

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 1

A regularly scheduled meeting of the Carson City Board of Supervisors was held on Thursday, March 3, 2005, at the Community Center Sierra Room, 851 East William Street, Carson City, Nevada, beginning at 8:30 a.m.

PRESENT:	Marv Teixeira	Mayor
	Robin Williamson	Supervisor, Ward 1
	Shelly Aldean	Supervisor, Ward 2
	Pete Livermore	Supervisor, Ward 3
	Richard S. Staub	Supervisor, Ward 4
STAFF PRESENT:	Linda Ritter	City Manager
	Alan Glover	Clerk-Recorder
	Ken Furlong	Sheriff
	Larry Werner	City Engineer
	Melanie Bruketta	Chief Deputy District Attorney
	John Flansberg	Deputy City Engineer
	Cheryl Adams	Purchasing and Contracts Manager
	Mike Dulude	Transit/Transportation Planner
	Katherine McLaughlin	Recording Secretary

(B.O.S. 3/3/05 Tape 1-0016)

NOTE: Unless otherwise indicated, each item was introduced by staff's reading/outlining/clarifying the Board Action Request and/or supporting documentation. Staff members present for each Department are listed under that Department's heading. Any other individuals who spoke are listed immediately following the item heading. A tape recording of these proceedings is on file in the Clerk-Recorder's office. This tape is available for review and inspection during normal business hours.

CALL TO ORDER, ROLL CALL, INVOCATION, AND PLEDGE OF ALLEGIANCE - Mayor Teixeira convened the meeting at 8:30 a.m. Roll call was taken. The entire Board was present, constituting a quorum. Sheriff Furlong requested a moment of silence for Deputy Putzer and his family, who had lost a child last night due to an accident. Rev. Chuck Nichter of the Well Springs Church gave the Invocation.

CITIZEN COMMENTS (1-0049) - John Wagner presented photographs to the Board and described the roadway/path used to maintain a well and pump behind his home. The asphalt area is too narrow for City vehicles. The vehicles tear up the grass and create a muddy condition along the roadway/path. Public Works Operations Manager Tom Hoffert allegedly knew about the problem and was to have repaired it. This, however, has not happened. The vehicles track mud onto the street which creates a dangerous condition at the intersection. He urged the Board to appropriate funds to fix the road/path. Mayor Teixeira directed City Manager Ritter to handle the matter and copy the Board as to the action that was taken. The photographs were given to the Clerk and are in the file. No other comments were given.

1. APPROVAL OF MINUTES - FEBRUARY 3 AND 17, 2005 (1-0095) - Supervisor Aldean moved to approve the Minutes for the Board of Supervisor meetings of February 3 and 17, 2005, as presented. Supervisor Livermore seconded the motion. Motion carried 5-0.

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 2

2. AGENDA MODIFICATIONS (1-0106) - None.

3. SPECIAL PRESENTATION A PROCLAMATION FOR THE "CENTENNIAL CELEBRATION OF THE CARSON AERIE 1006, FRATERNAL ORDER OF EAGLES", MARCH 5, 2005 (1-0108) - President of the Fraternal Order of Eagles Dale Echert explained that March 5th is their centennial anniversary. He described the purpose of their fundraisers. A celebration commemorating the anniversary will be held on March 20. He invited the Board, friends and family to visit their small museum. Mayor Teixeira read the Proclamation into the record. He congratulated them and presented the Proclamation to President Echert. No formal action was required or taken.

4. LIQUOR AND ENTERTAINMENT BOARD (1-0170) - Mayor Teixeira recessed the Board of Supervisors session and immediately convened the Liquor and Entertainment Board. For Minutes of the Liquor and Entertainment Board, see its folder.

BOARD OF SUPERVISORS - Following adjournment of the Liquor and Entertainment Board, Mayor Teixeira reconvened the Board of Supervisors session. The entire Board was present, constituting a quorum.

5. CONSENT AGENDA (1-0283)

5-1. DEVELOPMENT SERVICES - GIS - ACTION TO RENAME A PORTION OF HOT SPRINGS ROAD TO RETAIL DRIVE AND RETAIL COURT AND TO RENAME TABLE ROCK ROAD TO MARKET STREET

5-2. DEVELOPMENT SERVICES - CONTRACTS

A. ACTION TO ACCEPT DEVELOPMENT SERVICES RECOMMENDATION ON THE WATERFALL FIRE - DEBRIS CONTAINMENT ROAD AND BASIN - EASEMENT AND LEGAL DESCRIPTIONS FOR "C" HILL PROJECT, CONTRACT NO. 2004-083 AND AUTHORIZE DEVELOPMENT SERVICES TO ISSUE PAYMENTS TO LUMOS AND ASSOCIATES, INC., 800 E. COLLEGE PARKWAY, CARSON CITY, NV 89706 FOR A CONTRACT AMOUNT OF \$8,192 AND AUTHORIZE THE CONTRACTS DIVISION TO ISSUE AMENDMENTS FOR A NOT TO EXCEED AMOUNT OF \$2,500

B. ACTION TO ACCEPT THE WORK AS COMPLETE AND APPROVE THIS RELEASE OF FINAL PAYMENT ON QUILL RANCH WATER TREATMENT PLANT IMPROVEMENTS 2003 PROJECT, CONTRACT NO. 2003-044 AS SUBMITTED BY DEVELOPMENT SERVICES TO RESOURCE DEVELOPMENT COMPANY, 2305 GLENDALE AVENUE, SUITE 10, SPARKS, NV 89431 FOR A FINAL PAYMENT AMOUNT OF \$8,365 AND ACCEPT THE CONTRACT SUMMARY AS PRESENTED

