

Item # 9C

**CARSON CITY, NEVADA
REQUEST FOR BOARD ACTION**

Date Submitted: February 22, 2008

Date Requested: March 6, 2008
Time Requested: 10 Minutes

To: Mayor and Supervisors
From: Public Works

Subject Title: Action to adopt on second reading, Bill No. 105 AN ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.10, RECLAIMED WATER USE RATES, SECTION 12.10.020, SCHEDULE OF RATES, BY DECREASING ALL RATES, EXCEPT THE MONTHLY METER SERVICE CHARGE, FROM \$0.21 PER THOUSAND GALLONS TO \$0.10 PER THOUSAND GALLONS EFFECTIVE ON BILLS DATED ON OR AFTER APRIL 1, 2009 AND OTHER MATTERS PROPERLY RELATED THERETO.

Staff Summary: The Carson City Board of Supervisors approved Carson City Municipal Code in 1996 which provided for a rate charge of \$0.21 per thousand gallons of reclaimed water delivered to the customer. However, through User Agreements, the rate has not been charged to date. At the direction of the Board of Supervisors, staff revised the ordinance to reflect a reduction from \$0.21 to \$0.10 per 1,000 gallons effective April 1, 2009. Staff will meet with the reclaimed water customers to negotiate future increases, beyond the \$0.10 per thousand determine the amount and timing. Staff will present the results of these negotiations to the Board for their input and direction.

Type of Action Requested: (Check One)

☐ Resolution

☒ Ordinance

☐ Formal Action/motion

☐ Other (Specify)

Does this Action Require a Business Impact Statement: (XX) Yes, Completed ☐ No

Recommended Board Action: I move to adopt on second reading, ^{Ord.} ~~Bill~~ No. 105 AN ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.10, RECLAIMED WATER USE RATES, SECTION 12.10.020, SCHEDULE OF RATES, BY DECREASING ALL RATES, EXCEPT THE MONTHLY METER SERVICE CHARGE, FROM \$0.21 PER THOUSAND GALLONS TO \$0.10 PER THOUSAND GALLONS EFFECTIVE ON BILLS DATED ON OR AFTER APRIL 1, 2009 AND OTHER MATTERS PROPERLY RELATED THERETO.

Explanation for Recommended Board Action: The Carson City Board of Supervisors approved Carson City Municipal Code in 1996 which provided for a rate charge of \$0.21 per thousand gallons of reclaimed water delivered to the customer. However, through User Agreements, the rate has not been charged to date. At the direction of the Board of Supervisors, staff revised the ordinance to reflect a reduction from \$0.21 to \$0.10 per 1,000 gallons effective April 1, 2009. Staff will meet with the reclaimed water customers to negotiate future increases, beyond the \$0.10 per thousand determine the amount and timing. Staff will present the results of these negotiations to the Board for their input and direction. The additional funds will help to off-set a portion of the operational cost to deliver reclaimed water to the users.

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Fiscal Impact: Additional revenue to Sewer account for Reclaimed Water Program.

Explanation of Impact: N/A

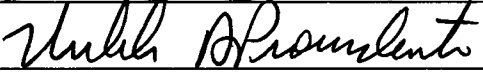
Funding Source: Rates

Alternatives: Disapprove and provide direction otherwise.

Prepared by: Ken Arnold, Public Works Operations Manager

Reviewed By:  Date: 2/26/08
Andrew Burnham, Public Works Director

Reviewed By: (C/M)  Date: 2/26/08

Reviewed By (Finance Dir)  Date: 2/26/08

Reviewed By: (DA)  Date: 2/26/08

Reviewed By: (Public Works) _____ Date: ____/____/____

BOARD ACTION:

Motion _____ 1: _____ (Aye)
:(Nay)

2: _____

(Vote Recorded By)

ORDINANCE NO. _____

BILL NO. 105

AN ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.10, RECLAIMED WATER USE RATES, SECTION 12.10.020, SCHEDULE OF RATES, BY DECREASING ALL RATES, EXCEPT THE MONTHLY METER SERVICE CHARGE, FROM \$0.21 PER THOUSAND GALLONS TO \$0.10 PER THOUSAND GALLONS EFFECTIVE ON BILLS DATED ON OR AFTER APRIL 1, 2009 AND INCREASING THE CONTRACTOR INSTALLED SERVICE FEES AND OTHER MATTERS PROPERLY RELATED THERETO.

