

**CITY OF NORTH LAS VEGAS
SPECIAL CITY COUNCIL MEETING MINUTES**

April 5, 2006

CALL TO ORDER: 4:36 P.M.

ROLL CALL

COUNCIL PRESENT:

Mayor Michael L. Montandon
Mayor Pro Tempore William E. Robinson
Councilwoman Stephanie S. Smith
Councilman Shari Buck
Councilman Robert L. Eliason

STAFF PRESENT:

City Manager Gregory Rose
Assistant City Manager Sam Chambers
Assistant City Manager Maryann Ustick
City Attorney Sean McGowan
City Clerk Karen L. Storms
Finance Director Phil Stoeckinger
Utilities Director David Bereskin
Chief Deputy City Clerk Anita Sheldon

VERIFICATION: Karen L. Storms, CMC
City Clerk

BUSINESS:

1. **PRESENTATION REGARDING THE CLEAN WATER COALITION; DIRECTION TO STAFF AND/OR ACTION REGARDING ACCEPTANCE OF THE AGREEMENT FOR MEMBERSHIP.**

City Manager Gregory Rose stated several months ago a presentation was made before Council by Douglas Karafa, Program Administrator of the Clean Water Coalition (CWC), regarding a major capital project that would result in improved levels of discharge in Lake Mead. At that time Council directed Staff to explore membership in the organization and return with a recommendation.

Utilities Director David Bereskin stated several meetings had taken place over the last several months which resulted in a 98% completion of an agreement with the CWC. This presentation included an update of the goals of the CWC, the amendments that were made to allow the City to join the agreement and discussion on the projected costs to the citizens and the development community who utilized wastewater service.

Currently, the CWC was comprised of Clark County, the City of Las Vegas and the City of Henderson. The Systems Conveyance and Operations Program (SCOP) was a piping conveyance system designed to take the discharge from the treatment plants, put it into a piping system and bring it out into the Boulder Islands Outfall Diffuser which was in the middle of Lake Mead. Director Bereskin stated there would be between 30,000,000 and 60,000,000 discharge gallons per day left in the wash to accommodate the wildlife and estuary.

In response to a question by Councilman Buck, Director Bereskin stated the project cost increased from \$650 million to \$751 million.

Director Bereskin listed the project drivers as follows:

- Water quality in the Inner Bay of Las Vegas and Las Vegas Wash
- Flexibility to provide for future capacity due to growth
- Relationship of the effluent disposal area to drinking water intakes
- Effects of the drought and lower lake levels
- Continued protection of return flow credit
- National Park Service recreation values
- Downstream users

The highlights of the amended Interlocal Cooperative Agreement for the CWC included the addition of the City of North Las Vegas a member. The Agreement went on to define and limit the extent of the CWC's authority to include regulation of what it would be allowed to sell as electricity and to whom. A power generation station would be erected at the discharge of the plant for the sale of electricity which was projected to cover its cost. The Agreement enumerated the CWC's powers within its authority and established a governing board of four representatives which included Clark County, the City of Las Vegas, the City of Henderson and the City of North Las Vegas.

The Agreement also identified 13 actions which would require unanimous consent, including approval and amendment of all capital improvement plans, approval of all annual capital budgets and operating budgets, authorization to borrow money, the admission of new members to the Coalition, termination of the Agreement, the establishment of regional fees and the basis for collecting revenues, the resolution of disputes between member agencies and the CWC and other agencies, the determination of the point of connection between CWC facilities and new or additional facilities, approval of the annual operating plan and appointment of a General Manager.

Director Bereskin described actions which would require the approval of the Councils of the member agencies which included approval and amendment of all capital improvement plans, authorization to borrow money, the admission of new members and termination of the Agreement. Other items requiring initial Council approval were the annual operating budgets and annual capital budgets and the establishment of regional fees after which the CWC would vote on the increases or decreases in fees.