5-3. PURCHASING AND CONTRACTS

A. ACTION TO AUTHORIZE DEVELOPMENT SERVICES TO UTILIZE BID NO. 02369 FOR THE PURCHASE OF CATIONIC POLYMER THROUGH JANUARY 12, 2008, WHICH BID WAS APPROVED BY THE COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY AND WHICH IS EXEMPT FROM COMPETITIVE BIDDING PURSUANT TO PARAGRAPH (M) OF SUBSECTION 1 OF NRS 332.115 PROVIDING THEY HAVE APPROVED FUNDING AND FOLLOW APPROVED CARSON CITY PURCHASING PROCEDURES (FILE NO. 0405-078)

B. ACTION TO APPROVE CONTRACT NO. 0405-080 FY 2005 ANNUAL AUDIT TO KAFOURY, ARMSTRONG & CO. FOR \$66,500 THROUGH MARCH 1, 2006

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 3

5-4. CITY MANAGER - ACTION TO REAPPOINT MICHAEL DREWS TO THE HISTORIC RESOURCES COMMISSION FOR A FOUR YEAR TERM ENDING FEBRUARY, 2009

- Discussion between Supervisor Staub and Deputy City Engineer John Flansberg explained that the residential portion of Table Rock would not provide vehicular access to Walmart. The developer asked that Walmart's internal street be called Market Street. The residential portion of Table Rock will keep its name. Supervisor Livermore moved to approve the Consent Agenda, consisting of one item from Development Services - GIS; two items from Development Services - Contracts; two items from Purchasing and Contracts, and one item from the City Manager; and recognized Michael Drew for his service on the Historic Resources Commission. He felt that he was an icon on the Commission and urged the Board members to observe one of his meetings as it is a well maintained and run Commission. Supervisor Aldean seconded the motion. Motion carried 5-0.

6. FINANCE - Senior Accounting Manager Nick Providenti

A. PUBLIC HEARING ON THE INTENT OF CARSON CITY, NEVADA, TO ISSUE GENERAL OBLIGATION (LIMITED TAX) DRAINAGE BONDS AND WATER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) (1-0315) - Mayor Teixeira opened the public hearing and asked for public comments. None were given. Mayor Teixeira closed the public hearing. No formal action was required or taken.

B. ACTION TO ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER OR CITY FINANCE DIRECTOR TO ARRANGE FOR THE SALE OF THE CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) DRAINAGE BONDS AND WATER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES); AND PROVIDING OTHER DETAILS IN CONNECTIONS THEREWITH (1-0333) - City Manager Linda Ritter - Staff is working with FEMA to determine the amount of drainage projects that will be reimbursed. The bond issue is for a not to exceed total of \$9 million for water and \$7 million for drainage. Only the amount of the bonds that is needed for the projects will be sold. The resolution is the beginning of the process. The bonds will be sold at the end of May or the first part of June. Public comments were solicited but none were given. Supervisor Livermore moved to adopt Resolution No. 2005-R-10, A RESOLUTION AUTHORIZING THE CITY MANAGER OR CITY FINANCE DIRECTOR TO ARRANGE FOR THE SALE OF THE CARSON CITY, NEVADA, GENERAL OBLIGATION (LIMITED TAX) DRAINAGE BONDS AND WATER BONDS, ADDITIONALLY SECURED BY PLEDGED REVENUES; AND PROVIDING OTHER DETAILS IN CONNECTIONS THEREWITH. Supervisor Williamson seconded the motion. Motion carried 5-0.

8. DEVELOPMENT SERVICES - RTC - Deputy City Engineer John Flansberg - ACTION TO APPROVE STAFF'S RECOMMENDATION TO IMPLEMENT A FIXED ROUTE TRANSIT COMPONENT TO THE CURRENT TRANSIT PROGRAM AS RECOMMENDED BY THE ANALYSIS OF NELSON-NYGAARD IN THE PREPARATION OF CARSON CITY'S 2005 SHORT RANGE TRANSIT PLAN (SRTP) (1-0365) - Transit/Transportation Planner Michael Dulude gave a presentation which included the history of the SRTP and slides highlighting the activities. Copies of a map illustrating the per capita area for people more than 65 years of age per square mile and the proposed routes were distributed to the Board and Clerk. (A copy is in the file.) Discussion ensued on the transfer points and the need for parking. Mr. Dulude is attempting to locate ticket vendors. The recommended routes were described and discussed. The buses will operate Monday through Friday from 6:30 a.m. to 6:30 p.m. and 8

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 4

a.m. to 5 p.m. on Saturday. The recommendation does not include Sunday service. Supervisor Livermore explained that the Hospital plans to offer employees passes to encourage their use of the service and reduce the need for parking. Mr. Dulude explained that the tax code allows employers can give employees \$60 a month for using transit systems. Supervisor Williamson pointed out that Walmart is a going venture and questioned the need to provide service to it. Mr. Dulude explained that the Regional Medical Center and the medical area on Mountain Street are not on the same loop. Patients going to both facilities on the same date will be required to transfer buses. The transfers will be provided free. Supervisor Aldean explained that staff is exploring the possibility of having the Douglas County DART system come to Koontz rather than having the City's transit system go to Topsy Lane. Mr. Dulude explained that if the City's transit system goes to Topsy Lane the 30 minute route will take an hour to complete the round trip. A map illustrating the 1/4 mile and 1/2 mile distances from the recommended routes was distributed to the Board and Clerk. (A copy is in the file.) The 3/4 mile distance must be covered by a paratransit system. The ADA requirement mandates continuance of the dial-a-ride system. It is hoped that a majority of its riders will transfer to the fixed route system. The number and frequency of dial-a-ride passenger usage were indicated by the size of the dots. The dots illustrated the usage during a one week period in May. A third map illustrating the service area for the general public, the elderly and disabled was explained. Staff's recommended funding level was limned. Other options were briefly noted. Key policy issues were also noted including whether to extend the City's fixed route service to Topsy Lane or have PRIDE provide the coverage. Performance standards need to be developed. The program does not at this time provide coverage for Lyon County. The performance standards will assist in determining when coverage to it should be provided.

