

# Truckee River Flood Management Project



**Flood Project Coordinating Committee**

**Special Meeting Agenda Book**

**February 4, 2011**



Call to Order and Roll Call

Pledge of Allegiance

Announcements

Truckee River  
Flood Project

Public Comment

Report on Financial Status, Fund  
Balance Allocation, etc.

Flood Project  
Coordinating  
Committee

Prior Redemption of a Portion of  
the WC 1998 Sales Tax Revenue  
Bonds

Special Meeting

Virginia Street Bridge

February 4, 2011

Escrow Account for Acquisition of  
a Portion of UNR Farms

Acquisition of Land from Local  
Governments

Comments, Requests, and Future  
Agenda Items

## TRUCKEE RIVER FLOOD PROJECT COMMONLY USED ACRONYMS

<b>AASHTO</b>	American Association of State Highway Officials
<b>AF or AC-FT</b>	Acre Feet
<b>AFB</b>	Alternative Formulation Briefing
<b>AIA</b>	American Institute of Architects
<b>ARRA</b>	American Recovery and Reinvestment Act of 2009
<b>ASA</b>	Assistant Secretary of the Army
<b>ATR</b>	Agency Technical Review
<b>BCC</b>	Board of County Commissioners
<b>BCERE</b>	Baseline Cost Estimate for Real Estate
<b>CERCLA</b>	Comprehensive Environmental Response, Compensation and Liability Act
<b>CFS</b>	Cubic Feet Per Second
<b>COE</b>	Corps of Engineers
<b>CORPS</b>	U.S. Army Corps of Engineers
<b>CRA</b>	Continuing Resolution Authority
<b>CY</b>	Cubic Yards
<b>EIS</b>	Environmental Impact Statement
<b>ERDC</b>	Army Corps Environmental Research and Development Center
<b>ETR</b>	External Technical Review
<b>FCSA</b>	Feasibility Cost Sharing Agreement
<b>FEMA</b>	Federal Emergency Management Agency
<b>FHWA</b>	Federal Highway Administration
<b>FPCC</b>	Flood Project Coordinating Committee
<b>FPTAC</b>	Flood Project Technical Advisory Committee
<b>FPWG</b>	Flood Project Working Group
<b>FRC</b>	Feasibility Review Conference
<b>GIS</b>	Geographical Information System
<b>GRR</b>	General Reevaluation Report
<b>IWRWC</b>	Interim Western Regional Water Commission
<b>HEC-RAS</b>	Hydrologic Engineering Center - River Analysis System (the River Hydraulic Model)
<b>HEC-1</b>	Hydrologic Engineering Center - 1 (the Hydrologic Model)
<b>HQUSACE</b>	Headquarters, U.S. Army Corps of Engineers (Washington DC)
<b>HTRW</b>	Hazardous, Toxic, and Radioactive Wastes
<b>IDIQ</b>	Indefinite Delivery, Indefinite Quantity
<b>ILA</b>	Interlocal Agreement
<b>JPA</b>	Joint Powers Authority
<b>KEYWAY</b>	A small, usually concrete wall, which extends below the foundation of a floodwall or levee into the ground to stabilize the wall/levee.
<b>LERRD</b>	Lands, Easements, and Rights-of-Way, Relocations and Disposal Areas
<b>LID</b>	Low Impact Development
<b>LID</b>	Local Improvement District
<b>LPP</b>	Locally Preferred Plan
<b>MCACES</b>	Micro-Computer Aided Cost Estimating System
<b>MOA</b>	Memorandum of Agreement
<b>MOU</b>	Memorandum of Understanding
<b>NDEP</b>	Nevada Division of Environmental Protection

## TRUCKEE RIVER FLOOD PROJECT COMMONLY USED ACRONYMS

<b>NDOT</b>	Nevada Department of Transportation
<b>NED</b>	National Economic Development Plan
<b>NEPA</b>	National Environmental Policy Act
<b>NFIP</b>	National Flood Insurance Program
<b>NVLC</b>	Nevada Land Conservancy
<b>NRS</b>	Nevada Revised Statutes
<b>NWRA</b>	Nevada Water Resources Association
<b>PCA</b>	Project Cooperating Agreement (Replaced with PPA - see below)
<b>PDT</b>	Project Delivery Team
<b>PED</b>	Planning, Engineering and Design
<b>PMBP</b>	Project Management Business Process
<b>PMP</b>	Project Management Plan
<b>PMT</b>	Project Management Team
<b>PPA</b>	Project Partnership Agreement with the U.S. Army Corps of Engineers for the financing and construction of the project. (Replaces the PCA)
<b>R and U</b>	Risk and Uncertainty
<b>REDM</b>	Real Estate Design Memorandum
<b>REP</b>	Real Estate Plan
<b>RETRAC</b>	Reno Transportation Rail Access Corridor
<b>RFP</b>	Request for Proposals
<b>RFQ</b>	Request for Qualifications
<b>ROD</b>	Record of Decision
<b>RSIC</b>	Reno Sparks Indian Colony
<b>RTAA</b>	Reno Tahoe Airport Authority
<b>RTC</b>	Regional Transportation Commission
<b>RWPC</b>	Regional Water Planning Commission
<b>SHPO</b>	State Historic Preservation Office
<b>SNPLMA</b>	Southern Nevada Public Land Management Act
<b>SOW</b>	Scope of Work
<b>TAC</b>	Technical Advisory Committee
<b>TRFMA</b>	Truckee River Flood Management Authority
<b>TMWA</b>	Truckee Meadows Water Authority
<b>TMSA</b>	Truckee Meadows Service Area
<b>TMWRF</b>	Truckee Meadows Water Reclamation Facility
<b>TNC</b>	The Nature Conservancy
<b>TRAction</b>	Truckee River Action (Project)
<b>TRFP</b>	Truckee River Flood Project
<b>TROA</b>	Truckee River Operating Agreement
<b>URA</b>	Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act
<b>URA Reg</b>	Federal regulations implementing the URA
<b>WCDWR</b>	Washoe County Department of Water Resources
<b>WG</b>	Working Group
<b>WRDA</b>	Water Resources Development Act
<b>WSEL</b>	Water Surface Elevations



Meeting Date: February 4, 2011

**VOTING MEMBERS (Quorum = five):**

- \_\_\_ Ron Smith (Chair) (*City of Sparks*)
- \_\_\_ Bob Larkin (Vice-Chair) (*Washoe County*)
- \_\_\_ David Aiazzi (*City of Reno*)
- \_\_\_ Robert Dickens (*UNR*)
- \_\_\_ David Humke (*Washoe County*)
- \_\_\_ Geno Martini (*City of Sparks*)
- \_\_\_ Jessica Sferrazza (*City of Reno*)
- \_\_\_ Ron Zurek (*UNR*)

**VOTING ALTERNATES:**

- \_\_\_ Kitty Jung (*Washoe County*)
- \_\_\_ Ed Lawson (*Sparks*)
- \_\_\_ Troy Miller (*UNR*)
- \_\_\_ Vacant (*Reno*)