THE BOARD OF SUPERVISORS OF CARSON CITY DO ORDAIN:

SECTION I:

That Section 12.10.020 of the Carson City Municipal Code is hereby amended as follows:

12.10.020 Schedule of rates. 1. The schedule of rates for the reclaimed water facilities and service furnished by Carson City utilities, which rates are based upon a portion of the costs of operating and maintaining reclaimed water systems, are set forth in subsection 2 of this section.

2. The monthly rate for each service shall be computed as follows, unless otherwise required by this chapter:

RECLAIMED WATER SERVICE

Monthly service charge:

Meter Size	Amount
5/8" - 3/4"	\$ 11.28
1"	18.02
1-1/2"	26.96
2"	44.98
3"	90.02
4"	112.49
6"	180.01

8"	224.99
10"	281.24

Monthly commodity charge:	\$[.21] .10 per 1,000 gallons per month
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3. The directors of the utilities and finance departments shall conduct an annual review of the reclaimed water system total costs of operation and maintenance, the schedule of rates, and submit a report to the board by [January] April 1st each calendar year summarizing the review and containing recommendations for rate adjustments as necessary to:

A. Maintain the proper proportionate distribution of operation and maintenance costs among users;

B. Assure generation of sufficient revenue to pay the total operation and maintenance costs necessary to the proper operation and maintenance (including replacement) of the reclaimed water system.

4. All connections to the city reclaimed water system by persons other than city will be performed by persons properly licensed by the state of Nevada and Carson City to accomplish the type of work contemplated, and all work performed and all materials placed will be in accordance with the Carson City Code of standard specifications for public works construction. Prior to placement of a customer-installed service, the applicable meter and meter set fee under the following schedule must be remitted. Under this fee schedule, no other work will be performed and no materials other than the prescribed reclaimed water meter, will be furnished by Carson City.

Meter Size	Contractor-Installed Service
5/8"-3/4"	\$ 90.00
1"	135.00
1-1/2"	224.00
2"	310.00
3"	1,160.00
4"	2,082.00
6"	3,983.00

(Ord. 1999-13 § 3, 1999).

SECTION II:

That no other provisions of the Carson City Municipal Code are affected by this ordinance.

PROPOSED on February (month) 21st (day), 2008.

PROPOSED by Supervisor Richard S. Staub

PASSED _____ (month) _____ (day), 2008.

VOTE: AYES: SUPERVISORS: _____

NAYS: SUPERVISORS: _____

ABSENT: SUPERVISORS: _____

Marv Teixeira, Mayor

ATTEST:

ALAN GLOVER, CLERK/RECORDER.

_____ This ordinance shall be in force and effect from and after the _____ day of the month of _____ of the year, 2008.

Reclaimed Water Utility

Annual average use per customer per year:

Silver Oak Golf Course:	171.21 Million Gallons
Empire Ranch Golf Course:	284.04 Million Gallons
Eagle Valley Golf Course:	299.73 Million Gallons
Parks Department:	39.83 Million Gallons
Pet Cemetery:	1.30 Million Gallons

Projected Cost per Customer per year at \$0.10 per 1,000 gallons:

Silver Oak Golf Course:	\$17,121.00
Empire Ranch Golf Course:	\$28,404.00
Eagle Valley Golf Course:	\$29,973.00
Parks Department:	\$ 3,983.00
Pet Cemetery:	\$ <u>130.00</u>
TOTAL:	\$79,611.00

MEMO

TO: Board of Supervisors

FROM: Ken Arnold, Public Works Operations Manager
Kyle Menath, Public Works Operations Chief - Wastewater

DATE: February 22, 2008

SUBJECT: Silver Oak Golf Course Letter dated January 30, 2008

The following are responses to Mr. Unruh's comments in his letter to Carson City, dated January 30, 2008, (see attached) which we received on February 21, 2008.

Silver Oak, Item 1. : "The City of Carson has failed to meet the standard's of total nitrogen allowed in effluent water as set forth by the Nevada Department of Environmental Protection. Silver Oak Golf Course has been subjected to extensive monitoring costs of the ground water because of this poor water quality."