Mr. Flansberg explained that service to the manufacturing area off Arrowhead had not been included at this time as it did not fit the scheduling criteria. The proposal is for starting the service. It will be modified as time and ridership dictate. Supervisor Livermore acknowledged the need to have a starting point. He stressed that a permanent and reasonable service is needed for all areas of the community. He encouraged staff to analyze the system from an employer's view and not just during a 12-hour period. Two routes a day to the manufacturing area could be beneficial. Mr. Flansberg indicated that staff had considered providing commuter service between the manufacturing area and the Dayton area. As the proposal is a startup service, it could be added later.

Mr. Dulude explained the proposal to have bus stops every 2/10s of a mile. This is the industry standard. Supervisor Aldean pointed out that providing a stop at Goni and Hot Springs may help provide transit to the manufacturing area. Mr. Dulude agreed that having bus stops in a residential area may at times require the buses to stop in the street to pick up passengers, specifically, if a car is parked at the curb. Handicapped passengers will be accommodated on all routes although their pick up spots may be different. Reasons disabled passengers may utilize the fixed route system were noted. The route for reaching Costco was limned. Capital improvements for some of the stops will be needed. Reasons for screening the disabled passengers and grandfathering the current dial-a-ride passengers were explained. The proposed fares were described. Mr. Dulude felt that it may take a year to get passengers who are not disabled to stop using the dial-a-ride system. He then highlighted the funding levels and sources. The proposed fixed route system will need additional General Fund support of \$132,000. Staff recommended \$150,000 with the difference being used to cover capital improvements. It was felt that the current rolling stock will be adequate to meet the program needs. The proposal will extend the current dial-a-ride contract to October 1. An RFP will be put on the street. The new contractor will take over on October 1. Liability concerns for passengers discharged from the bus were explained as being the responsibility of the passenger. A cross walk should be provided

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 5

at those locations. The vehicles can carry two wheel chairs and 15 to 20 passengers. Concerns were voiced about putting PRIDE buses on residential streets. Mr. Dulude indicated that, if the program goes well and additional passengers are using the system, the buses may be expanded to 30 feet. They can carry 30 passengers. Mr. Dulude limned the different groups with whom he had discussed the service. He committed to continuing to discuss the service with organizations who may have transit dependent clientele. He was encouraged to contact the Boys and Girls Club and develop an education program for their clientele due its lack of success with last year's summer transit program. Mr. Flansberg explained that the industry standard for the minimum age of the rider allowed to ride by him/herself is 12. The Boys and Girls Club's need will have to be considered in the policy and procedures discussion. Public comments were solicited but none were given.

Supervisor Williamson explained that this was the first time she had seen the concept. It is needed and is a good start. She hoped that the community will support the system and stressed that it is not a way to support Walmart at the cost of other businesses. She urged staff to refine its presentation in that regard. The service should be beneficial for the entire community and not just shoppers. Mr. Dulude briefly described his background in public transit.

Supervisor Aldean explained an email she had received from a lady who was concerned about the cost of moving from a dial-a-ride system to a fixed route and its capital requirements. She agreed that an increase in passengers from the current 36,000 to 200,000 is a large jump. CAMPO's role in the process was also noted. She agreed that transit does not pay for itself. The only exception she was aware of that paid its way originally was on the Las Vegas strip. Transit is needed by the residents who do not drive. The proposed contract is for only one year. The fares and routes can be changed as warranted. Mr. Flansberg indicated that the service could be stopped with 30 days notice. Board comments stressed that the cost for 200,000 passengers is only \$130,000 more than that currently paid for 36,000 passengers. The need to get people out of their vehicles was noted. It was felt that if the system is used, it will be successful. Mr. Dulude acknowledged that his position will be eliminated if the system fails. The need for consistency and reliability was stressed. The program will be tweaked as needed in the future. Mayor Teixeira complimented Supervisors Staub and Aldean and staff on the program. Supervisor Staub pointed out that the CAMPO area covers portions of Douglas and Lyon Counties and that their needs will have to be considered in the future. Supervisor Staub moved to accept staff's recommendation to implement a fixed route transit component to the current transit program as recommended by the analysis of Nelson-Nygaard in the preparation of Carson City's 2005 Short Range Transit Plan; the funding source will be \$432,500 from FTA 5307 Transit Funds; Fares, assumed at 15 percent - \$150,000; and the Carson City General Fund contribution, which will be approximately 50 percent - \$450,000. Supervisor Aldean seconded the motion. Motion carried 5-0. The Board wished staff success in implementing the program. Mayor Teixeira stressed the need for broad media coverage and educational programs.