**NON VOTING MEMBERS:**

- \_\_\_ Shaun Carey (*Sparks Manager*)
- \_\_\_ Franco Crivelli (*Community Coalition*)
- \_\_\_ Jeff Cronk (*Sparks Finance*)
- \_\_\_ Donna Dreska (*Reno Manager*)
- \_\_\_ John Flansberg (*Reno Public Works*)
- \_\_\_ John Jackson (*Pyramid Lake Paiute Tribe*)
- \_\_\_ Neil Krutz (*Sparks Public Works*)
- \_\_\_ Burnham Moffat (*Comm. Coalition.*)
- \_\_\_ Jill Olsen (*Reno Finance*)
- \_\_\_ Austin Osborne (*Storey County Rep.*)
- \_\_\_ Dan St. John (*W.C. Public Works*)
- \_\_\_ Dean Schultz (*Reno Tahoe Int'l Airport*)

**NON VOTING MEMBERS continued:**

- \_\_\_ John Sherman (*W.C. Finance Director*)
- \_\_\_ Katy Simon (*W.C. Manager*)
- \_\_\_ Vacant (*UNR*)

**NON VOTING ALTERNATES:**

- \_\_\_ Bob Kershaw (*Storey County Alt.*)
- \_\_\_ David Childs (*W.C. Manager Alt.*)
- \_\_\_ Dennis Ghiglieri (*Comm. Coalition Alt.*)
- \_\_\_ Susan Schlerf (*Reno Alternate*)
- \_\_\_ Todd Welty (*Airport Authority Alternate*)

**END OF ROLL CALL**

**STAFF**

- \_\_\_ Naomi Duerr (*Director*)
- \_\_\_ Jay Aldean (*Deputy Director*)
- \_\_\_ Laura Bayer (*Administrative Assistant II*)
- \_\_\_ Lisa Diebler (*Account Clerk*)
- \_\_\_ Ed Evans (*Sr. Hydrogeologist*)
- \_\_\_ Melissa Faigeles (*Natural Resource Planner*)
- \_\_\_ Mimi Fujii-Strickler (*Admin Svcs & Govt Affrs Mgr*)
- \_\_\_ Kevin Gorges (*Intern*)
- \_\_\_ Danielle Henderson (*Natural Resource Mgr*)
- \_\_\_ Susie Kapahee (*Public Info. Officer*)
- \_\_\_ Greg Salter (*W.C. District Atty*)
- \_\_\_ Eric Scheetz (*Licensed Engineer*)
- \_\_\_ Paul Urban (*Senior Licensed Engineer*)
- \_\_\_ Lori Williams (*Sr. Financial Analyst*)

# Truckee River Flood Management Project

## FLOOD PROJECT COORDINATING COMMITTEE

### NOTICE OF SPECIAL MEETING AND AGENDA

**FRIDAY – February 4, 2011 – 8:30 A.M.**

**Please note new location for this meeting:**

**Sparks City Council Chambers  
Legislative Building  
745 Fourth Street, Sparks, Nevada**

#### Voting Members

Ron Smith, **Chair**  
Robert Larkin, **Vice-Chair**  
David Aiazzi  
Robert Dickens  
David Humke  
Geno Martini  
Jessica Sferrazza  
Ron Zurek

#### Non-Voting Members

Shaun Carey  
Franco Crivelli  
Jeff Cronk  
Donna Dreska  
John Flansberg  
John Jackson  
Neil Krutz  
Troy Miller  
Burnham Moffat  
Jill Olsen  
Austin Osborne  
Dean Schultz  
Dan St. John  
John Sherman  
Katy Simon

#### **Pursuant to NRS 241.020, this notice has been posted at the following locations:**

Washoe County Administration, 1001 East Ninth Street, Reno, Nevada

Sparks City Hall, City Clerk, 431 Prater Way, Sparks, Nevada

Reno City Hall, City Clerk, One East First Street, Reno, Nevada

Truckee River Flood Project Office, 9390 Gateway Drive, Reno, Nevada

Truckee River Flood Project Website: <http://truckeeflood.us> (Click Committees, then Meeting Agendas or go to <http://truckeeflood.us/140/meeting.agendas.html>)

**PUBLIC COMMENT:** In order to conduct orderly, efficient, effective and dignified meetings that promote a governmental purpose with a governmental process, public comment may address any agenda item or other public issue that the Flood Project Coordinating Committee has the authority to effectuate or exercise control over. Public comment on matters beyond the Flood Project Coordinating Committee's scope of authority is not relevant to the Committee's business, does not invoke a governmental process nor serve a governmental purpose, and is contrary to the effective, efficient and orderly business conducted by the Committee. Each person addressing the Flood Project Coordinating Committee shall fill out a request to speak form, step up to the microphone when called, give his/her name, and limit the time of his/her presentation to three (3) minutes. All public comment remarks shall be addressed to the Committee as a body, and not to any member thereof. No person, other than members of the Committee and the person having the floor shall be permitted to enter into any discussion, either directly or through members of the Committee. No questions shall be asked of the Committee members except through the presiding officer. The Committee reserves the right to determine during its meeting, through a vote of its members, whether to allow additional public comment, limited to one (1) minute per person, on specified individual items on the agenda.

**NOTES:** Items on the agenda may be considered in an order different than they appear on the agenda. Unless otherwise indicated by an asterisk (\*), all items on the agenda are action items upon which the Flood Project Coordinating Committee may act. The meeting facility is accessible to the disabled. Persons with disabilities who require special accommodations or assistance (e.g. sign language, interpreters or assisted listening devices) at the meeting should notify Flood Project staff at 850-7429, forty-eight (48) hours before the meeting.

1. **CALL TO ORDER AND ROLL CALL** – Determination of a Quorum
2. **PLEDGE OF ALLEGIANCE**
3. **\*ANNOUNCEMENTS**
4. **\*PUBLIC COMMENT** – For all items on or off the agenda, limited to 3 minutes per person
5. **REPORT ON FLOOD PROJECT FINANCIAL STATUS, FUND BALANCE ALLOCATION, AND RELATED FINANCIAL ACTIVITIES**  
*Naomi Duerr, Director, Truckee River Flood Project*  
*Lori Williams, Sr. Fiscal Analyst, Truckee River Flood Project*

Update on year-to-date revenues and expenditures and related financial activities of the Truckee River Flood Project. Discussion of Fund Balance Allocation status, including land and relocation (planned and in-progress), TRAction Projects (planned and in-progress), debt service, and operations. Possible action to accept the report and/or provide direction to staff on related financial matters.

6. **PRIOR REDEMPTION OF A PORTION OF THE WASHOE COUNTY 1998 SALES TAX REVENUE BONDS FOR PUBLIC SAFETY AND FLOOD CONTROL IN AMOUNT NOT-TO-EXCEED \$15 MILLION DOLLARS**  
*John Sherman, Director, Finance Department, Washoe County*  
*Naomi Duerr, Director, Truckee River Flood Project*  
*Lori Williams, Sr. Fiscal Analyst, Truckee River Flood Project*

Discussion regarding use of a portion of Truckee River Flood Project's Fund Balance to retire a portion of the Washoe County 1998 sales tax revenue bonds for public safety and flood control. Discussion of financing alternatives and options. Possible action to approve early repayment of debt in an amount not-to-exceed \$15 million.

