

**BOARD OF REGENTS
BRIEFING PAPER**

1. Agenda Item Title: Redfield HSC Gift of Water Rights

Meeting Date: March 5-6, 2015

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

The Board of Regents approved in its June 2014 meeting, the design, financing and construction of the new Health Science Center (HSC) attached to an existing High Tech Center building at its Redfield Campus. Minor renovation of the existing building is included in this project.

As part of the development and construction of the facility, 1.38 acre feet of water and related rights are necessary. On December 1, 2014, the Directors of the Nell J. Redfield Foundation have approved the transfer of 1.38 acre feet of water and related rights. The value of these rights totaling \$46,744 has been awarded to the college as a gift in-kind under a Grant Agreement Letter dated December 19, 2014.

The Foundation valuation is based on \$33,873 per acre foot and related rights as summarized below:

| | |
|--|----------------|
| 1.38 acre feet of water | \$41,400 |
| 1.38 gps Equivalent Well Production Capacity | 3,136 |
| 1.38 Equivalent Residential Unit Portion of Water Transmission Capacity | 2,208 |
| | <hr/> \$46,744 |

According to Truckee Meadows Water Authority, water rights value in the area ranges from \$3,000 to \$7,000 per acre foot. However, localized underground water can be more valuable in areas where supply/quantity is limited; at times to a value up to \$80K per acre foot.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

President Maria Sheehan requests approval to accept the Water Rights gift in kind award from the Nell J. Redfield Foundation for the purpose and conditions set forth in the Foundation Grant Agreement Letter.

4. IMPETUS (WHY NOW?):

As part of the Redfield Health Science Center campus development, access to appropriate water level is essential. An additional 1.38 acre of water is needed to develop and operate the new facility.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- The proposed new building and the renovation will provide TMCC with the state of the art Health Science Center at Redfield.
- 1.38 acre of water and related rights are necessary to develop and operate the new center.

- The Nell J. Redfield foundation has awarded the college the water rights as gift in kind under the purpose and condition set forth in the Foundation Grant Agreement Letter.
- The value of the water and related rights is \$46,744

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- College may not be able to fulfill the condition of the award.

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

- Defer or discontinue development of the Health Science Center.

8. COMPLIANCE WITH BOARD POLICY:

Consistent With Current Board Policy: Title #__ Chapter # 1 Section # 2.2

Amends Current Board Policy: Title #_____ Chapter #_____ Section #_____

Amends Current Procedures & Guidelines Manual: Chapter #_____ Section #_____

Other: _____

Fiscal Impact: Yes___ No X

Explain:

1755 E. PLUMB LANE, SUITE 212
RENO, NEVADA 89502
TELEPHONE



P.O. BOX 61 • RENO, NV 89504
FAX (775) 323-4476
(775) 323-1373

December 19, 2014

**Ms. Rachel Solemsaas
Vice President for Finance & Administrative Services
TMCC
7000 Dandini Blvd.
Reno, NV 89512-3999**

**Re: The Nell J. Redfield Foundation
Grant application dated November 28, 2014**

Dear Ms. Solemsaas:

Your November 28, 2014 grant application submitted on behalf of Truckee Meadows Community College was considered by the Directors of The Nell J. Redfield Foundation on December 1, 2014.

We are pleased to advise you that the Directors have approved a grant totaling \$46,744.00 in the form of a transfer of 1.38 acre feet of water and related rights which is to be applied for use by TMCC at the Redfield Campus in connection with its Health Science Center. This gift in-kind is based upon a valuation of \$33,873.00 per acre foot including related rights and the documentation to complete the transfer has been delivered to you under separate cover.

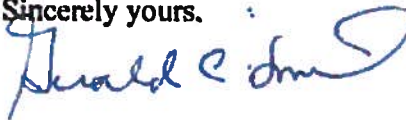
Included herein you will find our form of Grant Agreement Letter. You have previously received transfer documents supporting the gift. The final funding of this grant will occur after we have received back from you a signed copy of the Grant Agreement Letter and when the Regents have formally approved the gift.

We are pleased to make this significant contribution to TMCC and to the enhancement of its facilities on the Redfield Campus.

When time permits and as a part of their grant review procedures, as more fully described in the attached Grant Agreement Letter, the Directors will expect to receive a written report from you relating to utilization of the grant funds.

