

**CARSON CITY CONSOLIDATED MUNICIPALITY
NOTICE OF MEETING OF THE
UTILITY FINANCIAL OVERSIGHT COMMITTEE**

Day: Monday
Date: February 29, 2016
Time: Beginning at 10:00 a.m.
Location: Community Center, Sierra Room
851 East William Street
Carson City, Nevada

****FIRST AMENDED AGENDA****

1. Call to Order

2. Roll Call

3. Public Comment:

The public is invited at this time to comment on and discuss any topic that is relevant to, or within the authority of this public body. In order for members of the public to participate in the Committee's consideration of an agenda item, the Committee strongly encourages members of the public to comment on an agenda item during the item itself. No action may be taken on a matter raised under public comment unless the item has been specifically included on the agenda as an item upon which action may be taken.

4. FOR POSSIBLE ACTION: [Adoption of Agenda.](#)

5. FOR POSSIBLE ACTION: Approval of Minutes.

6. AGENDA ITEMS:

6.A *For Information Only: Review and discussion of domestic water supplementation for calendar year 2015.*

Staff Summary: For calendar year 2015, 77 million gallons of domestic water was used to supplement the reclaimed water supply, which resulted in a transfer of \$52,822 from the sewer fund to the water fund for fiscal year 15/16.

6.B *For Information Only: Manhard Consulting Presentation.*

Staff Summary: Review and discussion of a presentation that was made to the Board of Supervisors on February 4, 2016, by Manhard Consulting Inc., regarding reclaimed water storage and utilization consideration. Manhard Consulting was tasked with reviewing pertinent information and providing an overview of considerations associated with the storage and utilization of reclaimed water.

6.C *For Information Only: Status of Proposed Water and Sewer Connection Charges*

Staff Summary: The water and sewer connection charge recommendations from the June 2015 Utility Financial Oversight Committee were brought to the Board of Supervisors on August 20, 2015. The Board recommended initiating the process of changing the connection fees. The next step in the process will be to complete the Business Impact Statements pursuant to NRS 237.090, seek approval of the ordinance changes through two readings at the Board and implement the phase-in strategy on July 1, 2016.

6.D *For Information Only: WRRF Phase 1A project update*

Staff Summary: A presentation and discussion on the status of the Water Resource Recovery Facility Phase 1A project.

7. Public Comment:

****PUBLIC COMMENT LIMITATION** – It is Carson City’s aspirational goal to provide for item-specific public comment as follows: In order for members of the public to participate in the public body’s consideration of an agenda item, the public is strongly encouraged to comment on an agenda item when called for by the Chair during the item itself. No action may be taken on a matter raised under public comment unless the item has been specifically included on the agenda as an item upon which action may be taken. The Chair also retains discretion to only provide for the Open Meeting Law’s minimum public comment and not call for or allow additional individual-item public comment at the time of the body’s consideration of the item when: 1) it is deemed necessary by the Chair to the orderly conduct of the meeting; 2) it involves an off-site non-action facility tour agenda item; or 3) it involves any person’s or entity’s due process appeal or hearing rights provided by statute of the Carson City Municipal Code.

8. For Possible Action: To Adjourn

Agenda Management Notice

Agenda Management Notice – Items on the agenda may be taken out of order; the public body may combine two or more agenda items for consideration; and the public body may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

Notice to Persons with Disabilities

Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify the District Attorney’s Office in writing at 885 E. Musser Street, Suite 2030, Carson City NV 89701, or by calling (775) 887-2070 at least 24 hours in advance.

To request a copy of the supporting material for this meeting:

Contact Karen Leet at Kleet@carson.org or call (775) 887-2355.

This agenda and backup information are available at:

The City’s website at www.carson.org/agendas and at the Carson City Public Works Office, 3505 Butti Way, Carson City, Nevada (775) 887-2355.

This notice has been posted at the following locations:

Community Center, 851 East William Street

Public Safety Complex, 885 East Musser Street

City Hall, 201 North Carson Street

Carson City Library, 900 North Roop Street

Business Resource & Innovation Center (BRIC), 108 East Proctor Street

**This FIRST AMENDED AGENDA has been modified from the original AGENDA posted on or before February 24, 2016 to include the following second period of public comment as Item 7, which was inadvertently omitted due to a technical error:

7. Public Comment:

**PUBLIC COMMENT LIMITATION – It is Carson City’s aspirational goal to provide for item-specific public comment as follows: In order for members of the public to participate in the public body’s consideration of an agenda item, the public is strongly encouraged to comment on an agenda item when called for by the Chair during the item itself. No action may be taken on a matter raised under public comment unless the item has been specifically included on the agenda as an item upon which action may be taken. The Chair also retains discretion to only provide for the Open Meeting Law’s minimum public comment and not call for or allow additional individual-item public comment at the time of the body’s consideration of the item when: 1) it is deemed necessary by the Chair to the orderly conduct of the meeting; 2) it involves an off-site non-action facility tour agenda item; or 3) it involves any person’s or entity’s due process appeal or hearing rights provided by statute of the Carson City Municipal Code.

CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE

Minutes of the June 30, 2015 Meeting

Page 1

DRAFT

A meeting of the Carson City Utility Financial Oversight Committee was scheduled for 6:00 p.m. on Tuesday, June 30, 2015 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Andrea Engleman
Vice Chairperson Michael Bennett
Member Randy Bowling
Member Bruce Scott
Member Michael Spell

STAFF: Darren Schulz, Public Works Department Director
David Bruketta, Utility Manager
Joseph Ward, Deputy District Attorney
Kathleen King, Chief Deputy Clerk

NOTE: A recording of these proceedings, the committee's agenda materials, and any written comments or documentation provided to the Clerk, during the meeting, are part of the public record. These materials are available for review, in the Clerk's Office, during regular business hours.

1 - 2. CALL TO ORDER AND ROLL CALL (6:00:00) - Chairperson Engleman called the meeting to order at 6:00 p.m. Roll was called; a quorum was present.

3. PUBLIC COMMENT (6:00:24) - Chairperson Engleman entertained public comment. The Builders Alliance CEO Aaron West read a prepared statement into the record. In response to a question, he provided an overview of a letter he distributed and reviewed at a recent Board of Supervisors meeting.

4. POSSIBLE ACTION TO ADOPT THE AGENDA (6:03:00) - Chairperson Engleman advised that, at Brad Bonkowski's request, she would modify the agenda to address item 8 prior to item 7. She entertained a motion to adopt the agenda, as modified. **Member Scott so moved. Member Bowling seconded the motion. Motion carried 5-0.**

5. POSSIBLE ACTION ON APPROVAL OF MINUTES - March 24, 2015 (6:03:59) - Chairperson Engleman entertained suggested revisions to the minutes. When no suggested revisions were forthcoming, she entertained a motion to approve the minutes. **Member Bowling so moved. Member Scott seconded the motion. Motion carried 5-0.**

6. REVIEW AND DISCUSSION OF COMMERCIAL CONNECTION CHARGES; PRESENTATION FROM AND DISCUSSION WITH FCS GROUP REPRESENTATIVES AND CITY STAFF ON COMMERCIAL WATER AND SEWER CONNECTION CHARGES; POSSIBLE ACTION TO PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS (6:04:25) - Chairperson Engleman introduced this item. Mr. Bruketta provided background information and an overview of the presentation. Krista Shirley, of FCS Group, narrated a PowerPoint presentation, copies of which were included in the agenda materials. Ms. Shirley and Mr. Bruketta responded to questions of clarification.

CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE

Minutes of the June 30, 2015 Meeting

(6:56:41) **Vice Chairperson Bennett moved to recommend to the Board of Supervisors, for the water utility customers that connect to an inch and a half meter or larger, to be charged a connection fee of \$6,219 per maximum day, gallon per minute, use. Member Scott seconded the motion, and suggested an amendment. Vice Chairperson Bennett amended his motion to include the sewer utility connection charge of \$4,493 per sewer equivalent residential customer. Member Scott continued his second.** Chairperson Engleman entertained discussion on the motion and, when none was forthcoming, called for a vote.

RESULT:	Approved [5 - 0]
MOVER:	Vice Chair Mike Bennett
SECOND:	Member Bruce Scott
AYES:	Vice Chair Bennett, Members Scott, Bowling, Spell, Chair Engleman
NAYS:	None
ABSENT:	None
ABSTAIN:	None

Chairperson Engleman entertained committee member or public comment on the motion; however, none was forthcoming.

7. DISCUSSION TO ESTABLISH POLICY TO USE COMMERCIAL / INDUSTRIAL CONNECTION FEES AS AN ECONOMIC DEVELOPMENT TOOL; POSSIBLE ACTION TO PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS (6:18:44) - Chairperson Engleman introduced and provided background information on this item. Based on the previous discussion, Mr. Bonkowski suggested withdrawing this item. (6:56:06) **Vice Chairperson Bennett moved to table item 7. Member Scott seconded the motion. Motion carried 5-0.**

8. REVIEW AND DISCUSSION OF AN IMPLEMENTATION DATE AND PHASE-IN APPROACH OF CONNECTION FEES; POSSIBLE ACTION TO PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS (6:11:59) - Chairperson Engleman introduced this item, and Mr. Bruketta reviewed the agenda materials. Chairperson Engleman recognized Brad Bonkowski. (6:13:07) Mr. Bonkowski introduced himself for the record as “the owner of a commercial real estate firm ...” In response to a question, Mr. Bonkowski advised of approximately 600 acres of commercial / industrial land that is currently vacant and available. He further advised that “zero acres” have been developed in the last ten years. Krista Shirley, of FCS Group, responded to questions of clarification relative to information included in the PowerPoint presented as part of item 6, and discussion ensued.