7. **AMENDMENT 1 TO THE INTERLOCAL AGREEMENT BETWEEN WASHOE COUNTY AND THE CITY OF RENO FOR DESIGN AND PERMITTING FOR THE VIRGINIA STREET BRIDGE TRACTION PROJECT, FOR AN ADDITIONAL AMOUNT NOT-TO-EXCEED \$3 MILLION, FOR A TOTAL CONTRACT AMOUNT NOT-TO-EXCEED \$4.8 MILLION**  
*Paul Urban, Flood Project Manager, Truckee River Flood Project*

Discussion and possible action to approve Amendment 1 to the Virginia Street Bridge TRAction Project for project design and permitting services, in the amount of \$3,000,000, for a total agreement amount not-to-exceed \$4,800,000. This agreement will provide funds to complete the design and permitting services for the Virginia Street Bridge and develop plans, specifications and estimate documents suitable for bidding and awarding the construction contract for replacing the existing bridge.

8. **AUTHORIZATION TO INITIATE ACQUISITION ACTIVITIES, OPEN ESCROW AND PROVIDE UP TO \$4 MILLION AS A DOWN-PAYMENT FOR THE ACQUISITION OF A PORTION OF UNR FARMS**

*Naomi Duerr, Director, Truckee River Flood Project  
Greg Salter, Deputy District Attorney, Washoe County*

Discussion and possible action to initiate formal activities to acquire a portion of UNR Farms (land, facilities and easements); authorize the opening of escrow; provide up to \$4 million as a down-payment; authorize the Director of the Truckee River Flood Project to execute and deliver all documents and funds (subject to County policies and limits on contracts), to complete due diligence and surveys, and negotiate a purchase agreement for consideration by the Flood Project Coordinating Committee; authorize the use of the 1/8 cent sales tax dedicated to the Truckee River Flood Management Project for the acquisition; and forward these actions to the Board of County commission for consent.

9. **DISCUSSION AND POSSIBLE ACTION ON ACQUISITION OF LAND FROM LOCAL GOVERNMENTS FOR FLOOD PROJECT FACILITIES**

*Naomi Duerr, Director, Truckee River Flood Project*

Discussion regarding initiation of activities to acquire local government owned lands needed for the flood project. Discussion of alternatives to fee title acquisition. Possible direction to staff to initiate acquisition of lands, explore alternatives, or other direction.

10. **COMMITTEE MEMBER COMMENTS, REQUESTS AND FUTURE AGENDA ITEMS**

Possible action to approve items for future agendas.

11. **ADJOURNMENT**



## FLOOD PROJECT COORDINATING COMMITTEE

**MEETING DATE: February 4, 2011**

**DATE:** January 31, 2011  
**TO:** Flood Project Coordinating Committee Members  
**THROUGH:** Naomi Duerr, Director, Truckee River Flood Management Project, 850-7420  
[nduerr@washoecounty.us](mailto:nduerr@washoecounty.us)  
**FROM:** Lori Williams, Sr. Financial Analyst, Truckee River Flood Project, 850-7421  
[lwilliams@washoecounty.us](mailto:lwilliams@washoecounty.us)  
**SUBJECT:** **PRIOR REDEMPTION OF A PART OF THE WASHOE COUNTY, NEVADA 1998 SALES TAX REVENUE BONDS FOR PUBLIC SAFETY AND FLOOD CONTROL IN AN AMOUNT NOT-TO-EXCEED \$15 MILLION**

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### **SUMMARY**

This item is to request the use of the proceeds from the 1/8 cent sales tax revenue available in the Truckee River Flood Management Fund 211 for the redemption of a portion of the \$16,875,000 in outstanding debt related specifically to the 1998 Sales Tax Revenue Bonds, in an amount not-to-exceed \$15 million; and to forward the request to the Board of County Commissioners for consent and authorization of the Flood Project Director to carry out all necessary activities to pay down this outstanding debt.

### **PREVIOUS ACTION**

**1998** BCC approved sale of \$21,915,000 in sales tax revenue bonds for public safety and flood control for the Emergency Operations Center

### **DISCUSSION**

The Flood Project currently has a debt service of \$2.7 million per year. There are two outstanding bond issues:

The first bond was issued in **1998** for **\$21,915,000** and has a remaining principal balance of \$16,875,000 with a term ending in June 2029. The purpose of this bond was to fund construction of the Regional Emergency Operations Center. Debt service (principal and interest) for this issue is presently \$25,660,691. This bond has reached the point where a portion of the principal can be paid off with no penalties or fees.

The second bond was issued was in **2006** for **\$21,000,000**. The purpose of this bond is to fund construction of the Truckee River Flood Project construction projects and land acquisition. It has a remaining principal balance of \$19,445,669 with a term ending June 2036. This bond resets every 5 years and is not negotiable at this time.

Of note, in **2000**, a Certificate of Participation (COP) was sold for **\$16,950,000** with a term of 10 years. The purpose of the COP was to construct the Regional Public Safety Training Center. The COP was paid off in Fall 2010.

To take advantage of opportunities to prudently utilize available cash sources to benefit the project and the possible future Joint Powers Authority (JPA), staff has explored its options for paying down debt for the purpose of easing cash flow issues associated with prospective JPA fee implementation and to reduce long term interest costs. To this end, staff has developed the following four options.

**Option 1: Early redemption of \$3 million of the 1998 Sales Tax Revenue Bonds using cash in Fund 211 - “front to back”**

This option would pay off \$3 million in principal for the next 5 years. Using a “front-to-back” payment option means principal would come off the front (or early) years instead of the back (last) years. Thus, the term of the debt remains the same, but payments in the first 5 years would be reduced and some interest would be eliminated. Repayment would occur as follows:

2012 – 2016	Interest only payments
2017 – 2029	Remaining principal and interest payments continue for the original term of the bond issue (2028).

**Result:** This action would free up operational cash flow during the next 5 years when the anticipated JPA’s revenues from rates and fees will be more difficult to project. Debt payments are reduced overall by about **\$700,000** per year, making that same amount available each year for other commitments (i.e., TRAction Projects, land acquisition, etc.) for each of the 5 years. Total estimated interest savings are **\$415,000**.

**Option 2: Early redemption of \$6 million of the 1998 Sales Tax Revenue Bonds using cash in Fund 211, which would be paid \$3 million “front-to-back” and \$3 million “back-to-front.”**

This option would pay off \$3 million in principal for the next 5 years, AND pay off \$3 million in principal in the last few years. Repayment would continue as interest only payments for fiscal years 2012 through 2016, with principal and interest payments continuing through December 2026, thus shaving 2 years off the original June 2029 ending date.