7. PARKS AND RECREATION - Director Roger Moellendorf, Recreation Superintendent Barbara Singer, Operations Supervisor Mitch Ames - **ACTION TO APPROVE A 25% DISCOUNT IN THE RESIDENT - NONPROFIT RENTAL FEES FOR THE COMMUNITY CENTER THEATER FOR RESIDENT NON-PROFIT ORGANIZATIONS THAT WILL BE USING THE THEATER THROUGH JUNE 2005 (1-1312)** - Discussion indicated that the intent is to provide relief for local residential nonprofit organizations. Staff was not recommending increasing the profit organizations' fees to make up the difference. The Parks and Recreation Commission will be asked to adjust next year's budget

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 6

to match the fee difference. The recommendation is for the Board to find a revenue source within the budget to keep the current budget at its present funding level. The proposal is sending a mixed message to staff as the Board had mandated that the facility pay for itself. Staff was complimented on its efforts to fill the facility. The fees were increased 11 percent last year. The current fees are making it difficult for the nonprofit residential organizations to use the facility. The annual fee increase is limited to a maximum of 15 percent. Board comments stressed the desire to continue to provide a facility for the residential nonprofit organizations at a reasonable cost. Ms. Singer indicated that there are few profit sector groups using the facility due to the demand from the nonprofit sector. The facility is meeting the community needs as envisioned when constructed. Supervisor Livermore explained his support for the request. Mayor Teixeira acknowledged that an annual decrease in the nonprofit fees would total approximately \$10,000. The request is for the remainder of this fiscal year only. Supervisor Livermore moved to approve the request for a 25 percent discount for resident nonprofit organizations who wish to rent the Community Theater from March through June 2005; fiscal impact is \$5,253.58 anticipated; and the funding source is the General Fund. Supervisor Williamson seconded the motion. Discussion indicated that the budget sessions will address next year's funding. Motion carried 5-0.

RECESS: A recess was declared at 10 a.m. The entire Board was present when Mayor Teixeira reconvened the meeting at 10:10 a.m., constituting a quorum.

9. CITY MANAGER - Linda Ritter

A. ACTION TO APPROVE THE BOARD OF SUPERVISORS GOALS FOR FISCAL YEAR 2005/2006 (1-1559) - Discussion explained the Code conflict found regarding the Redevelopment program to have residential and commercial uses in the downtown area. The affordable housing program's concept does not include transit housing at this time. Supervisor Aldean stressed her belief that illegal drugs are a major issue to consider and that it should include housing for these individuals. Ms. Ritter agreed to add it to the listing. Supervisor Williamson invited Supervisor Aldean to the next Home Consortium meeting. Supervisor Livermore elaborated on his belief that the downtown core needed to be expanded to include the entire main street area. Justification for this expansion was included in his remarks. The area should include everything between Fairview and Winnie and, specifically, the area around Fleischmann. He recommended changing the name from downtown to main street. He did not want to expand the Redevelopment District at this time. Ms. Ritter agreed to add the parking study and/or development of a parking garage. Board comments questioned the need to conduct another parking study. Supervisor Williamson explained that the current funding is inadequate for the City to undertake a parking garage at this time. Therefore, a partnership must be created with either the State or private enterprise. Supervisor Staub explained that CAMPO may be able to assist with funding at some future date as a transit terminal may be needed in the downtown area. It could include parking facilities. Mayor Teixeira pointed out that goals 23, 24, and 25 are the City Manager's goals. Ms. Ritter explained the need for Board support in order to accomplish them. Discussion ensued concerning whether the historic downtown area, which is the heart of the Redevelopment District, should be expanded to include Fleischmann to Winnie on the north and Fairview on the south and to change the name to main street. Supervisor Williamson indicated that main street and the use of a special planning area for it had been discussed by the Economic Vitality Committee. Supervisor Livermore reiterated his desire to expand the downtown area to include main street without expanding the Redevelopment District. Supervisor Aldean suggested that it be included in the business retention recruitment as part of its economic development flair. Mayor Teixeira pointed out that the goals

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 7

and objectives will be revised as needed in the future. He agreed that Supervisor Livermore's point was valid and should be added. Supervisor Aldean moved to approve the Board of Supervisors goals for fiscal year 2005/2007 as presented with the following modification—. Following discussion; Supervisor Aldean amended her motion to approve the goals as presented and modified and corrected the fiscal year to be 2005/2006. Supervisor Livermore seconded the motion. Motion carried 5-0.

B. ACTION TO RELEASE FUNDS CURRENTLY IN THE CQI FUND FOR CITY-WIDE TECHNOLOGY IMPROVEMENTS AND DEPARTMENT SPECIFIC TECHNOLOGY IMPROVEMENTS (1-2000) - Discussion explained the proposal to allocate \$325,073 for citywide technology and \$325,074 for Department specific technology. The funds were frozen in the suspended CQI program in 2003. The use of these funds will reduce the SPAN requests. The proposed program will eliminate the use of the CQI funds for furniture. The Departments could "commingle" the funding if the use is beneficial for all of the participants. Ms. Ritter indicated that the Department's funding could also be commingle with SPAN funds. The accumulation of funding through the CQI fund was described. Last year the budget savings were returned to the General Fund. Supervisor Williamson moved to release funds currently in the CQI Fund for citywide technology improvements and Department specific technology improvements; fiscal impact is \$325,073 for citywide technology and \$325,074 for Department specific technology; and the funding source is the CQI funds. Supervisor Livermore seconded the motion. Motion carried 5-0.