Any consideration of future funding will depend upon your compliance with the terms of the Grant Agreement Letter including the reporting requirements.

Sincerely yours.



Gerald C. Smith

GCS:dw
Enclosure
Xc: Distribution List



1755 E. PLUMB LANE, SUITE 212
RENO, NEVADA 89502
TELEPHONE

P.O. BOX 61 • RENO, NV 89504
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(775) 323-1373

November 25, 2014

via email: rsolemsaas@tmcc.edu
Rachel Solemsaas
TMCC
7000 Dandini Blvd.
Reno, NV 89512-3999

Re: Redfield Health Sciences Center

Dear Rachel:

This letter will confirm the agreement by The Nell J. Redfield Foundation to transfer to TMCC 1.38 acre feet of water, together with Equivalent Well Capacity and Transmission Credits, for a total cost of \$46,744.00.

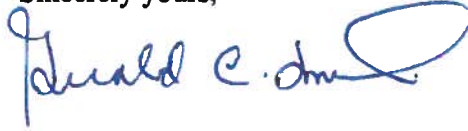
| | |
|---|-----------------------------|
| 1. 1.38 acre feet of water | \$41,400.00 |
| 2. 1.38 gps Equivalent Well Production Capacity | 3,136.00 |
| 3. 1.38 Equivalent Residential Unit | 2,208.00 |
| Portion of Water Transmission Capacity | <u> </u> |
| | \$46,744.00 |

Attached you will find unsigned copies of the forms of Assignment that will be used to transfer each of the components of the sale to TMCC. I am seeking Board approval for the Nell J. Redfield Foundation to make a gift transfer to TMCC of the needed water rights having a fair market value of \$46,744.00. We will transfer to you the appropriate executed documents when the Board of the Foundation has approved and adopted an appropriate resolution authorizing the gift transfer.

On receipt of the final form Agreements, you will need to deliver the executed documents or copies thereof, to the Washoe County Utility Division so they can facilitate the agreed upon Assignment.

Please let me know if we can provide you with any additional assistance.

Sincerely yours,



Gerald C. Smith

GCS:dw
Enclosures
Xc: Distribution List

1755 E. PLUMB LANE, SUITE 212
RENO, NEVADA 89502
TELEPHONE



PO. BOX 61 • RENO, NV 89504
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December 8, 2014

Ms. Rachel Solemsaas
Vice President for Finance and Administrative Services
Truckee Meadows Community College
7000 Dandini Blvd.
Reno, NV 89512-3999

Re: Health Sciences Center

Dear Rachel:

In connection with the gift deed by The Nell J. Redfield Foundation to TMCC for use in connection with the Health Science Center at the Redfield Campus, I am enclosing the following:

1. Assignment of Beneficial Interest in Water Rights;
2. Assignment of Water Transmission Credit;
3. Assignment of Well Production Capacity;
4. Letter to Vahid Behmaram.

You are authorized and instructed to take such action as may be required in order to implement transfer of the 1.38 acre feet of water and related rights that are required for use by TMCC for its new Health Science Center. The enclosed documents should enable you to obtain a "Will Serve" from the County when you have paid the necessary storage charge imposed by the County for use of the subject water.

We are pleased to provide TMCC with additional support for its activities on the Redfield Campus and we are prepared to provide such other information or documentation as may be required in order to facilitate the transfer.

Sincerely yours,

Gerald C. Smith

GCS:dw

Enclosures

Xc: Distribution List

Dave Roberts, Executive Director

TMCC Facilities Operations and Capital Planning

1755 E. PLUMB LANE, SUITE 212
RENO, NEVADA 89502
TELEPHONE



PO. BOX 61 • RENO, NV 89504
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December 8, 2014

Mr. Vahid Behmaram
Washoe County Community Services Dept.
Water Utility Planning and Management Division
4930 Energy Way
Reno, NV 89502

Re: Galena Water Enterprises, LLC.
The Nell J. Redfield Foundation

Dear Mr. Behmaram:

In connection with the Galena Water Enterprises water rights transferred to Washoe County by the Nell J. Redfield Foundation, we have entered into an agreement with the Board of Regents of the Nevada System of Higher Education to provide 1.38 acre feet of water to them for use on the UNR/TMCC Redfield Campus.