2012 – 2016	Interest only payments
2017 – 2027	Remaining principal and interest payments continue for the term of the bond issue, cutting two years off the term of the bond, <b>with a reduced interest cost.</b>

**Result:** This action would free up operational cash flow during the next 5 years when the anticipated JPA’s revenues from rates and fees will be more difficult to project. It also pays off the bonds 2 years early. With the \$3 million “front to back” payment, debt payments are reduced overall by about **\$700,000** per year for 5 years, making that same amount available each year for other commitments (i.e., TRAction Projects, land acquisition, etc.) With the additional \$3 Million “back to front” payment, debt payments are reduced overall by an additional **\$150,000** per year for 15 years, making that same amount available each year for other commitments (i.e., TRAction Projects, land acquisition, etc.) Total funds freed up for reinvestment are **\$850,000** for the first 5 years, and **\$150,000** for the remaining 11 years. Interest savings are approximately **\$3,100,000**.

**Option 3: Early redemption of \$9 million of the 1998 Sales Tax Revenue Bonds using cash in Fund 211, which would be paid \$6 million “front-to-back” and \$3 million “back-to-front”.**

This option would pay off \$6 million in principal for nearly the next eight years, AND pay off \$3 million in principal in the last few years. Repayment would continue as interest only payments for fiscal years 2012 through 2019, and principal and interest payments continuing through December 2026 – about 2½ years sooner than the original term ending June 2029.

2012 – 2019	Interest only payments
2020 – 2027	Remaining principal and interest payments continue for the term of the bond issue, dropping the term of the bond by 2½ years, <b>with a reduced interest cost.</b>

**Result:** This action would free up operational cash flow during the next 8 years when the anticipated JPA’s revenues from rates and fees will be more difficult to project. It also pays off the bonds 2 1/2 years early. With the \$6 million “front-to-back” redemption, debt payments are reduced by about **\$870,000** per year for 8 years, making that same amount available each year for other commitments (i.e., TRAction Projects, land acquisition, etc.) With the additional \$3 million “back to front” payment, debt payments are reduced further by an additional **\$150,000** per year for 15 years, making that same amount available each year for other commitments (i.e., TRAction Projects, land acquisition, etc.) Total funds freed up for reinvestment are **\$1,020,000** for the first 8 years, and **\$150,000** for the remaining 8 years. Interest savings are approximately **\$4,100,000**.

**Option 4: Early redemption of \$12 million of the 1998 Sales Tax Revenue Bonds using cash in Fund 211, which would be paid \$6 million “front-to-back” and \$6 million “back-to-front.”**

This option would pay off \$6 million in principal for nearly the next eight years, AND pay off \$6 million in principal in the last few years. Repayment would continue as interest only payments for fiscal years 2012 through 2019, and principal and interest payments continuing through very early in fiscal year 2024 – about 5 years sooner than the original term ending June 2029.

2012 – 2019	Interest only payments
2020 – 2024	Remaining principal and interest payments continue for the term of the bond issue, dropping the term of the bond by 5 years, <b>with a reduced interest cost.</b>

**Result:** This action would free up operational cash flow during the next 8 years when the anticipated JPA’s revenues from rates and fees will be more difficult to project. It also pays off the bonds nearly 5 years early. With the \$6 million “front-to-back” redemption, debt payments are reduced by about **\$870,000** per year for 8 years, making that same amount available each year for other commitments (i.e., TRAction Projects, land acquisition, etc.) With the additional \$6 million “back to front” payment, debt payments are reduced further by an additional **\$305,000** per year for 14 years, making that same amount available each year for other commitments (i.e., TRAction Projects, land acquisition, etc.) Total funds freed up for reinvestment are **\$1,175,000** for the first 8 years, and **\$305,000** for the remaining 6 years. Estimated interest savings are **\$6,400,000**.

**Option 5: Early redemption of \$15 million of the 1998 Sales Tax Revenue Bonds using cash in Fund 211, which would pay off most of the bond principal.**

**Result:** Similar savings as the other scenarios, but would cut off much of the remaining interest. However, cash flow would likely be significantly impacted for the next year.

**FISCAL IMPACT**

This action will reduce debt payments on the bonds so as to free up cash flow during the start up years of the JPA, possibly reduce the length of the term of the debt, and produce interest savings. The amount of each will vary depending upon the option selected; however, the ranges of benefits are summarized below:

Years of reduced debt service payments in near future:	<b>Between 5 and 8 years</b>
Years removed from term of debt schedule:	<b>Between 0 and 5 years.</b>
Interest savings:	<b>Between \$415,000 and \$6,400,000.</b>

The Truckee River Flood Management Fund 211, has a current cash balance of \$19,600,000 and expects to receive an additional \$3 million in revenues for remainder of FY 10-11. The current total fund balance is currently estimated at \$22.2 million. Based on current encumbrances, commitments, and projected cash requirements, from \$2 million to a maximum of \$15 million is forecast to be available for early debt retirement.

**RECOMMENDATION**

It is recommended that the Flood Project Coordinating Committee select and approve one of the options or combination of options for early repayment of the 1998 Sales Tax Revenue Bonds for Public Safety and Flood Control, to request the Board of County Commissioners to consent to the request and to grant authority to the Flood Project Director to accomplish this payment. The Finance Department is directed to make the appropriate adjustments between the Flood Operating Fund, particularly transfers to Fund 494, and Debt Service Funds.

**POSSIBLE MOTION**

I move to authorize prior repayment of the 1998 Sales Tax Revenue Bonds for Public Safety and Flood Control in an amount not-to-exceed \$15 million, and to request the Board of County Commissioners to consent to the request and to grant authority to the Flood Project Director to accomplish this payment.



## **FLOOD PROJECT COORDINATING COMMITTEE**

### **STAFF REPORT**

**MEETING DATE: February 4, 2011**

**DATE:** January 26, 2011

**TO:** Flood Project Coordinating Committee Members

**THROUGH:** Naomi Duerr, Director, Truckee River Flood Management Project,  
850-7420 [nduerr@washoecounty.us](mailto:nduerr@washoecounty.us)

**FROM:** Paul Urban, Project Manager, Truckee River Flood Management Project  
850-7470, [jaldean@washoecounty.us](mailto:jaldean@washoecounty.us)

**SUBJECT:** **Virginia Street Bridge TRAction Project: Amendment 1 to the Interlocal Agreement between the County of Washoe and the City of Reno for the Virginia Street TRAction Project: Phase 2 Bridge Design.**

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### **SUMMARY**

This item requests approval of Amendment 1 to the Virginia Street Bridge TRAction Project to include Phase 2 for project design and permitting and environmental documentation services, in the amount of \$3,000,000, for a total agreement amount not-to-exceed \$4,800,000. This agreement will complete the design and permitting services for the Virginia Street Bridge and develop plans, specifications and estimate documents suitable for bidding and awarding the construction contract for replacing the existing bridge.

### **PREVIOUS ACTION**

August 18, 2006      FPCC authorized the TRAction Project Program and approved the process for bringing projects before the Committee.