C. ACTION TO HAVE CARSON CITY JOIN THE NEVADA LEAGUE OF CITIES (NLC) AND MUNICIPALITIES EFFECTIVE APRIL 1, 2005 (1-2169) - NLC Executive Director David Fraser briefly summarized the benefits of being a member of the League. He acknowledged Carson City's unique position of being a consolidated municipality and being able to be a member of both NLC and NACO. Discussion noted that Ms. Ritter had served on the SB 555 Committee as a result of her former employment and its membership in NLC. Mayor Teixeira explained that several years ago the City had been a member of both the NLC and NACO and had paid half of the fee for both. The City was forced to make a decision as to whom it would pay the full dues at a time when funding was short. The City had elected at that time to pay full dues to NACO. Mayor Teixeira had supported this decision at that time due to his feeling that NACO and NLC mirrored each others activities. He no longer believes this is true. NLC and cities have issues which NACO and counties do not have. Ms. Ritter had discussed her belief with him that Carson City needs to belong to both organizations. He had, therefore, cancelled the City's membership in the U. S. Conference of Mayors. Reasons for this decision were indicated. Discussion ensued on the cost of a full membership and whether a Board member would be appointed to NLC's Board of Directors. Supervisor Staub asked that a report on the benefits of being a member of both organizations be provided in a year. Mayor Teixeira agreed. Supervisor Livermore moved to have Carson City join the Nevada League of Cities and Municipalities effective April 1, 2005; fiscal impact is \$16,844 for a full membership; and the funding source is the General Fund. Supervisor Williamson seconded the motion and suggested that Supervisor Livermore be the City's representative. Mayor Teixeira felt that her suggestion should be incorporated into the motion. Supervisor Livermore agreed to serve. Chief Deputy District Attorney Melanie Bruketta pointed out that the appointment was not agenzized and that there is adequate time before the April meeting to appoint a member. Ms. Ritter indicated the appointment would be agenzized for the next meeting. The motion to join the NLC was voted and carried 5-0.

Mayor Teixeira indicated that he will be contacting Mr. Fraser regarding two pieces of legislation on the V&T Railway. Mr. Fraser looked forward to hearing from him and ensured the Board that there will be "plenty

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 8

of contact" from the League.

10. BOARD OF SUPERVISORS - NON-ACTION ITEMS

A. INTERNAL COMMUNICATIONS AND ADMINISTRATIVE MATTERS (1-2388) -

Supervisor Aldean reported on testifying before the Legislature's joint budget committee with Supervisor Livermore, Sheriff Furlong, Chief Deputy District Attorney Langer, and others regarding mental health issues and its need for additional staffing. Supervisor Williamson reported on Supervisor Aldean and her appointment to the CDBG application evaluation committee on capital project funding and public service. Its recommendations should be presented to its Board on March 17. (1-2495) Supervisor Staub reported on the auto mall/strip meetings and believed that a resolution containing some incentives is forthcoming. He also extended his condolences to Deputy Putzer and his family. Supervisor Livermore reported on the Subconservancy meetings and his tour of the regional hospital facility. The grand opening will be held on March 10 from approximately 6 p.m. to 8:30 p.m. He urged the Board to tour the facility. He reported on the Carson City Employees Association dinner and installation of new officers, whom he congratulated. He announced the March 12 Hospital Auxiliary's fundraiser Cowboy Poetry and urged everyone to obtain tickets. Mayor Teixeira expanded on the Washington, D.C., trip. He believed that its results will be known within three months. He noted that the *Nevada Appeal's* coverage of Convention and Visitors Bureau Board meeting and summarized the meeting and the status of the V&T Railway reconstruction project. He also indicated that there is pending legislation that will help provide additional funding for the project. No formal action was required or taken on any of these items.

B. STAFF COMMENTS AND STATUS REPORT (1-2457) -

City Manager Ritter reported on her and Mayor Teixeira's trip to Washington, D.C., to meet with the Congressional Representatives. Both she and Mayor Teixeira felt that it was a very productive effort and had addressed Brunswick Reservoir issues, the Waterfall Fire reforestation needs, the V&T Railway project, the Fairview widening, the Marlette-Hobart water system, and other items. No formal action was required or taken.

RECESS: Mayor Teixeira recessed the Board of Supervisors session at 11 a.m. The entire Board was present when Mayor Teixeira reconvened the meeting at 6 p.m. Staff members present were: City Manager Ritter, Development Services Director Burnham, Chief Deputy District Attorney Bruketta, Public Works Operations Manager Hoffert, Senior Accounting Manager Providenti, and Recording Secretary McLaughlin.

11. DEVELOPMENT SERVICES - PUBLIC WORKS - Public Works Operations Manager Tom Hoffert

A. ACTION ON A MOTION FINDING THAT THE PROPOSED ORDINANCE AMENDING TITLE 12 (WATER, SEWERAGE AND DRAINAGE), CHAPTER 12.01 (WATER CONNECTION CHARGES AND USE RATES), SECTION 12.01.020 (SCHEDULE OF RATES) BY INCREASING ALL RATES 7% EFFECTIVE ON BILLS DATED ON OR AFTER APRIL 7, 2005 AND 7% EFFECTIVE ON BILLS DATED ON OR AFTER OCTOBER 7, 2005, AND AMENDING SECTION 12.01.030 (SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES) BY INCREASING ALL CHARGES AND FEES 7% EFFECTIVE ON BILLS DATED ON OR AFTER APRIL 7, 2005 AND 7% EFFECTIVE ON BILLS DATED ON OR AFTER OCTOBER 7, 2005, AND OTHER MATTERS PROPERLY RELATED