(6:20:10) The Builders Alliance CEO Aaron West expressed agreement “with the rationale for calculating the fees going forward, but we still have strong concerns about the ... short-term impacts of the implementation of the fees ...” He expressed surprise over the “three-year and the immediate implementation proposal ... just based on the five-year conversation that we had at the last meeting and what we pushed forward.” He expressed “continued support for the original recommendation from the UFOC for a five-year phase in of all the connection fees, beginning July 1, 2016.” He read into the record a prepared statement expressing support for the phased-in approach.

CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE

Minutes of the June 30, 2015 Meeting

Page 3

DRAFT

(6:23:48) Rob McFadden advised that nearly every property he has purchased in Lyon County included water rights.

(6:25:07) Northern Nevada Development Authority Executive Director Rob Hooper acknowledged the diminished land capacity in Carson City, but stated “we still have a lot of land for commercial development.” He discussed the importance of competitive water and sewer connection fees in Carson City, and costs associated with expansion of existing businesses. He expressed agreement with The Builders Alliance position on the phased-in approach.

(6:27:41) Bill Miles, of Miles Construction, discussed concerns over the meter sizes required for commercial / industrial applications. “So when we're talking about a development such as a City Center in downtown, it's a good possibility a Hyatt Hotel needs a six-inch meter. And ... there's been a lot of planning here in Carson City ... where if we all of a sudden implement an increase in our commercial rates that are significant, the pro formas that they base that on are not going to work anymore.” Mr. Miles discussed concerns over commercial rates as applicable to multi-family apartments. He expressed support for the five-year phased-in approach, and discussion followed.

Extensive discussion took place regarding the intent of the subject agenda item. Chairperson Engleman entertained additional public comment. (6:38:30) Mark Turner assured the committee that potential developers have based decisions on the “five-year assumption. ... if that ... changes, some of those projects will not move forward.” He requested the committee's consideration as to “whether the dollar gain of the fees that would be generated is worth the loss of the economic activity ...” Chairperson Engleman entertained additional public comment; however, none was forthcoming.

At Vice Chairperson Bennett's request, Mr. Bruketta provided background information on the recommended three-year phase-in period. Extensive discussion followed among the committee members, staff, and the members of the development community who were present in the meeting room. Chairperson Engleman entertained a motion. Vice Chairperson Bennett moved to start the five-year implementation on January 1, 2016 with the 20 percent. Member Spell seconded the motion. Following discussion, Chairperson Engleman modified the agenda to address action on item 7.

(6:58:38) Chairperson Engleman entertained a motion. **Vice Chairperson Bennett moved to recommend to the Board of Supervisors an implementation start date of January 1, 2016, for both water and sewer for a five-year phase-in period. Member Spell seconded the motion.** Chairperson Engleman entertained discussion on the motion and, when none was forthcoming, public comment.

(6:59:30) The Builders Alliance CEO Aaron West inquired as to the intent of the motion, and Chairperson Engleman advised him that it was “specific to commercial; not to include residential.” Vice Chairperson Bennett expressed understanding for Chairperson Engleman's concern, and pointed out staff's concern that “connection fees are not separated by commercial versus residential. They're done by meter size. And meter sizes are not specific to residential. It just so happens that smaller meters are residential meters.” Extensive discussion followed.

Chairperson Engleman entertained public comment. (7:06:38) Mark Turner requested clarification of an earlier suggestion to provide for advance payment of water and sewer connection fees. Member Scott provided the requested clarification. Public Works Department Director Darren Schulz clarified the process

CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE

Minutes of the June 30, 2015 Meeting

associated with payment of connection fees in Carson City. In response to a question, Mr. Turner described the pending motion as “an unexpected curve ball ...”

(7:11:00) The Builders Alliance CEO Aaron West discussed the revenue stream created by the connection fees.

(7:12:20) Bill Miles, of Miles Construction, requested the committee to “go back to the original recommendation to the Board; that you would follow this commercial recommendation with the recommendation that you previously made because those dollars in a six-month time period ... are not going to be huge.”

Additional discussion took place among the committee members regarding the pending motion and, at Member Scott's request, Ms. King read back the motion. Chairperson Engleman requested a roll-call vote.

RESULT:	Failed [3 - 2]
MOVER:	Vice Chair Mike Bennett
SECOND:	Member Mike Spell
AYES:	Vice Chair Bennett, Member Spell
NAYS:	Members Bowling, Scott, Chair Engleman
ABSENT:	None
ABSTAIN:	None

Chairperson Engleman entertained a motion. **Member Scott moved to recommend to the Board of Supervisors that the adjustments be made on a five-year basis, beginning July 1, 2016, as outlined in staff's recommendation, for both water and sewer, residential and commercial. Member Bowling seconded the motion.** Chairperson Engleman entertained discussion on the motion. Following a request for clarification by staff, Chairperson Engleman requested that the motion for item 6 be read back. Ms. King read back the motion for item 6. Chairperson Engleman called again for discussion on the pending motion and, when none was forthcoming, entertained public comment.