May 11, 2007      FPCC approved a feasibility study and visioning process for replacement of the Truckee River bridges at Lake, Center, Virginia, and Sierra Streets as a TRAction Project for a cost not-to-exceed \$500,000.

June 8, 2007      FPCC approved an amendment to the scope of work for the Reno Bridge Visioning TRAction Project – Phase I to add the Arlington and Booth Street bridges to the visioning process and increase the cost by \$100,000 for a new total cost not-to-exceed \$600,000.

- July 11, 2007 City of Reno approved an interlocal agreement with Washoe County for the funding of the Downtown Reno Bridge Visioning TRAction Project in an amount not-to-exceed \$600,000.
- July 24, 2007 BCC approved an interlocal agreement with the City of Reno for the funding of the Downtown Reno Bridge Visioning TRAction project to an amount not-to-exceed \$600,000.
- April 11, 2008 FPCC approved Change Order No. 1 to the Phase I Downtown Reno Bridges TRAction Project in the amount of \$185,000 to include MCACES cost estimation services, additional surveying services and hydraulic modeling services to better define the proposed bridge at Virginia Street to be included in the draft Corps' EIS and GRR. The total cost of the contract is \$785,000.
- May 13, 2008 BCC approved Change Order No 1 to the Phase I Downtown Reno Bridges TRAction Project in the amount of \$185,000 to include MCACES cost estimation services, additional surveying services and hydraulic modeling services to better define the proposed bridge at Virginia Street to be included in the draft Corps' EIS and GRR.
- January 14, 2009 Reno City Council approved applying for TRAction Project Program assistance to design a bridge to replace the Virginia Street Bridge as Phase II of the Downtown Reno Bridge Replacement TRAction project.
- February 13, 2009 FPCC approved Phase II- design and environmental permitting of the Virginia Street Bridge TRAction Project, in an amount not-to-exceed \$2,000,000. The total TRAction Project agreement was approved at \$2,785,000.
- May 12, 2009 BCC approved Phase II project design and environmental permitting of the Virginia Street Bridge TRAction Project, in an amount not-to-exceed \$2,000,000. Total agreement amount of \$2,785,000.
- November 5, 2010 FPCC approved the specific revised use of flood project funds for the Virginia Street Bridge TRAction Project: Design (30%) and Permitting Services, in an amount not-to-exceed \$1,800,000.
- November 9, 2010 BCC approved a new agreement in an amount of \$1,800,000, rescinding the previous agreement and subsequent amendments that were initially approved by the BCC on July 24, 2007.
- January 28, 2011 The TAC voted to recommend that the FPCC either: 1) approve the amendment to the Virginia Street Bridge TRAction agreement to add \$3 Million to complete the design, permitting and construction bid documents, or 2) consider an alternative use for the \$3 Million that better meets current project financial needs.

## **BACKGROUND**

The Virginia Street Bridge Replacement Project has been identified as being a priority project by the City of Reno and has been discussed in connection with the TRAction Project program since the inception of the Flood Project. It was formally approved as a TRAction Project in May 2007 by the FPCC and later by the BCC in July of that same year.

City of Reno staff developed an RFP to solicit firms interested in performing the (new) Phase 1 visioning process and preliminary bridge design work. An interview process was arranged and four firms were interviewed by a panel of various stakeholder and agency representatives. The firm of Jacobs Engineering Group Inc was selected for this work. The City of Reno completed negotiations with Jacobs and recommended a contract in the amount of \$1,791,000 to complete Phase 1 of the Virginia Street Bridge design and permitting and construction bid documents for approval before the Reno City Council in November 2010.

Design services are broken down into two steps.

**Phase 1** will complete three basic tasks:

- 1) completion of the needed visioning and selection of the bridge type,
- 2) development of preliminary design drawings (30%), and
- 3) initiation of the project environmental documentation and permitting.

Phase 1 will build on the results of the initial visioning process that was conducted over the last few years and include additional public outreach and visioning where necessary. Project alternative design concepts will be developed by the consultants to a point whereby a selection for a bridge type can be made. After selection of the bridge type, the consultants will further develop the selected conceptual design into a 30% or preliminary design level.

**Phase 2** will build on the preliminary design from Phase 1 and complete all remaining engineered final design drawings, specifications, environmental documentation and permitting effort for the project.

The agreement being considered at this time is to amend the Phase 1 Design Agreement to include Phase 2 and to fund completion of the remaining design and permitting activities, and complete construction bid documents.

All funding for this agreement has been budgeted in the Flood Project Capital Account Fund 494. Funds for the Virginia Street Bridge were included in Flood Project's FY10 budget in an amount of \$2,500,000. The agreement for Phase 1 was only for \$1,800,000, leaving \$700,000 available for this agreement. The remaining funding for this agreement (\$2,300,000) will come from the \$4,000,000 "Unallocated" capital fund line item in the FY 10-11 budget.

Estimates have shown that the complexity of the bridge design and the number of additional tasks required will drive the overall cost of the design services much higher than the original \$2,000,000 design cost estimate in 2007. Since the bridge type is still unknown at this time it is difficult to make an estimate of an appropriate design fee to complete the final design services. However, Jacobs Engineering Group, the consultants designing the bridge, provided an approximate maximum estimated fee in the amount of \$3,000,000 for Phase 2 work. The cost for the full design and permitting services is expected to be \$4,800,000. Sufficient funds are available in the flood project fund to complete the design.

### **TAC Discussion**

At the January 28, 2011 Technical Advisory Committee meeting, the TAC had a detailed discussion concerning moving forward with the Phase 2 Design process for the Virginia Street Bridge at this time, and in lieu of an alternate use of the funds. In summary, the following points were made:

#### **Move forward with committing funds to Phase 2 of Virginia Street Bridge (VSB) Design now because:**

- If we don't, the funds may not be available in a future year and we will only have completed part of the project at a cost of \$1.8 million: a bridge type selected, 30% of a bridge designed and a portion of the environmental documentation and permitting completed.
- We should spend limited flood project funds on activities which will result in flood protection sooner rather than later. Designing a bridge now will result in flood protection sooner than paying down debt, for example.
- Completing the bridge design means that the design may be ready soon after Congress authorizes the project, making the bridge "shovel ready" when the Corps is ready to start construction.
- Completing the design of the bridge, and possibly accelerating construction of the bridge with Corps dollars (note, local funding is not available), will help provide jobs in the community sooner than not.

#### **Move forward with an *alternative use* of the funds and hold off on approving Phase 2 of VSB Design because:**

- Fees are needed to acquire right of way and construct the bridge. Since the Joint Powers Authority has not yet been agreed to, it casts doubt on whether fees and thus local funding for the construction project will be available any time soon. The longer the approval process for the governance model, the longer it will take to implement fees. It is not appropriate to design a project you have no funds to construct.
- Even if the Corps of Engineers pays for the bridge construction, the Flood Project will have to make a 5% cash match (estimated at \$1.25 million), and provide the required 35% match (\$8.75 million in other in-kind contributions). Fees will be required to meet these obligations.
- If an interlocal, decentralized model is selected instead of the JPA, it will add significantly to the time horizon for setting fees. It took about 2 years to develop the key provisions and text for the JPA. It will take at least a year to start over again with an interlocal model. Bond Counsel has already advised that there are significant, unresolved financial issues with the decentralized model. Joint fee setting has its issues, and centralized fee setting will require legislation, unlikely in the current political arena.
- There is no Scope of Work for Phase 2 of the Bridge Design. Since no bridge type is selected, it is unclear what direction the consultant needs to go or how much it will cost.