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 9

THERE TO DOES IMPOSE A DIRECT AND SIGNIFICANT ECONOMIC BURDEN ON A BUSINESS OR DIRECTLY RESTRICT THE FORMATION, OPERATION OR EXPANSION OF A BUSINESS, THAT A BUSINESS IMPACT STATEMENT HAS BEEN PREPARED, ACCEPTED AND IS ON FILE WITH THE BOARD OF SUPERVISORS AND THAT THE REQUIREMENTS OF THE ACT HAVE BEEN MET (1-2684) - Senior Account Manager Providenti - The proposed rate increase will create an impact on users. A list of firms that were sent notices was noted. Response to the notification was limned. Press releases had indicated that anyone wishing to comment or question the proposal were to contact Mr. Providenti. He did not receive any communications. The impact statement, affidavit of publication, and protest forms are available on the counter at Development Services on Butti Way for anyone wanting a copy. There is a ten-day period for filing protests with the Clerk-Recorder's Office. The conservation measures will be considered by the Board at its next meeting. There are short term items which need to be approved/adopted before the irrigation season begins. They include conservation measures which will "shave the peak" demand. The Cooperative Extension Service started a program last spring that assisted residents with their landscaping and irrigation. The demonstration projects will be developed during this season. A report on this program will be presented at the next meeting. Discussion explained that the last rate changes had little impact on the medium and lower class users. The top classes of users had a rate increase. Supervisor Aldean explained a telephone call she had received from Chamber of Commerce Chief Executive Officer Larry Osborne wherein he indicated that the top users will receive a 30% increase in fees under the proposed increase. He had not opposed the increase, however, believed an adjustment should be provided. Mayor Teixeira explained his personal sampling of the manufacturers and casinos. He explained Chromalloy's billings for last year, the current bill, and the proposed fee increase. He did not believe that they received a 30% increase. Supervisor Aldean explained the 30% calculation and expressed an intent to make a motion that they forego the October fee increase for the large water users. Mr. Providenti indicated that the October increase would be approximately 32%. Supervisor Aldean indicated an intent to support the April 1 increase for these users. Mr. Hoffert indicated that this is part of the ordinance discussion and that the impact statement should be approved first. Supervisor Williamson moved to find that the proposed ordinance amending Title 12 Supervisor Williamson moved to find that the proposed ordinance amending Title 12 - Water, Sewerage and Drainage, Chapter 12.01 - Water Connection Charges and Use Rates, Section 12.01.020 - Schedule of Rates - by increasing all rates 7% effective on bills dated on or after April 7, 2005 and 7% effective on bills dated on or after October 7, 2005, and amending Section 12.01.030 - Schedule of Water Connection Charges, Lateral and Meter Box Sets, and Meter Set Fees, by increasing all charges and fees 7% effective on bills dated on or after April 7, 2005, and 7% effective on bills dated on or after October 7, 2005, and other matters properly related thereto does impose a direct and significant economic burden on a business or directly restrict the formation, operation or expansion of a business, that a business impact statement has been prepared, accepted and is on file with the Board of Supervisors and that the requirements of the act have been met. Supervisor Aldean seconded the motion. Motion carried 5-0.

B. ACTION TO INTRODUCE, ON FIRST READING, AN ORDINANCE AMENDING TITLE 12 (WATER, SEWERAGE AND DRAINAGE), CHAPTER 12.01 (WATER CONNECTION CHARGES AND USE RATES), SECTION 12.01.020 (SCHEDULE OF RATES) BY INCREASING ALL RATES 7% EFFECTIVE ON BILLS DATED ON OR AFTER APRIL 7, 2005 AND 7% EFFECTIVE ON BILLS DATED ON OR AFTER OCTOBER 7, 2005, AND AMENDING SECTION 12.01.030 (SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES) BY INCREASING ALL CHARGES AND FEES 7% EFFECTIVE ON BILLS DATED ON OR AFTER APRIL 7, 2005 AND 7% EFFECTIVE ON BILLS DATED ON OR

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 10

AFTER OCTOBER 7, 2005, AND OTHER MATTERS PROPERLY RELATED THERETO (1-3000) - City Manager Linda Ritter, Consultant John Bono from Hobbs and Ong Associates, Tom Keeton, David Ruf, Greg Banovich, Hope Tangle, Frank Page, Sarah Johns - Ms. Ritter highlighted a power point presentation explaining the projects now under way and those that will be constructed with bond proceeds which the fee increase will repay. Water consumption has grown at a 38% rate in spite of the population increase since 1994 of only 19%. The drought had a direct increase on the amount of water used. Examples of the increased cost to drill wells was limned. The connection fees were increased in 1998 and 2003, however, the number of building permits taken out have decreased. This resulted in a reduction in the amount of connection fees revenue and subsequent decrease in the ability to drill wells and make capital improvements. The rates before and after the 2003 rate adjustment were then defined. As the City does not have a reserve cash fund, it must use bonds to finance the capital improvements. Seven percent of the bond amount is for bond expenses. A rate committee and Hobbs and Ong has double checked the information. She then introduced Mr. Bono.

