendment is contingent upon ratification by official action each governing body of the Parties, and shall be effective on the latest date approved by the governing boards.

IN WITNESS WHEREOF, the Parties have set their hands with the intent to be bound.

TRUCKEE MEADOWS WATER  
AUTHORITY

Dated \_\_\_\_\_, 2015

By: \_\_\_\_\_  
Geno Martini, Chairman

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Michael A.T. Pagni  
McDonald Carano Wilson LLP  
TMWA Legal Counsel

Dated \_\_\_\_\_, 2015

WESTERN REGIONAL WATER  
COMMISSION

By: \_\_\_\_\_  
Vaughn Hartung, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
John B. Rhodes  
WRWC Legal Counsel