It is not known at this time whether \$3 million is too much or not enough. The current consultant has surprised the team before with cost estimates.

At the end of the TAC discussion, the TAC, on a 7-to-2 vote, decided to recommend that the FPCC approve \$3 million in additional funds for the Virginia Street Bridge Design – Phase 2, *as one of several alternatives for the use of the available funds*. Discussion about the motion included the pay down of flood project debt as one of the alternatives, but this alternative was not specifically mentioned in the motion. Concern was also expressed over how the FPCC would weigh the “alternative options” the TAC suggested.

### **FISCAL IMPACT**

Replacement of some or all of the bridges in downtown Reno is part of the overall flood project’s Locally Preferred Plan (LPP) and is appropriately funded with the 1/8 cent sales tax and the interest earnings in the Truckee River Flood Project’s account. The fiscal impact of this item will not exceed \$3,000,000. There are sufficient funds for this expenditure in the Truckee River Flood Project’s capital fund account 494.

Use of this \$3 million for an alternative flood project purpose, if this is what the FPCC decides to do, would also come from the 1/8 cent sales tax and interest earnings in the Truckee River Flood Project’s account.

### **RECOMMENDATION**

It is recommended that the Flood Project Coordinating Committee either:

1. Approve, and forward to the Board of County Commissioners for consent, Amendment 1 to the Interlocal Agreement between the County of Washoe (on behalf of the Truckee River Flood Project) and the City of Reno for the Virginia Street Bridge TRAction Project, for Phase 2 Bridge Design to complete final design, permitting, and environmental documentation services, and construction bid documents, and authorize an additional amount not-to-exceed \$3,000,000 for the project, with a total contract amount not-to-exceed \$4,800,000, to be charged to Truckee River Flood Project capital fund account 494.

OR

2. Provide direction for the use of this \$3 million for an alternative use that would better fit the financial needs of the flood project at this time.

### **POSSIBLE MOTION**

Should the Committee members agree with staff’s recommendation to approve amendment 1, a possible motion would be:

“Move to approve and forward to the Board of County Commissioners for consent, Amendment 1 to the Interlocal Agreement between the County of Washoe (on behalf of the Truckee River Flood Project) and the City of Reno for the Virginia Street Bridge TRAction Project for Phase 2- Bridge Design, to amend the agreement to add completion of final design, permitting and environmental documentation services, and development of the construction bid documents, and to authorize an additional amount

not-to-exceed \$3,000,000, with a total contract amount not-to-exceed \$4,800,000, to be charged to Truckee River Flood Project capital fund account 494 (1/8% sales tax for Truckee River Flood Management Infrastructure).

Should the Committee members agree that direction be given to staff to use these funds in an alternative way:

“ Move to direct staff to use \$3 million of Truckee River Flood Project Funds for the alternative purpose agreed to by the FPCC.”

NSD:jl

Attachment: Amendment 1 to Virginia Street Bridge TRAction Project Agreement

**Attachment #1**

(Rev. 1-25-11)

INTERLOCAL AGREEMENT  
(Virginia Street TRAction Project, Phase 1 Bridge Design)

**Amendment No. 1**

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*Summary:* Expands the work to include Phase 2 Design of the bridge and increases the amount of financing to be provided by County to a total of \$4.8 million.  
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**A1.1 Recitals**

**WHEREAS**

A. The replacement of the Virginia Street bridge in downtown Reno is a key element of the Truckee River Flood Management Project, and has been approved by the Flood Project Coordinating Committee as a “TRAction” (Truckee River Action) Project. In July 2007, the parties entered into an Interlocal Agreement (which agreement was amended once) for the County to finance and City to conduct a study to determine the feasibility of replacing six downtown bridges including Virginia Street Bridge for purposes of flood reduction. The feasibility and visioning study was completed and in November of 2010, the parties entered into a new “Interlocal Agreement (Virginia Street Traction Project, Phase 1 Bridge Design)” in the amount of \$1,800,000 to begin designing the bridges (the “**Agreement**”). The Agreement superseded the July 2007 agreement and amendment.

B. The parties desire to amend the Agreement to add a Phase 2 final design element and increase the County’s financial commitment to \$4.8 million.

NOW THEREFORE, in exchange for the mutual covenants contained in the Agreement as amended hereby, the Parties agree as follows.

**A1.2 General**

The Agreement is hereby amended and modified in all relevant places to accomplish the intents and effects stated herein. All other provisions in the Agreement remain in full force and effect without interruption as herein amended. The parties agree to execute any documents and take any action reasonably necessary to carry out the intent of this amendment. Unless otherwise stated below, this amendment does not constitute or imply any waiver of any default, right or obligation that exists as of the date of this amendment or ratify or approve any conduct the occurred before the date of this amendment. The parties further agree that any reference to the Agreement includes this and all subsequent amendments

**§A1.2 Addition of Phase 2 Design Tasks.**

§3.01 of the Agreement is amended to add to the purpose of the Virginia Street Design Project new Phase 2 Design tasks of completing all remaining engineered final design drawings, specifications, environmental documentation services and permitting for the Project. Notwithstanding contrary provisions of Paragraph 3.03.B of the Agreement, the Scope of Work for Phase 2 (including an identification of all tasks and associated costs) must first be reviewed and approved by the Project Management Team, and the approved Scope of Work must be submitted to and approved by the Flood Project Director before Reno may proceed with moving forward with the Phase 2 Design tasks (completion of bridge design, permitting, and environmental documentation, and development of construction bid documents.)

**§A1.3 County Financing Obligation**

§4.02 of the Agreement is amended to provide that subject to the terms and conditions in the Agreement, as amended, County agrees to immediately appropriate the sum of **\$4,800,000** from available funds in the Infrastructure Sales Tax Fund, and to grant funds from that appropriation to Reno for the Virginia Street Bridge Design Project.

**§A1.4 Counterpart Signatures**

This Amendment may be executed in counterparts and will be effective only when all parties have executed two counterpart signature pages and delivered them to County for distribution to all the parties.