In due course, a college representative will be delivering to you appropriate forms of Assignment for the water rights, well production capacity and water transmission credit for the water rights and you are authorized to provide an appropriate Will Serve Letter with respect to a total of 1.38 acre feet of Redfield water now being held by the County for the benefit of Redfield together with supply capacity and transmission, necessary to complete the transaction.

Please let me know if you will require any additional instructions or documentation from Redfield in order to implement issuance of the Will Serve Letter to the Regents and the Community College System of Nevada.

Thank you for your continuing assistance and support.

Sincerely yours,

Gerald C. Smith

GCS:dw

Xc: Dave Roberts, Executive Director
TMCC Facilities Operations and Capital Planning

**ASSIGNMENT OF WATER TRANSMISSION CREDIT
HELD BY WASHOE COUNTY**

Certain Water Transmission Credit ("Transmission Credit") is held by WASHOE COUNTY, political subdivision of the State of Nevada, on behalf of The Nell J. Redfield Foundation, to wit:

1.38 Equivalent Residential Unit portion of the water transmission capacity in Washoe County's water system.

The Nell J. Redfield Foundation, for good and valuable consideration under separate Agreement, assigns to the Board of Regents of the Nevada System of Higher Education, all its right, title and interest to the beneficial interest of the above-described Transmission Credit held by Washoe County.

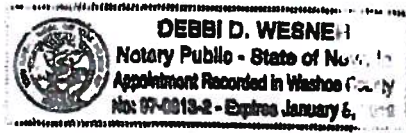
Dated this 8th day of December, 2014.

THE NELL J. REDFIELD FOUNDATION

By Gerald C. Smith
Gerald C. Smith, Director

By Helen Jeane Jones
Helen Jeane Jones, Director

STATE OF NEVADA)
)ss:
COUNTY OF WASHOE)



On this 8th day of December, 2014, before me, a Notary Public, personally appeared Gerald C. Smith and Helen Jeane Jones, personally know to me to be the persons whose names are subscribed to this instrument, and acknowledged that they executed in their capacity as Directors of The Nell J. Redfield Foundation.

Debbi D. Wesner
Notary Public

**ASSIGNMENT OF WELL PRODUCTION CAPACITY
CREDIT HELD BY WASHOE COUNTY**

Certain Well Production Capacity Credit ("Well Capacity") is held by WASHOE COUNTY, a political subdivision of the State of Nevada, on behalf of The Nell J. Redfield Foundation, under the Water Rights and Water Facilities Dedication Agreement between Galena Water Enterprises, LLC., a Nevada limited liability company, Montreaux Development Group, LLC., a Nevada limited liability company, and the County of Washoe, a political subdivision of the State of Nevada, dated as of November 26, 2002, to wit:

A portion being 1.38 gallons per minute (g.p.m.'s) of the well production capacity.

The Nell J. Redfield Foundation, for good and valuable consideration under separate Agreement, assigns to the Board of Regents of the Nevada System of High Education, all its right, title and interest to the beneficial interest of the above-described 1.38 gallons per minute of Well Production Capacity held by Washoe County.

Dated this 8th day of December, 2014

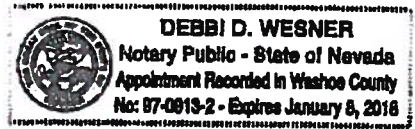
THE NELL J. REDFIELD FOUNDATION

By Gerald C. Smith
Gerald C. Smith, Director

By Helen Jeane Jones
Helen Jeane Jones, Director

STATE OF NEVADA)
)
COUNTY OF WASHOE)

SS:



On this 8th day of December, 2014, before me, a Notary Public, personally appeared Gerald C. Smith and Helen Jeane Jones, personally known to me to be the persons whose names are subscribed to this instrument, and acknowledged that they executed in their capacity as Directors of The Nell J. Redfield Foundation.

Debbi D. Wesner
Notary Public

Permit Nos. 61265, 61266, 61267, 61268,
61269 and 61270 – 1.38 acre feet

**ASSIGNMENT OF BENEFICIAL INTEREST IN
WATER RIGHTS HELD BY WASHOE COUNTY**

Title to certain water rights ("Water Rights") has been transferred to WASHOE COUNTY, a political subdivision of the State of Nevada, to-wit:

A portion of Permit Nos. 61265, 61266, 61267, 61268, 61269 and 61270 on file with the Nevada State Engineer, Division of Water Resources, to divert water from an underground source with an annual duty of 1.38 acre feet together with the proportionate share of the rate of diversion.