Response: Carson City's State Discharge Permit, issued by the Nevada Division of Environmental Protection (NDEP) sets no limits on total nitrogen in effluent water. Carson City is in compliance with monitoring and reporting its total nitrogen to NDEP.

The nitrogen issues referred to are not the result of the application of effluent. The City conducted extensive evaluation several years ago with Silver Oak and the consensus opinion was effluent was not the cause, but likely septic systems upstream of the Silver Oak area such as Timberline.

Silver Oak, Item 3. : "Silver Oak Golf Course's parent company, Silver Oak Development Company has never been reimbursed for the cost of the distribution line built in 1997. Carson City should never have considered charging Silver Oak Golf for water until this resolved."

Response: Carson City Staff and District Attorney's Office have reviewed the 2006 Addendum to 1993 Agreement for Services Between Silver Oak Development Company and Carson City and the 1993 Agreement for Services Between Silver Oak Development Company and

Carson City (Agreement). There is no indication in the contract that the City was ever to reimburse Silver Oak for the pipeline. Furthermore, Carson City is strictly exempt from the reimbursement clause in the Agreement.

In the 1995 Addendum to the Agreement, Silver Oak was to receive 500 acre feet without charge until January 1, 2004. After January 1, 2004, all users would be charged, not to exceed, \$0.22 per thousand gallons delivered with provision of annual review and periodic adjustments as long as it is applied on a uniform basis to all users of reclaimed water, not otherwise exempt from the Agreement. The Agreement specifically excludes the Nevada State Prison Farm. The Carson City Municipal Code later uniformly reduced the cost per thousand to \$0.21 and now, at the direction of the Board, reduced to \$0.10.



Silver Oak Golf Club

1251 Country Club Drive Carson City, Nevada 89703

Phone 775-841-7000 Fax 775-841-7049

www.silveroakgolf.com

January 30, 2008

City of Carson
2621 Northgate Lane, Suite #56
Carson City, NV 89706

Regarding: Objection to Amending Title 12, Water, Sewerage and Drainage, Chapter 12.10 Schedule of Rates.

1. The City of Carson has failed to meet the standards of total nitrogen allowed in effluent water as set forth by the Nevada Department of Environmental Protection. Silver Oak Golf Course has been subjected to extensive monitoring costs of the ground water because of this poor water quality.
2. The public courses in Carson City bring a tremendous amount of tourism to the city and should not be given the extra economic burden of the cost of effluent water during this economic slow down.
3. Silver Oak Golf Course's parent company Silver Oak Development Company has never been reimbursed for the cost of the distribution line built in 1997. Carson City should never have considered charging Silver Oak Golf for water until this resolved.

Tom Unruh
General Manager

PETITION OBJECTING TO ADOPTION OF RULE

NRS 237.100 provides that a business that is aggrieved by an ordinance, regulation, resolution or other type of instrument through which a governing body exercises legislative powers, except pursuant to Chapter 271, 278, 278A and 278B of NRS (herein a "Rule") adopted by the governing body may object to all or a part of the Rule by filing a petition. This petition form is provided to assist those who wish to object. The petition must be filed with the clerk/secretary of the local government at 2621 Northgate Lane, Suite #56, Carson City, Nevada 89706, within 30 days after the date on which the Rule was adopted.

Petitioner's name (Include name of the business or proposed business and whether it is a corporation, partnership, sole proprietorship, fictitious name): Silver Oak Golf Course

Petitioner's type of business: Public golf course / restaurant

Petitioner's business location: 1251 Country Club Drive
Street

Carson City, Carson
City County State

Petitioner's mailing address (If different from above):

Petitioner's phone number: (775) 841-7000 ext 1015

Petitioner is objecting to the following:

(Identify the Rule to which Petitioner is objecting and state whether it is an ordinance, resolution, regulation or other instrument. Please give number if known)

The basis of Petitioner's objection is as follows:

☐ The governing body failed to prepare a business impact statement; or
☒ The business impact statement did not consider or significantly underestimated the economic effect of the adopted Rule.

The nature of the impact of the above Rule on Petitioner's business is as follows (Attach additional sheets if necessary): see attached

By signing below, the signor of this Petition certifies it as a duly authorized representative of the business identified above and has been authorized by that Business to file this Petition on behalf of the business.

Business Name Silver Oak Golf Course

By: Tom Clark Tom Unruh

Title of Signor:

General Manager