**////////////////////////////////////Nothing Follows on this Page////////////////////////////////////**

Amendment No. 1 to Interlocal Agreement  
(Virginia Street TRAction Project, Phase 1 Bridge Design)

Counterpart Signature Page

CITY OF RENO  
**a municipal corporation**

By \_\_\_\_\_  
Robert A. Cashell, Sr. Mayor

Date \_\_\_\_\_

**Attest:**

By \_\_\_\_\_  
Lynnette Jones, Reno City Clerk

Date \_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Susan Ball Rothe, Deputy City Attorney**

Amendment No. 1 to Interlocal Agreement  
(Virginia Street TRAction Project, Phase 1 Bridge Design)

Counterpart Signature Page

COUNTY  
**Washoe County, a political subdivision of the State of Nevada**

**By** \_\_\_\_\_  
John Breternitz, Chairman  
Board of County Commissioners

**Date** \_\_\_\_\_

**Attest:**

**By** \_\_\_\_\_  
Amy Harvey, County Clerk

**Date** \_\_\_\_\_



## FLOOD PROJECT COORDINATING COMMITTEE STAFF REPORT

**MEETING DATE: February 4, 2011**

**DATE:** January 26, 2011  
**TO:** Board of County Commissioners  
**FROM:** Naomi Duerr, Director, Truckee River Flood Management Project, 850-7420,  
[nduerr@washoecounty.us](mailto:nduerr@washoecounty.us)  
**SUBJECT:** ESCROW FOR ACQUISITION OF A PORTION OF UNR FARMS

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### **SUMMARY**

Staff request authorization to formally initiate activities to acquire a portion of the University of Nevada Main Station Field Laboratory (also known as UNR Farms) and place into escrow a refundable, good-faith deposit of \$4 million toward the purchase of land and easements needed for the construction of flood control facilities along the Truckee River east of McCarran Boulevard. Staff also recommends authorizing the Flood Project Department Director to conduct due diligence and negotiate a purchase agreement for consideration by the Flood Project Coordinating Committee.

### **PREVIOUS ACTION**

September 23, 2003                      The BCC approved the "Early Land Acquisition Plan" dated September 5, 2003, for the Truckee River Flood Management Project.

### **BACKGROUND**

In the last decade, rapidly escalating land values in the Truckee Meadows and the ever increasing pace of development led to the development of the Early Land Acquisition Plan for the Flood Project which was approved by the Washoe County Board of County Commissioners (BCC) in 2003 and then amended periodically by the Flood Project Coordinating Committee. The goal of the Early Land Acquisition Plan is to acquire land for the Flood Project from willing sellers prior to the signing of a Project Partnership Agreement (PPA) with the U.S. Corps of Engineers (Corps). The Early Land Acquisition Plan focuses on parcels needed under all versions of the Corps project.

The approved Living River Plan calls for flood control facilities (including terracing, bank stabilization, and ecosystem restoration) to be built along the Truckee River east of McCarran Boulevard and west of the Vista Narrows. The Truckee River Flood Project is being presented with an opportunity to acquire the land needed for this portion of the project.

For the last year and a half, representatives of the Truckee River Flood Project and the University of Nevada, Reno have been actively engaged in developing a Memorandum of Understanding and a purchase agreement to purchase a portion of the UNR Farm to construct the terraces along the river bank to slow and store flood waters, and to restore the eroded river bank lands to more natural floodplain contour and habitat composition. The deposit of \$4 million into escrow would demonstrate that the Flood Project is ready, willing and able to continue the negotiations in earnest and acquire the property.

Under the proposed Escrow Instructions (Attachment 1), escrow would be opened with Ticor Title<sup>1</sup> of Nevada Inc. and the County, on behalf of the Flood Project, would deposit \$4 million as a good faith deposit into that escrow. The funds would be placed in an interest bearing account and would be applied to the purchase price *if a purchase agreement is approved by both the Board of Regents and Board of County Commissioners, on behalf of the Flood Project*, or alternatively, would be returned to the County if an agreement cannot be reached. Under the Opening Escrow Instructions, up until the point where a final acquisition deal is reached and Final Escrow Instructions are signed by both parties and delivered to the escrow officer, the Flood Project may withdraw the funds at any time and without first obtaining the consent of the Seller.

The Flood Project is currently considering two possible acquisition options.

The first option would be to purchase fee title to approximately **90 acres** of land for flood control facilities, excluding the “Main Station buildings” (which include a meat packing plant, veterinary center and other buildings that are located right along McCarran Boulevard) and easements of approximately **8 acres** of land to relocate Clean Water Way and the Pioneer Ditch. This is the minimum footprint required per current Corps of Engineers maps for the Locally Preferred Plan. Ultimately, if flood project models show that the Main Station buildings would be flooded after the terraces are constructed (as we expect), a levee would need to be constructed around the Main Station buildings to protect them from flooding. Option 1 is shown on Map 1, attached.

The other option would be to purchase fee title to approximately **120 acres** of land to build the flood control facilities, and obtain easements on another **6 acres** to relocate Clean Water Way and the Pioneer Ditch. This option includes *purchasing* the Main Station buildings, and possibly ancillary property at UNR Farm, and demolishing the buildings. If the buildings are purchased and demolished, it would not be necessary to build a levee around them as currently envisioned in the Locally Preferred Plan. Option 2 is shown on Map 2, attached.

The decision as to which parcel or combination of parcels to acquire will be dictated by the total cost of each option including acquisition, demolition, and other costs, as well as the desires of each party given their own organizational goals.

The Flood Project has commissioned Robert Schiffmacher, MAI, of the firm of Warren and Schiffmacher to conduct preliminary summary appraisals to aid in the Flood Project’s decision about which option to purchase. Once a group of parcels is selected for acquisition, Mr. Schiffmacher would be asked to conduct a complete appraisal of the selected land and easements under the Uniform Standards for Federal Land Acquisitions (the “Yellow Book”) as required by federal law governing this federally assisted project. Mr. Schiffmacher is on the County’s approved appraisal list and is qualified and experienced in doing such appraisals.

Results of the preliminary summary appraisal are expected at the end of April 2011. The complete Yellow Book appraisal will take another two months to complete as it will involve complex analysis of the results of dividing up the existing parcels of land.

At this point in the negotiations, it has been deemed appropriate to open escrow and put a down-payment on the property. If a purchase agreement is executed, the Chairman of the BCC would execute Opening Escrow Instructions and the sum of \$4 million would be deposited into escrow, and the Flood Project Department Director would be authorized to act on behalf of the County to execute and deliver documents and funds (subject to County contract procedures and limits) to complete the selection of what property to

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<sup>1</sup> Ticor Title of Nevada was jointly selected by the County and the University and has already opened a file and has researched and prepared extensive title reports and information on the properties.

purchase, prepare maps and surveys to obtain a legal description, complete due diligence on that property (including title investigations, environmental assessments and investigations, geotechnical investigations and building inspections), obtain the “Yellow Book” appraisal and negotiate a purchase agreement for presentation to the Board of Regents and the BCC for approval.

### **FISCAL IMPACT**

The costs of due diligence and surveys as well as the \$4,000,000 good faith deposit toward the land acquisition are both a part of the overall flood project and are appropriately funded with the 1/8-cent sales tax proceeds and/or the interest earnings in the Truckee River Flood Project account. Sufficient budget authority for the costs and deposit exists in project # IF94001 in the Truckee River Flood Project’s Infrastructure Fund 494 to proceed with the acquisition.

