

CARSON CITY BOARD OF SUPERVISORS
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A special budget hearing of the Carson City Board of Supervisors was held at 6:00 p.m. on Monday, May 10, 1999 at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Ray Masayko Mayor
Robin Williamson Supervisor, Ward 1
Pete Livermore Supervisor, Ward 3
Kay Bennett Supervisor, Ward 4

STAFF: John Berkich, City Manager
Dan St. John, Deputy City Manager
David Heath, Director of Finance
Gary Kulikowski, Internal Auditor
Paul Lipparelli, Chief Deputy District Attorney
Mahmood Azad, Development Services Manager
Tom Hoffert, Utility Operations Manager
Kelvin Ikehara, Utilities Wastewater Superintendent
Kyle Menath, Assistant Wastewater Superintendent
Curtis Horton, Assistant Water Utilities Superintendent
David Merrill, Senior Engineer, Utilities
Nick Providenti, Accountant, Finance
Sheila Gallegos, Utilities Billing Supervisor
Marc Reynolds, Community Transportation General Manager
Laura Beckerdite, Administrative Assistant, Dev. Eng.
Kathleen King, Recording Secretary
(BOS Budget 05/10/99; Tape 1-0001)

NOTE: Unless indicated otherwise, each item was introduced by Mayor Masayko. A tape recording of these proceedings is on file in the Clerk-Recorder's Office and is available for review and inspection during normal business hours.

- A. CALL TO ORDER AND ROLL CALL (1-0002)** - Mayor Masayko called the meeting to order at 6:00 p.m. Roll call was taken and a quorum was present. Supervisor Plank was absent. Supervisor Bennett arrived at 6:04 p.m.
- B. PLEDGE OF ALLEGIANCE (1-0012)** - Mayor Masayko led the pledge of allegiance.
- C. CITIZENS COMMENTS ON NON-AGENDIZED ITEMS (1-0020)** - None.
- D. PUBLIC HEARINGS CONCERNING THE FISCAL YEAR 1999-2000 BUDGET DISCUSSION AND POSSIBLE ACTION REGARDING THE FOLLOWING:**

UTILITIES DEPARTMENT
Sewer Fund
Water Fund
GOLF COURSE FUND
CARSON CITY COMMUNITY TRANSPORTATION

(1-0023) - Mayor Masayko reviewed the agenda and advised that discussion regarding revenue and sales tax projections and capital improvements would follow presentation of the Community Transportation budget.

Mr. St. John introduced the Utilities Department staff and requested that Mr. Hoffert present the budget.

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(1-0042) - Mr. Hoffert reviewed the order of budget presentations and emphasized the team effort with which the budgets had been prepared. Mr. Providenti reviewed the sewer utility budget and provided a comparison of the number of customers served, discharge based on water consumption, and sewer fund revenues. A 2% increase in revenues is estimated for FY 99/00. He reviewed the Sewer Fund Projected Income Statement for fiscal years ending June 30, 1998 through 2004 and advised a 3% increase in projections is estimated for 2001 through 2004. This estimate is justified by mandatory sewer hook-up requirements and more efficient meter readings. Average equivalent residential customers (ERC) over the last five years is 606; 430 ERCs are expected this year as compared to 514 last year. Revenue is estimated at \$957,200 for FY 99, down from \$1,060,000 last year. FY 2000 revenues are projected to increase five percent over 1999 revenues. \$3,371,000 in capital projects is planned for FY 2000. \$2,351,000 is part of the \$6.1 million project bonded for last year. All of the new bonds will be projected out 15 years. Working capital, even with lower projected connection fees, and after expenses, capital expenditures and debt service, is expected to balance at approximately \$1.9 million over the minimum. Supervisor Bennett suggested drafting a memo explaining working capital. Mr. Providenti advised rate increases are not contemplated but, in determining a pro rata share of the sewer system (i.e., what it would cost to buy into the system, what a connection fee should be) project connection fees were calculated at \$3,491, which is \$1,265 higher than current charge.