Mr. Bono explained his study of the City's rates commencing with 1993. At that time the City would make small across the board adjustments to the water rates. Solid connection growth eliminated the need to do otherwise. The City lived off its fund balance. In 2002 the user classes were changed but the City continued to live off its fund balance. Now the City does not have any cash for capital improvements and must bond for them. If the City should suddenly incur unforeseen expenses or the revenue drops, it cannot make up the revenue loss as it does not have a fund balance. He then explained that the rate study committee had looked at the users who are causing the largest impact to the system and tried to allocate the costs to them. The proposed rate adjustment will create the capital for repayment of the bonds. Without the rate adjustment the City will not be able to obtain the credit or repay the bonds. The goal is to provide the needed funding ability and capital. It will require regular and modest rate increases. The current funding balance is committed to bond repayments. Discussion indicated that he is not alarmed by the reduction in connection fee revenue. The current growth level, however, is not adequate to pay for additional capital improvements that are needed. It will not support a program that requires new growth to buy into the water system. The question then becomes how much will the market bear? The City's connection fee is low to modest when compared with other parts of the Country. If more revenue from growth is required, the Board could increase the fee. He did not believe that enough additional funding for capital improvements will be provided by a connection fee increase. It may, however, stop new growth. Discussion explained that the presentation in 2004 had convinced the Board that a five percent across the board increase was not warranted due to the lack of information about the adjustment and rate stabilization occurred in 2003. Discussion also pointed out the need for capital improvements before the summer peak demands occur. The need for a reliable commodity and delivery system was stressed. The economic impact the lack of water would have on the City's manufacturing area was also noted. Although the Board did not like the idea of having to increase the fees 14%, neither did it wish to repeat last summer's water shortage. They must manage the system. Public comments were solicited.

Mr. Keeton stressed the need to build for tomorrow's population. He supported the proposed rate increase and felt that the large users should pay more. The need to retain our manufacturers was also indicated. He urged the Board to approve the ordinance.

Mr. Ruf explained that as a business owner he supported the community and could absorb a 7% increase. There are times, however, when he uses more than 100,000 gallons of water for his business. This would mean that his water bill would be 30% higher than today's fees. Without the water he would be hard pressed

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 11

to continue his business and pay his 50 to 60 employees. The 32% rate increase is too much to ask of businesses. He also noted the City's problem with reclaimed water and explained his attempts to obtain reclaimed water for his irrigation needs. He had allegedly offered to provide land for infiltration purposes. His efforts to conserve water were indicated. A large fee increase will be detrimental to the services he will be able to offer his clientele. Mayor Teixeira explained that the Brunswick Reservoir issue will be discussed in the future. It is being brought on by Federal regulations. He hoped that Mr. Ruf will attend the meeting on it when it occurs. The City has attempted to maximize usage of its reclaimed water. Next year the high school will be added to the facilities using reclaimed water. Such usage will reduce the demand for potable water. He expressed his sympathy for the high users, however, they are using 30% of the water. Mr. Ruf pointed out that his water does not wind up in Brunswick Reservoir. The Brunswick issues will be addressed through the sewer charges unless a better program is developed. Discussion between Mr. Ruf and Supervisor Aldean indicated that he was willing to accept a 16% rate increase but not a 30% increase. Supervisor Livermore pointed out that the second increase will occur in October when he will be using less water. The 100,000 gallon rate will occur next summer. Mr. Ruf then explained his efforts to help his clientele reduce their irrigation needs which includes promotion of xeroscape. Education and promotional materials are distributed to his clientele. He periodically conducts classes on irrigation/drip systems and sells products to keep the water on the lawns and out of the streets. Supervisor Livermore explained his knowledge of Mr. Ruf's efforts to educate the public including his television programs. He commended him on this effort. Mr. Ruf explained that 1/3 of his property is on a drip irrigation system and that the remainder is hand watered. This prevents water from being lost. He emphasized that we must conserve water as it is a precious commodity in the west. Additional public comments were solicited.

(2-0285) Mr. Banovich explained that when the City took over the water utility many things were promised. Then they increased the rates and later went to odd/even watering. Mayor Teixeira explained that odd/even watering does not deal with supply but rather with delivery issues. Mr. Banovich alleged that the City had increased the rates by 21% in 2003. Mr. Providenti indicated that the residential rates were increased by five percent and that their service charge had been reduced. Mr. Banovich repeated his belief that his rates had increased 21%. The proposed 14% increase will increase his rates 35% and he would not be allowed to irrigate his landscaping except on two weekends a month and never on Sundays and Mondays. Mr. Hoffert explained that he would be able to water his landscaping on two set days each week. Mr. Banovich felt that this would reduce the revenue stream. Mr. Hoffert and Mayor Teixeira explained that people believe this to be true, however, experience indicates that they will use more water.

Ms. Tangle indicated that philosophically she opposed the rate increase. She understood the need for it. She felt that the Board/City had missed several opportunities over the years and hoped that we have learned something from these mistakes. She did not want to be in the same position in ten years. Mayor Teixeira agreed with her. He also felt that barring a drought, the community will respond and it should not happen.

Mr. Hoffert indicated to Mr. Page that staff is researching averaging payment plans which would level the peaks and valleys in the bills. The program will require upgrading the current billing system. Mr. Page explained that he had discussed his need to take a course on sprinkler systems with the Cooperative Extension Service. Discussion indicated that Mr. Ruf had held a class on sprinkler systems last month. He provides two sprinkler classes and one landscape class every year. Discussion noted the differences in today's sprinkler systems which conserve water. Mr. Hoffert explained that the demonstration projects were to

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 12

illustrate what could be done in Carson City. They will be developed this summer. Mr. Page then expressed his opinion that NDOT should be required to relocate the waterlines that are in the freeway right-of-way rather than require the City to do it. Mr. Hoffert explained that the City utilities are in the State right-of-way by permit. It requires the City to relocate the utilities if NDOT needs them moved. NDOT will pay a portion of the cost to relocate the utilities. Mr. Page explained that grass and trees clean the air. He likes having a lawn and wants to keep it. Additional public comments were solicited.

Ms. Johns suggested that the residents/businesses who would be placed in a new tier be provided with a graduated bill that would "meter out" the fee increase. Mayor Teixeira explained that the City has the lowest water rates in the region, which is not justification for a rate increase. The utility is operated very efficiently. Ms. Ritter explained that, if the second rate increase for the large users is not implemented, it would impact the revenue stream by \$115,000 annually. The \$115,000 revenue stream would support a \$1 million bond.

