

- B.9** Staff Report (For Possible Action): Approval of Addendum No. 5 to the Joint Ownership and Operation Agreement for the Truckee Meadows Water Reclamation Facility to include Reno staff supporting capital improvements at the facility in the ownership cost share.

STAFF REPORT

Date: February 26, 2025

To: Mayor and City Council

Through: Jackie Bryant, City Manager

Subject: Staff Report (For Possible Action): Approval of Addendum No. 5 to the Joint Ownership and Operation Agreement for the Truckee Meadows Water Reclamation Facility to include Reno staff supporting capital improvements at the facility in the ownership cost share.

From: Jon Simpson, Engineering Manager

Department: Utility Services

Summary:

Staff seeks approval of Addendum No. 5 to the Joint Ownership and Operations Agreement with the City of Sparks (Sparks) for the Truckee Meadows Water Reclamation Facility (TMWRF). A March 1980 Agreement established ownership and operations responsibilities of TMWRF and the Cities' associated interceptor sewer lines. Sparks operates the facility while Reno manages the capital improvement program. Reno's ownership capacity is 68.63% and Sparks' is 31.37%, which are the calculations used in each agency's share for capital improvements at TMWRF. This Addendum No. 5 will modify the agreement to include reimbursement from Sparks for three full time Reno staff employees at the established ownership percentage (31.37%) for the work on behalf of the capital improvement program at TMWRF. Staff recommends the approval of Addendum No 5 with Sparks and authorize the Mayor to sign the Addendum.

Consent Review	Yes	No
1. Is this item an annual or standard item that comes before Council for regular approval?		X
2. Is this item an agreement required based on an item previously approved by Council?		X
3. Is this item included in the current budget approved and adopted by Council?		X
Other Considerations		
What percent of the total City budget does this item represent?	N/A	

Alignment with Strategic Plan:

Infrastructure, Climate Change, and Environmental Sustainability

Previous Council Action:

November 8, 1999 – Reno, Sparks and Washoe Phase III Wastewater Facilities Agreement outlining sewage facilities and ownership of capacity at TMWRF.

June 11, 1996 – Addendum No 4 to the Joint Ownership and Operations Agreement for the Truckee Meadows Water Reclamation Facility Agreement to expand the Joint Coordinating Committee to up to 10 members and defining the membership.

August 26, 1985– Addendum No 3 to the Joint Ownership and Operations Agreement for the Truckee Meadows Water Reclamation Facility Agreement to allow for lease of capacity and other matters related to the wastewater facility.

February 14, 1983 – Addendum No 2 to the Joint Ownership and Operations Agreement for the Truckee Meadows Water Reclamation Facility Agreement to define authority to award contracts, signatories for consultants, resolution to disagreements, outlines a plant capacity project, and provides the option for City to lease Sparks treatment capacity.

May 27, 1980 – Addendum No 1 to the Joint Ownership and Operations Agreement for the Truckee Meadows Water Reclamation Facility Agreement to commit necessary resources for compliance with all NPDES/EPA permit requirements.

Background:

In March 1980, an agreement with Reno and Sparks established ownership and operations responsibilities of TMWRF and the Cities' associated interceptor sewer lines. Sparks operates the facility while Reno manages all capital improvements for the facility. Through facility expansions and a subsequent agreement in 1999, Reno, Sparks, and Washoe County expanded the capacity of TMWRF and the South Truckee Meadows Water Reclamation Facility (STMWRF). The 1999 Agreement established ownership capacity at TMWRF with Reno holding 68.63% and Sparks holding 31.37%. The ownership percentage splits establish each agency's cost share for all capital improvement projects at TMWRF.

Discussion:

Through the 1980 TMWRF agreement, the City of Reno provides staff services to manage the Capital Improvement Program at TMWRF which oversees the design and construction of capital projects at the facility. Historically, Reno has had one staff member to manage the capital improvement program, utilizing consultant contracts to supplement the workload. More recently, the program capital improvement program and associated workload has significantly increased,

resulting in Reno's three staff managing the program, which includes over twenty projects per year in various phases of design or construction. Currently, Reno pays for the full cost of the TMWRF capital improvement program staff. Addendum No 5 would modify the current Joint Ownership Agreement to include Reno's TMWRF staff as part of the cost share between the two agencies. The Addendum requires Sparks to reimburse Reno for TMWRF staff at the established ownership capacity percentage (currently 31.37%). Addendum No 5 was reviewed by the Joint Coordinating Committee and the committee recommends the approval of the Amendment.