Utility Billing & Collection - Water Enterprise & Sewer Enterprise (1-0208) - Ms. Gallegos reviewed the mission statement and prior year achievements, including postage savings of \$8,000 per year utilizing the Reno Post Office for alternative reports. She discussed plans for implementation of bank drafting, Customer Information Services Software, and the possibility of contracting with the State Mail Room for folding and stuffing utility bills, which would result in a savings of \$6,000 per year. Discussion ensued with regard to contracting with the State Mail Room, the ratio of number of mailings to number of customers, separate mailings for domestic and irrigation billings, implementation of a "round up" program, and including advertisements in the billings. Ms. Gallegos then reviewed the budget highlights summary and explained the reason for mailing utility bills to Las Vegas.

Wastewater Budget (1-0455) - Mr. Ikehara reviewed the mission statement and prior year achievements, including construction of a solids handling facility which is progressing and on schedule, reducing the number of odor related complaints by installation of a peripheral misting system and plans for removal of the drying beds. Discussion ensued with regard to the disposition of biosolids once the drying beds are eliminated and plans for becoming a re-use facility. Prior year achievements also included elimination of plastics by installation of a headworks screening device which should be completed by the end of May, 1999. Discussion followed regarding the process by which the plastics are removed, sanitized and disposed of at the City landfill. Mr. Ikehara reviewed the goals and objectives for 1999/2000, including start-up of the Solids Handling Facility in October/November, reducing the number of odor complaints by reducing the amount of sludge in the drying beds, and providing screening at the North Lift pump station. Discussion regarding establishment of a green belt in the area occupied by the drying beds followed. Mr. Ikehara then reviewed the Budget Highlights Summary and discussion ensued regarding interim service charges for the Development Engineer Manager, facility capacity, plant expansion, the City's five-year plan for capacity-related facilities upgrades, and comparisons of last year's peak levels.

Sewer Maintenance, Environmental Health, Sewer Engineering (1-0829) - Mr. Menath reviewed the mission statement and prior year achievements, which included expansion of outsourcing for the sewer maintenance program, completion of the Southeast Carson Phase IV Sewer Extension, completion of the New Empire Phase II Sewer Extension, and 95% completion of engineering for the FY 98-99 Sewer Replacement Program. Goals and objectives for 1999/2000 included increasing the number of miles for sewer line cleaning, development of a comprehensive Sewer Maintenance Program, increasing visual inspections of sewer lines, and assisting in data collection and processing for GIS development. Mr. Menath then reviewed the budget highlights summary, including an increase in revenues, and purchase of a replacement sewer maintenance vehicle, computer network systems, and sewer line maintenance equipment.

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Funding for two additional hourly employees, to aid in sewer line maintenance and data collection of GIS attributes, has been increased. In addition, an internal service charge account has been added to accommodate Development Engineering salaries and benefits, services and supplies and capital outlay items. This account will generally not affect the overall budget. Discussion ensued with regard to trained computer operators, computer equipment to be purchased, networking capability, and Development Engineering services. Mr. Menath reviewed the supplemental request and justification for one full-time Sewer Maintenance Technician I. Discussion regarding the career path for this position followed, and consensus of the Board was to approve the supplemental request. Supervisor Bennett commended the sewer maintenance staff on their service to the community. Mr. St. John reviewed the reorganization process which took place approximately five to six years ago and the rebuilding process which continues.

Sewer Capitalization (1-1412) - Mr. Merrill reviewed the budget highlights summary, including a net overall increase of \$5 million. \$6.45 million of the entire FY 99/00 budget is reimbursable expenses from NDOT and discussion ensued regarding the same. Mr. Ikehara discussed replacement of a heating/air conditioning unit at the wastewater operations building, and new line items for replacement of pumps/motors, biosolids composting, and initiation of an effluent reuse master plan following development of an effluent policy. Discussion ensued with regard to the sewer line replacement schedule and coordinating construction with the Streets Department.

Mayor Masayko recessed the meeting at 7:43 p.m. and reconvened the meeting at 7:50 p.m. A quorum was present.

Water Fund (1-1715) - Mr. Providenti reviewed the projected income statement and discussed percentage increases in revenues and consumption rates. Discussion regarding the water meter replacement program and the accuracy of the new meters followed. Mr. Providenti reviewed comparisons in connection fees, an estimate for connection fees in 1999/2000, bonding projections, working capital projections, and the effect of the new water meters on revenues. Discussion ensued with regard to residential and commercial industry standards for water meters, projected income and working capital, and a rate increase.