Helen Jeane Jones, Kenneth G. Walker and Gerald C. Smith, Directors of The Nell J. Redfield Foundation, for good and valuable consideration under separate agreement, hereby assign to the Board of Regents of the Nevada System of Higher Education, or its assigns, all its right, title and interest to the beneficial interest of the above-described Water Rights held by Washoe County on behalf of assignor.

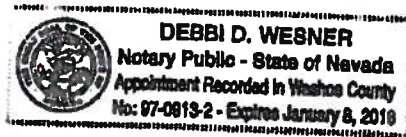
Dated this 8th day of December, 2014.

THE NELL J. REDFIELD FOUNDATION

By Gerald C. Smith
Gerald C. Smith, Director

By Helen Jeane Jones
Helen Jeane Jones, Director

STATE OF NEVADA)
)SS:
COUNTY OF WASHOE)



On this 8th day of December, 2014, before me, a Notary Public, personally appeared Gerald C. Smith and Helen Jeane Jones, personally known to me to be the persons whose names are subscribed to this instrument, and acknowledged that they executed in their capacity as Directors of The Nell J. Redfield Foundation.

Debbi D. Wesner
Notary Public



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TELEPHONE

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GRANT AGREEMENT LETTER
December 19, 2014

Ms. Rachel Solemsaas
Vice President for Finance & Administrative Services
TMCC
7000 Dandini Blvd.
Reno, NV 89512-3999

Re: The Nell J. Redfield Foundation
Grant application dated November 28, 2014

Dear Ms. Solemsaas:

In response to your November 28, 2014 grant application, the Directors of The Nell J. Redfield Foundation ("Redfield") have approved a grant in-kind in the amount of \$46,744.00, reflected by the transfer of 1.38 acre feet of water and related rights to TMCC ("Recipient"), subject to our receipt of this signed Grant Agreement Letter.

CONDITIONS

1. The grant is to be used solely for the delivery of water to your new Health Science Center on the Redfield Campus as detailed in your November 28, 2014 application. The grant in-kind represents a gift transfer of 1.38 acre feet of water and related rights based upon a value of \$33,873.00 per acre foot of water, together with related rights for a total gift of \$46,744.00.

2. Grant Recipient warrants and represents that its receipt of this grant will not adversely affect its status as a public charity under Section 509(a) of the Internal Revenue Code.

3. Grant Recipient will furnish Redfield any information concerning a change or proposed change in your tax exempt status.

4. If Grant Recipient's tax-exempt status changes, Redfield reserves the right to have all remaining grant funds immediately returned.

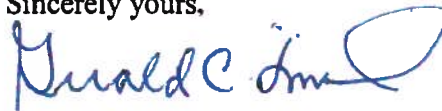
5. Any funds not used or committed for the specific purpose of the grant must be returned to Redfield unless otherwise authorized in writing.

6. Grant Recipient must provide a written report as soon as possible after close of the grant period describing conclusions, progress, and/or status of grant objectives including utilization of the grant funds to obtain the objective.

7. Grant Recipient must advise Redfield with respect to any changes that occur in its management structure including change in its Executive Director or other management position that might be significant to its operation.

Please signify your agreement to the foregoing terms and conditions by having a duly authorized officer sign and return a copy of this letter.

Sincerely yours,



Gerald C. Smith
Director
The Nell J. Redfield Foundation

GCS:dw

ACCEPTED:

By: _____ Date: _____
Board of Regents of the Nevada System of Higher Education
Daniel J. Klaich, Chancellor



APN: 144-070-17

When recorded, mail to:

Grantee at:

Washoe County Community Services Department
4930 Energy Way
Reno, Nevada 89502

Notice: Per NRS 239B.030, this document does not contain personal information as defined in NRS 603A.040

EASEMENT DEED

GRANT OF WATERLINE EASEMENT

THIS GRANT OF EASEMENT is made and entered into this _____ day of _____ 2014, by and between **NEVADA SYSTEM OF HIGHER EDUCATION**, ("Grantor") and the **COUNTY OF WASHOE**, a political subdivision of the State of Nevada ("Grantee")

