



STAFF REPORT

Item No. 5B

Report To: Utility Finance Oversight Committee

Meeting Date: October 19, 2016

Staff Contact: Darren Schulz, Director of Public Works

Agenda Title: For Possible Action: To review the domestic water supplementation of the reclaimed water supply at the Stewart Pond Reservoir and the transfer of funds from the sewer fund to the water fund, for the cost of supplementation for calendar year 2016, with possible recommendations to the Board of Supervisors.

Staff Summary: For calendar year 2016, 56.8 million gallons of domestic water was added to the Stewart Pond Reservoir to supplement the reclaimed water supply. Using the wholesale water rate from Douglas County, the cost of supplementation was \$44,134 (exhibit 1).

Agenda Action: Formal Action/Motion

Time Requested: 30 minutes

Proposed Motion

The committee may move to recommend a motion to the Board of Supervisors.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

On March 24, 2015, the Utility Finance Oversight Committee recommended to the Board of Supervisors that the Public Works Department continue to supplement the reclaimed water system with domestic water until the reclaimed water supply can meet the demands, transfer the cost of domestic water from the sewer fund to the water fund annually and use the First Amendment to the Interlocal Agreement Relating to Water Service, between Douglas County and Carson City, to determine the cost of the water. On May 7, 2015 the Board of Supervisors accepted the report from the Utility Finance Oversight Committee from their March 24, 2015 meeting.

Background/Issues & Analysis

NA

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: \$44,134 Sewer Fund: 510-3201-434.04-39 Water - Effluent Supplementation

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: \$44,134 transferred from the sewer fund to the water fund.

Alternatives

N/A

Committee Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

Domestic water supplementation

Memo

October 5, 2016

To: Darren Schulz

From David Bruketta

Regarding: Domestic water augmentation for calendar year 2016

Domestic water supplementation at Stewart Pond started in June and continued into October. The total volume of supplementation used was 56.8 million gallons. Using the Douglas Wholesale rate to Carson City to calculate the cost per 1,000 gallons, the total cost of supplementation is \$44,134. For FY 16 (January 1 – June 30) 9.1 million gallons of supplementation was used resulting in cost of \$7,070.70. For FY 17 (July 1 – December 31) 47.7 million gallons of supplementation was used resulting in a cost of \$37,062.90. These amounts will be transferred from the sewer fund to the water fund for the appropriate fiscal year.

Table 1. Comparison of supplementation for Calendar Years 2014, 2015 and 2016

Domestic Water Supplementation at Stewart Pond				
For Calendar Year 16				
		CY 2014	CY 2015	CY 2016
Start	Month	May	April	June
End	Month	September	October	October
Supplementation	Million gallons	104.6	77.0	56.8
FY 16 Cost (1/1 - 6/30)	\$/k gallons	\$0.68	\$0.686	\$0.777 (9.1 MG)
FY17 Cost (7/1 - 12/31)	\$/k gallons			\$0.777 (47.7 MG)
Total Cost	\$	\$ 71,108	\$ 52,822	\$ 44,134

Notes:

CY2014: No money was transferred from the sewer fund to the water fund. This is listed as a comparison only.

March 24, 2015: UFOC recommended to the Board of Supervisors that the Public Works Department continue to supplement the reclaimed water system with domestic water until the reclaimed water supply can meet the demands, transfer the cost of domestic water from the sewer fund to the water fund annually and use the First Amendment to the Interlocal Agreement Relating to Water Service, between Douglas County and Carson City, to determine the cost of the water.

May 7, 2015: The Board of Supervisors accepted the report of the UFOC from their March 24, 2015 meeting.

FY16 budget: Added 510-3201-434.04-39 Water – Effluent Supplementation (\$100,000) to the sewer fund.

FY17 budget: Continued \$100,000 budget line item in sewer fund.