Financial Implications:

If approved, the City will receive reimbursement from Sparks for services provided by Reno's TMWRF capital improvement program staff at the ownership cost share (currently 31.37%).

Legal Implications:

This addendum modifies the original agreement to add reimbursement by City of Sparks to City of Reno for Reno Staff at TMWRF.

Recommendation:

Staff recommends Council approve Addendum No 5 Joint Ownership Agreement with Sparks for the reimbursement of the City of Reno's TMWRF capital improvement program staff and authorize the Mayor to sign.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Addendum No5 to TMWRF Joint Ownership.pdf

**ADDENDUM AGREEMENT NO. 5
TO THE JOINT
AGREEMENT OF MARCH 24, 1980**

This Addendum Agreement No. 5 ("Addendum No. 5") is made this _____ day of _____, 2025, between the City of Sparks, a Municipal corporation, ("Sparks") and the City of Reno, ("Reno"), a municipal corporation, collectively (the "Parties").

1. RECITALS

WHEREAS, Reno and Sparks entered into an agreement on March 24, 1980, for the joint ownership and operation of wastewater treatment and interceptor facilities; and

WHEREAS, TMWRF is owned by Reno and Sparks, with Reno's ownership representing 68.63% and Sparks' ownership representing 31.37%; and

WHEREAS, Reno currently employs (3) three full-time staff members in support of the Capital Improvement Program (CIP) at the Truckee Meadows Water Reclamation Facility (TMWRF); and

WHEREAS, since 1999, Reno has been paying 68.63% and Sparks has been paying 31.37% of the ownership percentage related to the TMWRF; and

WHEREAS, the purpose of this Addendum No. 5 is to establish that Sparks will pay Reno 31.37% of the salary of Reno's TMWRF CIP dedicated staff.

NOW THEREFORE, in consideration of the Recitals and promises contained herein the following is agreed to by the Parties.

2. RIGHTS & DUTIES

2.1 Reno

2.1.1 Reno will continue to provide CIP services relating to TMWRF.

2.1.2 Reno will continue to invoice Sparks on a quarterly basis for reimbursement of Sparks' share which share will include Reno's TMWRF CIP dedicated staff.

2.2 Sparks

2.2.1 Sparks will reimburse Reno for 31.37% of the salary of Reno's TMWRF CIP dedicated staff.

2.2.2 Upon the submission of an invoice for payment, Sparks will promptly review the invoice, request any further information or documentation required, and process the invoice for payment within 30 days following its approval.

3. MUTUAL AGREEMENTS

3.1 The Parties agree that this Addendum No. 5 obligates Sparks to pay 31.37% of Reno's TMWRF CIP staff members at the current level of three full time staff members. Any changes in staffing levels must be approved by the Joint Coordinating Committee in accordance with existing procedures between the Parties.

4. MISCELLANEOUS PROVISIONS

4.1 This Addendum No. 5 is binding upon and inures to the benefit of the Parties and their successors and assigns.

4.2 This Addendum No. 5 is made in, and shall be governed, enforced and construed under the laws of the State of Nevada.

4.3 This Addendum No. 5 may not be modified, terminated, or amended in any respect, except pursuant to an instrument in writing duly executed by the Parties.

4.4 This Addendum No. 5 is effective July 1, 2025.

- Signature Page Follows-

IN WITNESS WHEREOF, the Parties hereto have executed this Addendum No. 5.

CITY OF SPARKS

CITY OF RENO

By: _____
Ed Lawson, Mayor

By: _____
Hillary L. Schieve, Mayor

ATTEST:

ATTEST:

By: _____
Lisa Hunderman, City Clerk

By: _____
Mikki Huntsman, City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: _____
Wes Duncan, City Attorney

By: _____
Susan Ball Rothe
Deputy City Attorney