



MAYOR  
Geno Martini

CITY COUNCIL  
Donald Abbott, Ward I  
Ed Lawson, Ward II  
Ron Smith, Ward III  
Charlene Bybee, Ward IV  
Kristopher Dahir, Ward V

CITY ATTORNEY  
Chet Adams

CITY MANAGER  
Stephen Driscoll

**CITY COUNCIL WORKSHOP – Sewer Rate Study Workshop**  
**9:00 A.M., Monday, October 8, 2018**  
**Sparks City Hall, Lower Level, 431 Prater Way, Sparks, Nevada**

**1. Call to Order** (Time: 9:00 a.m.)

The workshop of the Sparks City Council was called to order by Mayor Geno Martini at 9:00 a.m.

**2. Roll Call** (Time: 9:00 a.m.)

Mayor Geno Martini, Council Members Donald Abbott, Ed Lawson, Ron Smith, Charlene Bybee, Kristopher Dahir, City Manager Steve Driscoll, Chief Assistant City Attorney Shirle Eiting and City Clerk Teresa Gardner, PRESENT.

ABSENT: None

**3. Pledge of Allegiance** (Time: 9:00 a.m.)

The Pledge of Allegiance was led by City Clerk Teresa Gardner.

**4. Public Comment** (Time: 9:01 a.m.) - None

**5. Agenda** (Time: 9:01 a.m.)

Consideration of taking items out of sequence, deleting items and adding items which require action upon a finding that an emergency exists.

A motion was made by Council Member Lawson, seconded by Council Member Smith, to approve the agenda as submitted. Council Members Abbott, Lawson, Smith, Bybee, Dahir, YES. Passed unanimously.

**5. Presentation of the results of the 2018 Utility Rate Study, discussion and possible direction on proposed sanitary sewer and storm drain rate increases to fund future operational and capital improvements costs. (FOR POSSIBLE ACTION)** (Time: 9:01 a.m.)

Community Services Director John Martini introduced the 2018 Utility Rate Study and provided an overview of the capacity of the Truckee Meadows Water Reclamation Facility (TMWRF), the city's current usage, committed capacity for future development, and remaining capacity. Council discussed the stringent discharge requirements our region faces, and concerns about Washoe County's planned development potentially exceeding their limits. Community Services Director Martini said an initial meeting with Washoe County occurred five weeks ago, and City Manager Steve Driscoll said a second meeting had been set with Washoe County for November 2018 to

discuss data. Community Services Director Martini said a pilot program with UNR is being considered which may help reduce the City of Sparks' dissolved organic nitrogen (DON) discharge and will help increase capacity.

Utility Manager Andrew Hummel presented information on current sewer and storm drain user rates and connection fees, a review of the findings from the 2018 Utility Rate Study, current usage trends and future cash flow models for fiscal years 2019 -2023, and proposed utility user rate and connection fee increase scenarios to fund current and future operational and capital improvement needs.

Council discussed flood fees, large projects included in the Capital Improvement Plan (such as enhanced nitrogen removal and clarifier additions for TMWRF for FY23), recent increases in BOD (biochemical oxygen demand) concentrations, the cost split with Reno and the assumptions being made in the scenarios presented. Mr. Hummel talked about fluctuations in the Construction Cost Index (CCI) since the year 2000 and how recent tariffs on building materials might impact costs going forward.

Council took a break at 10:00 a.m. and reconvened at 10:05 a.m.

Utility Manager Hummel presented five different scenarios and said staff recommended scenario three. Council asked why we weren't considering increasing user fees instead of connection fees and if that would be a possibility. City Manager Driscoll explained that Council has historically opted to have new growth pay for itself by increasing connection fees, but other approaches could be considered if that is the direction Council chooses. Community Services Director Martini said staff has worked to set equitable splits between users and new growth/connection fees in the capital improvement plan wherever possible.

Public Comment: Tanamera Construction Vice President of Land Development Kraig Knudsen spoke in favor of users sharing the cost of increases and minimizing the impact by spreading the costs over time rather than as a lump sum up front. Hawco Properties President Jesse Haw complimented staff for their work to address this issue, discussed the 2005 interlocal agreement with Washoe County, and stated that Reno should be involved in this process.

Community Services Director John Martini said Reno and Washoe County are involved in discussions with the City of Sparks, but Sparks has a greater need to address these issues now. Mayor Geno Martini said there will be a cost benefit to doing the work sooner rather than later.

Community Services Director Martini said the Nevada Division of Environmental Protection (NDEP) is concerned that TMWRF has reached 85% of its nitrogen limit, and is asking us what we plan to do, when it will be done, and how it will be paid for. Staff is feeling pressure to deliver a solution, and Council's direction is needed on how they wish to pay for the improvements.

Council discussed cost sharing with Reno, multifamily user rate increases, cash flow and ending fund balances. City Manager Driscoll said staff has shown CCI increase, growth and expense increases and yet our cash flow and ending fund balances are still healthy, and by 2023, there will be a cash reserve.

Council Member Bybee requested staff provide information on the total increase in dollars if user fees were increased to 5%. City Manager Driscoll requested a brief recess so staff could prepare the information.

Council took a break at 11:16 a.m. and reconvened at 11:50 a.m.

Utility Manager Hummel presented different combinations of possible percentage increases, and City Manager Driscoll said that ultimately the increases to multifamily user fees is an equity issue correction.

A motion was made by Council Member Lawson, seconded by Council Member Smith, to direct staff to move forward with preparation of amendments to the Sparks Municipal Code based on Scenario 3 modified with an increase to utility user rates of 5% and increase to connection fees of 40%. Council Member Lawson, YES. Council Members Abbott, Smith, Bybee, Dahir, NO. Motion failed 1-4.

A motion was made by Council Member Smith, seconded by Council Member Abbott, to direct staff to move forward with preparation of amendments to the Sparks Municipal Code based on Scenario 3 modified with an increase to utility user rates of 5% and increase to connection fees of 30%. Council Members Lawson, Smith, Dahir, YES. Council Members Abbot, Bybee, NO. Motion carried 3-2.

**6. Comments**

**6.1 Comments from the Public** (Time: 12:01 p.m.) - None

**6.2 Comments from City Council and City Manager** (Time: 12:01 p.m.) - None

**7. Adjournment** (Time: 12:01 p.m.)

Council was adjourned at 12:01 p.m.

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GENO R. MARTINI, Mayor

ATTEST:

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Teresa Gardner, City Clerk

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