Fiscal matters outlined in the Agreement included the following:

- The member share of the CWC obligation was set until regional fees provided all funding. The first two years required the four member agencies to pay a fixed percentage until the account increased sufficiently enough to borrow money. The City of North Las Vegas' percentage was 10% of the overall regional charge.
- Sewer connection charges and sewer user charges were to be determined by the Board.
- Regional fees were to be applied uniformly to all members by the CWC and the members would choose the method for raising the funds. A common service development charge would be established for each entity and the CWC would assess a user charge to the member agencies based on the flow.

Other fiscal matters outlined in the Agreement included satisfaction by the members of any deficiency in funds needed to satisfy CWC obligations. Audits would be conducted to verify the accuracy of member payments to the CWC. In addition, the CWC would determine the point of connection of the CWC facilities with each operating member's treatment plant. Clark County and the Cities of Las Vegas and Henderson connections were already in place and the City of North Las Vegas was attempting to locate a site in the southeast corner of the City.

The \$751 million future project cost included \$695 million for construction, \$40 million for design and \$16 million for administration. Assuming the system was in place by October of 2006, the regional connection charge would be \$800 for each single-family residence and \$550 for each condominium, apartment and town home. Usage fees were estimated at \$.65 per month and a 2-3% increase per year was anticipated. The user charges were slated to begin in July of 2007 and it was determined that, based on the proportion of current and future usage, the existing customers should pay for one-third of the cost and new customers should be responsible for two-thirds of the cost. Each entity would be responsible for collecting the fees through connection charges and rates billed to customers through local wastewater service providers. The connection charges would be increased by 1.5% every six months until January of 2009. However, Director Bereskin advised the debt would not be retired until 2040 so there would be escalating service charges dependent upon the population growth.

Mayor Pro Tempore Robinson inquired about who would be responsible for overseeing the finances of the CWC. City Manager Rose responded the Board would have the ultimate responsibility for oversight of the accounts but Staff would oversee the day-to-day fiduciary responsibilities. Chief Deputy City Attorney Carie Torrence explained the Interlocal Agreement provided that the debts and liabilities of the CWC remain with the CWC and at no point in time would they become the liabilities of each individual entity.

In response to a question by Councilwoman Smith, Director Bereskin advised the \$.65 monthly charge would be in addition to the existing sewer bill.

The project budget for the first year was projected to be \$17,800,000 and the City's responsibility would be 10%, or \$1,780,000.

In summary, Director Bereskin requested that Council accept the amended Interlocal Agreement and direct the City Manager to place it on a future City Council agenda pending the Clean Water Coalition Board's approval.

Douglas Karafa, Program Administrator for the Clean Water Coalition (CWC), advised the CWC was created for only one regional project which, upon completion of construction, would become an agency in charge of operation and maintenance of the project. In addition to Mr. Karafa, the CWC staff consisted of a Chief Financial Officer, a Chief Engineer and a secretary and there were no plans to increase the staff.

Mr. Karafa explained this project was viewed as a companion project by the Southern Nevada Water Authority (SNWA) because it was moving the effluent below their intakes for which augmentation credits could be earned. Mr. Karafa stated the Agreement and the rates required the approval of each of the member agencies' governing boards. He suggested that the Agreement and the rates be presented simultaneously to the CWC Board and, if accepted, the final Agreement would be brought back to a future Council meeting for approval.

ACTION: PRESENTATION MADE; STAFF DIRECTED TO BRING FINAL AGREEMENT BACK TO COUNCIL

MOTION: Mayor Montandon

SECOND: Councilwoman Smith

AYES: Mayor Montandon, Mayor Pro Tempore Robinson, Council Members Smith, Buck and Eliason

NAYS: None

ABSTAIN: None

PUBLIC FORUM

There was no public participation.

ADJOURNMENT

ACTION: THE MEETING ADJOURNED AT 5:11 P.M.

MOTION: Mayor Montandon

SECOND: Mayor Pro Tempore Robinson

AYES: Mayor Montandon, Mayor Pro Tempore Robinson, Council Members
Smith, Buck and Eliason

NAYS: None

ABSTAIN: None

APPROVED: May 3, 2006

Mayor Michael L. Montandon

ATTEST:

Karen L. Storms, CMC
City Clerk