### **RECOMMENDATION**

Staff recommends that the Flood Project Coordinating Committee:

1. Approve formal initiation of activities to acquire land and easements for construction of flood control facilities on property located between the Truckee River and Clean Water Lane, east of McCarran Boulevard (University of Nevada Main Station Field Laboratory);
2. Authorize payment of a \$4 million dollar refundable, good-faith deposit;
3. Authorize the Director of the Truckee River Flood Project to execute and deliver all documents and funds (subject to County policies and limits on contracts), to complete due diligence and surveys, and negotiate a purchase agreement for consideration by the Board of County Commissioners; and
4. Authorize the use of the 1/8 cent sales tax dedicated to the Truckee River Flood Management Project Fund 494 – IF940041 for the acquisition.
5. Request the Washoe County Board of County Commissioners to consent in the above actions and request the Chairman of the BCC to execute the attached “Opening Escrow Instructions.”

### **POSSIBLE MOTION**

I move that the FPCC:

1. Approve formal initiation of activities to acquire land and easements for construction of flood control facilities on property located between the Truckee River and Clean Water Lane, east of McCarran Boulevard (University of Nevada Main Station Field Laboratory);
2. Authorize payment of a \$4 million dollar refundable, good-faith deposit;
3. Authorize the Director of the Truckee River Flood Project to execute and deliver all documents and funds (subject to County policies and limits on contracts), to complete due diligence and surveys, and negotiate a purchase agreement for consideration by the Board of County Commissioners; and
4. Authorize the use of the 1/8 cent sales tax dedicated to the Truckee River Flood Management Project Fund 494 – IF940041 for the acquisition.
5. Request the Washoe County Board of County Commissioners to consent in the above actions and request the Chairman of the BCC to execute the attached “Opening Escrow Instructions.”

**Attachment 1**

(Rev. 1-27-11)

**OPENING ESCROW INSTRUCTIONS**

(Sale of portion of property at UNR Main Station Field Laboratory)

TO: Ticor Title of Nevada, Inc.  
5441 Kietzke Lane, Suite 100  
Reno, Nevada 89511  
Attn: Rebecca Rich

RE: Your Order No. 1001340-RR

**Seller:** Board of Regents of the  
Nevada System of Higher Education on behalf of the  
University of Nevada, Reno(“NSHE”)  
1664 North Virginia Street  
Reno, Nevada 89557

**Buyer** Washoe County,  
a political subdivision of the state of Nevada  
for the benefit of the Truckee River Flood Management Project.  
9390 Gateway Drive, Suite 230  
Reno, Nevada 89521-8900

To be assigned to:  
Truckee River Flood Management Authority  
9390 Gateway Driver, Suite 230  
Reno, Nevada 89521-8900

DATE: As of February 8, 2011

**1. BACKGROUND; APPOINTMENT OF ESCROW AGENT**

For the purpose of constructing flood control facilities Buyer needs to acquire a portion of Seller’s property located between Clean Water Way and the Truckee River east of McCarran Boulevard which property is presently being used as the University of Nevada, Reno Agricultural Facility Main Station Field Laboratory. Buyer and Seller are in due diligence and expect to reach an agreement in the next few weeks as to what property will specifically be acquired and the terms of the sale.

Buyer has budgeted and encumbered \$4,000,000 toward the sale and Seller and Buyer desire to have it placed in escrow as a good faith deposit.

Buyer and Seller hereby appoint you as Escrow Agent for this transaction.

It is expected that prior to close of the sale, the Purchase and Sale Agreement will be transferred to and assumed by the Truckee River Flood Management Authority, a joint powers agency being created by an Interlocal Cooperative Agreement among Washoe County, the City of Reno, and the City of Sparks.

**2. SUPPLEMENTAL INSTRUCTIONS**

These instructions shall constitute the initial escrow instructions. Supplemental escrow instructions by:

Naomi Duerr for Buyer  
Troy Miller for Seller

**3. DOCUMENTS TO BE PLACED IN ESCROW**

√	Document	
1	These Opening Escrow Instructions	Executed by Buyer and Seller.
2	Upon reaching agreement on property and terms of sale, Buyer and Seller will deposit into escrow the Purchase Agreement and Final Escrow Instructions, together with transaction documents for closing.	
3	Notice of Assignment of Real Estate Purchase and Sale Agreement from Washoe County, Nevada to the Truckee River Flood Management Authority.	

**4. FUNDS TO BE PLACED IN ESCROW; DISBURSAL OR RETURN**

√	Amount	By
1.	\$4,000,000 Refundable Good Faith Deposit.	Buyer
2	None	Seller

The Good Faith Deposit is to be placed in an interest-bearing account to be approved by Buyer. Prior to receiving Final Escrow Instructions, you are to return the Good Faith Deposit (less all costs and fees incurred by you) to Buyer upon demand.

Prior to Final Escrow Instructions being deposited by Buyer and Seller, it is not necessary for you to inquire of or obtain permission from Seller in order to comply with Buyer's demand to return the Good Faith Deposit.

**5. ALLOCATION OF COSTS**

Prior to Final Escrow Instructions, all fees, costs and expenses of escrow and title due diligence (including title reports and surveys) incurred by you may be taken out of the Good Faith Deposit.

**6. ACTIONS BY ESCROW AGENT.** You are hereby directed by the parties to take the following actions:

#	When	Action to take
a.	Immediately on opening of escrow	Place Good Faith Deposit funds in an interest bearing account.
b	Immediately upon opening of escrow	Please provide a closing letter from the Underwriter of Title Insurance for Tigor of Nevada Inc.
c.		Wait for Final Escrow Instructions

//////////////////////////////////NOTING FOLLOWS ON THIS PAGE//////////////////////////////////

OPENING ESCROW INSTRUCTIONS  
(Sale of portion of property at UNR Main Station Field Laboratory)

**Counterpart Signature Page**

**Seller**

BOARD OF REGENTS OF THE NEVADA SYSTEM OF HIGHER EDUCATION on  
behalf of the University of Nevada, Reno

By \_\_\_\_\_  
Daniel J. Klaich, Chancellor

OPENING ESCROW INSTRUCTIONS  
(Sale of portion of property at UNR Main Station Field Laboratory)

**Counterpart Signature Page**

EXECUTED on the date indicated

**Buyer**

WASHOE COUNTY, a political subdivision of the State of Nevada

By \_\_\_\_\_ Date \_\_\_\_\_  
John Breternitz, Chairman  
Board of County Commissioners

Attest:

By \_\_\_\_\_ Date \_\_\_\_\_  
Amy Harvey, County Clerk

Approved:

\_\_\_\_\_ Date \_\_\_\_\_  
Naomi Duerr, Director, Truckee River  
Flood Project

Approved as to Form and Legality:  
RICHARD A. GAMMICK  
District Attorney

By \_\_\_\_\_ Date \_\_\_\_\_  
Deputy

# MAP -- 1 Strip Along the River Only



# MAP -- 2 Acquire all of Parcels 1 and 3