WITNESSETH:

For and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, Grantor hereby grants to Grantee and its respective successors and assigns, a permanent, non-exclusive waterline easement and right of way for ingress and egress to construct, alter, maintain, inspect, repair, reconstruct, and operate a waterline, together with the appropriate mains, markers, conduits, pipes, valve boxes, meters, fixtures, and any other facilities, improvements or appurtenances deemed necessary or convenient by Grantee to provide public water service ("**Water Facilities**"), over, across, upon, under, and through that portion of the Grantor's Property, more fully described on **Exhibit "A"** and shown on **Exhibit "B"**, attached hereto and made a part hereof (the "**Easement Property**"), and such grant further includes the right of Grantee to remove trees, bushes, undergrowth and other obstructions that interfere with the location, construction, reconstruction, operation, maintenance, alteration and repair of said Water Facilities.

This Grant of Easement is granted and accepted upon the following warranties, representations, terms and conditions:

1. **Purpose of Easements.** The purpose of this Grant of Easement is to permit Grantee to construct, reconstruct, alter, repair, operate and maintain the Water Facilities located in the Easement Area for purpose of providing public water service. This Grant of Easement is an easement in gross, and shall burden and run with the land described above, and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, subject to the terms and conditions hereof.

2. **Warranties, reservations and obligations of Grantor.** Grantor warrants, represents as follows;

a. **Title to Grantor's Property.** Grantor holds title to Grantor's Property and the Easement Area by grant, bargain and sale deed, and that there are no prior encumbrances, liens, restrictions, covenants or conditions applicable to the Easement Area which will frustrate or make impossible the purposes of the Grant of Easement. Grantor has full power and authority to sell and convey the Easement Area to Grantee and to enter into and perform its obligations pursuant to the Grant of Easement.

b. **Authority.** The person(s) signing this Easement Deed and other instruments required hereunder on behalf of Grantor is duly authorized to so sign and has the full power and authority to bind Grantor.

c. **Defects.** Grantor has no knowledge of any defects or conditions of the Easement Area or Grantor's Property which would impair Grantee's ability to enjoy the use and purpose of this Grant of Easement.

d. **Further Encumbrances.** That Grantor will not grant any deeds of trust, liens, easements, licenses or other encumbrances on the Easement Area or Grantor's Property which would impair Grantee's ability to enjoy the use of this Grant of Easement.

e. **Legal Access.** Legal and sufficient access to this Grant of Easement exists through either the access easement granted hereunder, another easement transferred to Grantee or from a public road.

f. **Prescriptive Easement.** Grantor is not aware of any conditions or circumstances which could give rise to a right of prescriptive easement or use on Grantor's Property or the Easement Area.

g. **Contracts or Leases.** There are no leases, rental contracts, billboard contracts, contracts of employment, management, maintenance, services or supplies which affect any portion of the Easement Area or right-of-way.

h. **Pending Litigation.** Grantor is not aware of any pending or threatened litigation or regulatory actions regarding the Easement Area and the Easement Area is not subject to any foreclosure or deed in lieu or foreclosure.

3. **Indemnification.** Subject to the limitations in NRS Chapter 41, Grantee shall indemnify and hold harmless Grantor from and against all claims, liabilities, losses, costs, damages and expenses (including reasonable attorneys' fees) arising from or related to Grantee's, or its employees, agents' and contractors' construction, reconstruction, operation or maintenance alteration and repair of the Water Facilities located on and within the Easement Area. The foregoing indemnity shall apply to the release of Hazardous Materials brought onto the site by Grantee, its employees, contractors and invitees and the negligent disturbance of Hazardous Materials by Grantee, its employees, contractors and invitees. The term "**Hazardous Materials**" means any substance or material which has been or is determined by any current or proposed federal, state or local statute, law, enactment, ordinance, regulation, order, rule or judicial

~~decision to constitute a hazardous or toxic waste, substance or material, including petroleum products or asbestos.~~

4. **Compliance with Applicable Laws.** Grantee will conduct all activities on and within the Easement Area in full and complete compliance with all local, state and federal laws, statutes, rules and regulations. Without limiting the generality of the foregoing, Grantee shall be solely responsible for obtaining, at its sole cost and expense, all permits, consents and authorizations from any governmental agency having oversight authority over Grantee's activities hereunder.