(7:26:04) In response to previous comments, Mark Turner advised that Public Works Department staff recently met with members of The Builders Alliance to clarify the issues.

Chairperson Engleman entertained additional public comment and, when none was forthcoming, called again for discussion on the motion. When no further discussion was forthcoming, she requested a roll call vote on the pending motion.

RESULT:	Approved [5 - 0]
MOVER:	Member Bruce Scott
SECOND:	Member Randy Bowling
AYES:	Members Scott, Bowling, Spell, Vice Chair Bennett, Chair Engleman
NAYS:	None
ABSENT:	None
ABSTAIN:	None

CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE

Minutes of the June 30, 2015 Meeting

Page 5

DRAFT

9. DISCUSSION TO ESTABLISH POLICY WHEREBY CONNECTION CHARGE FEES WILL BE LIMITED TO FUNDING CAPITAL PROJECTS AND USING RATES TO FUND DEBT SERVICE AND OPERATIONS AND MAINTENANCE EXPENSES; POSSIBLE ACTION TO PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS (7:27:43) - Chairperson Engleman introduced and provided background information on this item. Mr. Schulz reviewed the agenda materials. Karen Johnson, of FCS Group, responded to questions of clarification. She and Mr. Bruketta provided additional explanation of the recommended action.

Following discussion, Chairperson Engleman entertained public comment. (7:31:24) The Builders Alliance CEO Aaron West thanked staff for the meeting and helping to clarify the structure within the enterprise funds. He expressed agreement that the funds should be used for capital projects and “very specific to the enterprise fund for which they were generated ...”

Chairperson Engleman entertained additional committee discussion. Member Scott expressed agreement with Vice Chairperson Bennett's earlier comment that the funds be restricted and not utilized for debt service. Chairperson Engleman entertained a motion. **Vice Chairperson Bennett moved to recommend to the Board of Supervisors that connection charge fees be limited to funding capital projects. Member Bowling seconded the motion.** Chairperson Engleman called for a vote on the pending motion.

RESULT:	Approved [5 - 0]
MOVER:	Vice Chair Mike Bennett
SECOND:	Member Randy Bowling
AYES:	Vice Chair Bennett, Members Bowling, Scott, Spell, Chair Engleman
NAYS:	None
ABSENT:	None
ABSTAIN:	None

10. DISCUSSION OF ADJUSTING CONNECTION FEES, ONCE THEY ARE FULLY IMPLEMENTED, ANNUALLY FOR INFLATION BASED ON THE ENGINEERING NEWS RECORD CONSTRUCTION COST INDEX; POSSIBLE ACTION TO PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS (7:33:17) - Chairperson Engleman introduced this item. At Public Works Department Director Darren Schulz's request, Karen Johnson, of FCS Group, provided background information and reviewed the agenda materials. Ms. Johnson responded to questions of clarification.

Chairperson Engleman entertained public comment. (7:35:34) The Builders Alliance CEO Aaron West expressed the opinion that “the variables in determining the connection fee are very real ...”

Mr. Bruketta responded to additional questions of clarification, and discussion ensued. Chairperson Engleman entertained a motion. **Member Scott moved to recommend to the Board of Supervisors that, after the connection fees are fully implemented, they be adjusted annually, based on the Engineering News Record Construction Cost Index, at an amount not to be greater than three percent. Member Bowling seconded the motion.** Chairperson Engleman entertained discussion on the motion; however, none was forthcoming.

CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE

Minutes of the June 30, 2015 Meeting

Chairperson Engleman entertained public comment. (7:41:57) The Builders Alliance CEO Aaron West expressed support for the motion.

Chairperson Engleman called for a vote on the pending motion.

RESULT:	Approved [5 - 0]
MOVER:	Member Bruce Scott
SECOND:	Member Randy Bowling
AYES:	Members Scott, Bowling, Spell, Vice Chair Bennett, Chair Engleman
NAYS:	None
ABSENT:	None
ABSTAIN:	None

11. PUBLIC COMMENT (7:42:27) - Chairperson Engleman entertained public comment; however, none was forthcoming.

12. ACTION TO ADJOURN (7:42:40) - Member Scott moved to adjourn the meeting at 7:42 p.m. Member Bowling seconded the motion. Motion carried 5-0.

The Minutes of the June 30, 2015 Carson City Utility Financial Oversight Committee are so approved this _____ day of _____, 2015.

ANDREA ENGLEMAN, Chair