Water Maintenance (1-2251) - Mr. Horton reviewed the mission statement and prior year achievements, including retrofitting 4,950 water meters with radio-read devices and reviewing water treatment alternatives for Carson River wells. Discussion ensued with regard to a proposed polishing plant, reviewing corrosion and water quality, arsenic standards and a tri-county water delivery system. Prior year achievements also included development of a City-wide plan for all future test well sites which will be presented to the Board of Supervisors on June 30, 1999, repair of the Ambrosetti Pond dike and removal of silt caused by the 1997 flood. Discussion regarding the status of the Ambrosetti Pond and water storage rights purchased by the City followed. Mr. Horton continued reviewing prior year achievements, which included equipping and placing in service Well #47 which has been ready for operation since March 15, 1999. He reviewed the 1999/2000 goals and objectives as follows: Retrofit an additional 2,000 water meters with radio-read devices, complete corrosion control study and develop a plan for implementation, drill a test well and complete production of Well #48, repair Ambrosetti Pond dike and remove silt caused by the 1997 flood, complete phase I of the Carson Highway utility line relocations, complete the Edmonds Field complex reclaimed water switch, and complete the Consumer Confidence Report. Mr. Hoffert explained the Consumer Confidence Report was approved by the EPA in February 1998 as an annual report to water utilities customers. The report reviews water quality based on parameters set by the EPA for potable water and identifies water contents, the levels of the contents, what the utility is currently doing and what the utility is proposing to do as capital projects. The report is required to be sent to every customer by October 18, 1999, July 1, 2000 and July 1 of each year thereafter. The report will be included with the billing and will require no additional postage. Mr. Horton then reviewed the budget highlights summary included in the Supervisors' packets and discussion ensued with regard to FEMA reimbursements for damage incurred during the 1997 flood, an increase in Sierra Pacific Power Company fees, and development engineering costs/services.

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Water Capitalization (1-3126) - Mr. Hoffert reviewed the budget highlights summary, including the major budget changes, as included in the Supervisors' packets. Supervisor Bennett encouraged Mr. Hoffert to acquire the water rights being considered as soon as possible.

Mayor Masayko thanked Mr. Hoffert and his staff for their presentations.

Golf Course Fund (1-3414) - Mr. Heath reviewed the golf course fund, including depreciation, the building, and the bond interest which will be recovered through lease payments from the operator. Discussion ensued with regard to maintenance costs and the 20-year bond.

Carson City Transit Fund (1-3572) - Mr. Reynolds reviewed the mission statement and provided a brief overview of the presentation made at the May 6, 1999 Board of Supervisors meeting, including a review of increases in ridership and clients. Unmet trip requests is one of the main issues facing Community Transportation. Mr. Reynolds reviewed funding opportunities, including a "Welfare to Work" program, administered by NDOT, and possible funding from SB 415, also administered by NDOT and matched by the Federal Transit Administration 5311 grant. Additionally, a Division for Aging Services "Older Americans Act 503(b)" grant application has been completed in the amount of \$51,450. The Federal Transit Administration 5310 grant, requesting two new vehicles, has also been completed. Mr. Heath reviewed the revenue sources and expenses for this fund, including \$380,200 for Paratransit Services' contract and approximately \$18,000 for vehicle maintenance. Discussion ensued with regard to the increases in services NDOT is requesting, Paratransit Services' contractual fee, revenue sources, ticket sales, the issues which will be addressed by the Public Transit Advisory Committee, developing regional transportation services, and securing revenue sources. Mayor Masayko confirmed that \$100,000 is on the funded list. Supervisor Bennett commended Mr. Reynolds and his staff for their excellent service.

(2-0201) - Mr. Heath explained an error in the 1998-99 estimated revenue for the Regional Transportation fund and distributed a corrected fiscal summary report.

(2-0240) - Discussion ensued with regard to the capital improvement plan materials and Mayor Masayko advised this matter would be discussed first on the agenda of the May 11, 1999 meeting. Mr. Heath distributed a five-year forecast for the general fund.

E. ADJOURNMENT (2-0279) - Supervisor Livermore moved to adjourn the meeting at 9:35 p.m. Supervisor Williamson seconded the motion. Motion carried 4-0-1-0.

The Minutes of the May 10, 1999 special budget hearing of the Carson City Board of Supervisors

ARE SO APPROVED ____June_3_____, 1999.

_____/s/_____
RAY MASAYKO, Mayor

ATTEST:

_____/s/_____

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ALAN GLOVER, Clerk-Recorder