5. **No Unreasonable Interference.** The Easement granted and identified herein, to the extent that other uses do not unreasonably interfere with the use of said non-exclusive easement by Grantee as permitted herein, Grantor, its successors and assigns, shall be permitted to use the same for any purpose they may desire. Notwithstanding the foregoing, Grantee shall not be responsible for damage to or replacement of any improvements, trees, bushes, undergrowth or any other obstructions, fixtures or improvements installed, constructed or placed within, under or upon the Easement Area after installation and construction of the Water Facilities.

6. **Reimbursement for Breach.** Each party shall reimburse the other party for all reasonable expenses, damages and costs incurred by the injured party as a result of either party's breach of any covenant set forth herein.

THIS GRANT OF EASEMENT and the terms contained herein shall be binding upon and shall inure to the benefit of Grantor and Grantee, and the successors and assigns of Grantor and Grantee, and all rights herein granted may be assigned.

TO HAVE AND TO HOLD all and singular the said premises, granted together with the appurtenances, unto said Grantee their successors, agents, contractors, licensees and assigns forever.

IN WITNESS WHEREOF, the Grantor hereto has executed this Grant of Easement the day and year first above written.

NEVADA SYSTEM OF HIGHER EDUCATION
Owner of parcel 144-070-17

By: BOARD OF REGENTS OF THE NEVADA
SYSTEM OF HIGHER EDUCATION
Daniel J. Klaich, Chancellor

Date

EXHIBIT "A"
LEGAL DESCRIPTION
For
WATER FACILITIES EASEMENT

All that certain real property situate in the Southwest One Quarter (SW ¼) of Section Twenty-Nine (29), Township Eighteen North (T18N.), Range Twenty East (R20E.), M.D.M, more particularly described as follows:

COMMENCING at a street centerline monument marking the centerline of that 52 foot wide access easement on Parcel Map No. 3056, recorded June 25, 1996, Official Records, Washoe County, Nevada; said POINT OF COMMENCEMENT begin further described as the easterly terminus of that curve designated as "C20" on said parcel map;

THENCE from said POINT OF COMMENCEMENT, South 74°24'55" West 400.55 feet to the POINT OF BEGINNING;

THENCE along the arc of a curve to the left, concave southerly, radial to a bearing of South 15°00'57" West, having a radius of 287.11 feet, through a central angle of 09°15'04", a distance of 46.36 feet to a point of cusp;

THENCE along the arc of a non-tangent curve to the left, concave westerly, radial to a bearing of North 02°47'14" East, having a radius of 50.58 feet, through a central angle of 56°53'00", a distance of 50.22 feet;

THENCE along the arc of a non-tangent curve to the left, radial to a bearing of North 53°52'03" West, having a radius of 237.25 feet, through a central angle of 64°02'56", a distance of 265.21 feet;

THENCE along the arc of a non-tangent curve to the left, radial to a bearing of South 62°05'02" West, having a radius of 40.00 feet, through a central angle of 19°21'07", a distance of 13.51 feet to a point of cusp, lying on the southerly line of said 52 foot wide access easement;

THENCE along said southerly line, along the arc of a non-tangent curve to the right, concave southerly, radial to a bearing of South 08°13'56" West, having a radius of 574.00 feet, through a central angle of 03°17'15", a distance of 32.94 feet;

THENCE departing said southerly line, along the arc of a non-tangent curve to the left, concave easterly, radial to a bearing of South 63°31'09" East, having a radius of 10.00 feet, through a central angle of 51°10'59", a distance of 8.93 feet to a point of reverse curvature;

THENCE along the arc of said reverse curve, having a radius of 256.97 feet, through a central angle of 65°52'12", a distance of 295.43 feet to said POINT OF BEGINNING, containing 6,283 square feet of land, more or less.

The basis of bearings for this description is Nevada State Plane Coordinate System, West Zone, NAD 83/94, based upon GPS observations taken on Washoe County GPS control monuments, on file with the Washoe County Engineering office.

Michael J. Miller, P.L.S. 6636
CFA Inc.
1150 Corporate Blvd.
Reno, NV
89502