Mr. Hoffert indicated that there are approximately 1,100 users in the 50,000 to 100,000 gallon class and approximately 560 users in the more than 100,000 gallon class. Some of these users are barely using 100,000 gallons while others use 300,000 gallons. Mr. Providenti explained that the \$115,000 revenue stream is what would be generated by the April 7 increase. Mayor Teixeira pointed out that the hospitality providers have higher room occupancy rates and more restaurant and bakery clientele during the summertime. The City's single largest water user is Mission Industries. Their usage is consistent throughout the year. Large users are driving the need for consistent service. Supervisor Livermore felt that Mission Industries is a unique situation. He then explained the Hospital's water usage. Its high occupancy rate is during the winter and spring months. Mr. Hoffert explained that daily water demand during the wintertime is between 5 and 6 million gallons a day. During this period staff repairs the equipment so it can meet the July heavy demand periods. During July and August the daily demand is between 24 and 26 million gallons. The proposal will add and expand the capital facilities to address the July and August demands. It is possible to have a seasonal water rate. It requires annual reviews to ensure that appropriate funding is provided to meet the capital needs. The City currently has a capital program and an operational budget which are fine tuned to meet the needs. Finance has determined that the rate increase is necessary to meet the capital program and operational budget.

Ms. Ritter explained that the last rate adjustment was revenue neutral. The last rate increase was in 2002. She reviewed the proposed increase percentages and the 2002 rate increase.

Supervisor Aldean explained her belief that the large users should be given parity and equity. The proposed rate will increase their fees 16% in April. She recommended eliminating the October increase for them based on this increase. Additional public comments were solicited.

Mr. Ruf supported her position. Discussion between Mr. Ruf and Mr. Hoffert explained that the rate study committee had established the same rate per gallon for both commercial and residential users when the rate adjustment was made. Mayor Teixeira explained that the proposal steps everyone up together. Mr. Ruf then explained a resident's ability to reduce his/her cooling costs by having lawns. He did not wish to see the rates increased so much that residents remove their lawns and the trees die. He felt that it is detrimental to the community to have large rate increases. Mayor Teixeira expressed the hope that they will not have to implement any more large increases. The system should be managed to eliminate large increases. He also indicated that he understood Mr. Ruf's concerns. Additional comments were solicited but none were given.

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 13

Supervisor Aldean moved to introduce on first reading Bill No. 105, AN ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.01, WATER CONNECTION CHARGES AND USE RATES, SECTION 12.01.020, SCHEDULE OF RATES, BY INCREASING ALL RATES 7% EFFECTIVE ON BILLS DATED ON OR AFTER APRIL 7, 2005 AND 7% EFFECTIVE ON BILLS DATED ON OR AFTER OCTOBER 7, 2005, WITH THE EXCEPTION OF THE COMMODITY CHARGE FOR CUSTOMERS USING IN EXCESS OF 100,000 GALLONS PER MONTH AND AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING ALL CHARGES AND FEES 7% EFFECTIVE ON BILLS DATED ON OR AFTER APRIL 7, 2005 AND 7% EFFECTIVE ON BILLS DATED ON OR AFTER OCTOBER 7, 2005, AND OTHER MATTERS PROPERLY RELATED THERETO; fiscal impact after approval of the second reading is that they will see an increase in revenue. Supervisor Livermore seconded the motion. Motion was voted by roll call with the following result: Supervisor Staub - No; Supervisor Williamson - No; Supervisor Livermore - Yes; Supervisor Aldean - Yes; and Mayor Teixeira - No. Motion failed on 2-3 vote.

Supervisor Williamson moved to introduce on first reading Bill No. 105, AN ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.01, WATER CONNECTION CHARGES AND USE RATES, SECTION 12.01.020, SCHEDULE OF RATES, BY INCREASING ALL RATES 7% EFFECTIVE ON BILLS DATED ON OR AFTER APRIL 7, 2005 AND 7% EFFECTIVE ON BILLS DATED ON OR AFTER OCTOBER 7, 2005, AND AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING ALL CHARGES AND FEES 7% EFFECTIVE ON BILLS DATED ON OR AFTER APRIL 7, 2005 AND 7% EFFECTIVE ON BILLS DATED ON OR AFTER OCTOBER 7, 2005, AND OTHER MATTERS PROPERLY RELATED THERETO; and that the fiscal impact is that after second reading there will be an increase in revenue. Supervisor Staub seconded the motion. Motion was voted by roll call with the following result: Supervisor Livermore - No; Supervisor Williamson - Yes; Supervisor Aldean - No; Supervisor Staub - Yes; and Mayor Teixeira - Yes. Motion carried 3-2. Mayor Teixeira commended the audience on its decorum during the meeting. He acknowledged that it was a difficult decision to have to make. He commended staff on the report.

12. ACTION TO ADJOURN (2-0824) - Supervisor Livermore moved to adjourn. Supervisor Williamson seconded the motion. Motion carried unanimously. Mayor Teixeira adjourned the meeting at 7:17 p.m.

CARSON CITY BOARD OF SUPERVISORS
Minutes of the March 3, 2005, Meeting
Page 14

The Minutes of the March 3, 2005, Carson City Board of Supervisors meeting

ARE SO APPROVED ON April 7, 2005.

/s/
Marv Teixeira, Mayor

ATTEST:

/s/
Alan Glover, Clerk-Recorder