

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

January 21, 2004

CALL TO ORDER: 4:32 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 Dan Tarwater
City Attorney Sean McGowan
Acting City Clerk Karen L. Storms
Parks & Recreation Director Michael Henley
Community Development Director Jacque Hinchman
Assistant to the City Manager Brenda Johnson
Acting Utilities Director David Bereskin
Utility Technical Services Manager Leslie Long
Utility Engineer Manager Robert McLaughlin

VERIFICATION: Karen L. Storms CMC, Acting City Clerk

BUSINESS:

1. **DISCUSSION AND/OR DIRECTION REGARDING THE LIONEL, SAWYER & COLLINS FEDERAL LOBBYIST CONTRACT.**

City Manager Gregory Rose stated the City's contract with Lionel, Sawyer & Collins would expire March 11, 2004. He recommended the contract be renewed.

Mayor Pro Tempore Robinson questioned if the City would be charged additional fees. City Manager Rose responded the fees would be discussed in negotiations with Lionel, Sawyer & Collins if Council desired an extension of the contract.

Councilwoman Smith requested funding for a senior center be included in the scope of services section of a new contract. City Manager Rose stated funding for a senior center and a police headquarters facility would be discussed during the contract negotiations.

Mayor Montandon asked the Council members to identify additional items to be included in the negotiation process for City Manager Rose's benefit. Mayor Montandon expressed concern the Bureau of Land Management (BLM) land disposal process be retained and not changed because the process generated financial gains for the City.

Councilman Eliason requested funding for a reclamation facility, library facility or any type of public facility which would benefit the redevelopment district.

Mayor Pro Tempore Robinson believed the Council should arrive at a consensus regarding the desired effect of a negotiated contract.

Mayor Montandon stated he would like City Manager Rose to decide what projects would be included. City Manager Rose stated he would select the most important aspects included under the scope of work section of the contract and submit it to Council for approval before a final contract was placed on an agenda.

Councilman Buck questioned if the contract would be extended for one year. City Manager Rose replied typically a contract of this nature would be renewed on a year to year basis. Councilman Buck felt the current relationship with Lionel, Sawyer & Collins should be continued based on the positive results from the previous year.

Mayor Montandon stated former Senator Richard Bryan, a partner in the firm of Lionel, Sawyer & Collins contributed a vast amount of experience.

Mayor Montandon and Council Members directed City Manager Rose to move forward regarding contract negotiations with the firm of Lionel, Sawyer & Collins.

2. DISCUSSION AND/OR DIRECTION REGARDING WASTEWATER SERVICE TO THE NEWLY ANNEXED 1,000 ACRES AND PROPERTY EAST OF I-15.

Acting Utilities Director David Bereskin introduced Utilities Technical Services Manager Leslie Long and Utility Engineer Manager Robert McLaughlin and stated they would provide assistance in the presentation for Council.

Acting Director Bereskin reported the area east of Interstate 15 (I-15) and north of Craig Road and Las Vegas Boulevard in the City discharged a portion of wastewater to the Clark County Water Reclamation District (CCWRD). A dilemma existed because the City was utilizing two different systems, although the City provided water to the entire area. Customers had different monthly charges and fees. Mayor Montandon questioned if the difference in the fees existed for water and sewer or only for sewer. Acting Director Bereskin stated the fee differential existed only for sewer fees. The waste water fees were not consistent because some customers were being charged directly by the CCWRD. Pretreatment regulations were being administered by the CCWRD differently than the City although both entities adhered to regulations imposed by the Environmental Protection Agency (EPA) standards.

Acting Director Bereskin stated the benefits of incorporating the service area for the City would enhance the customer service and eliminate the fee differential for customers in the service area. The City would experience a lower cost for wastewater treatment and the billing process would be simplified. In addition, the City paid the City of Las Vegas an agreed upon fee per 1000 gallons of wastewater discharged which was different than CCWRD. The CCWRD charge was based on an Equivalent Residential Unit (ERU) which was not accurate.

Mayor Montandon questioned if the wastewater would be discharged specifically to the City of Las Vegas or CCWRD. Acting Director Bereskin answered the wastewater would be discharged to CCWRD but under contracted terms similar to what the City had with the City of Las Vegas. He added construction of two metering stations would be required. Acting Director Bereskin stated additional benefits of incorporating the service area would simplify the wastewater billing process, provide for a higher standard of environmental compliance and enhance facilities planning and operation. The City would be limited by the current agreement with the County. Proper planning for service did not exist for the area of I-15 and the Interstate 215 (I-215) junction near the proposed casino site.

Additional benefits would include a reduction in operation and maintenance costs for CCWRD. The billing procedure would be complied with a higher degree of accuracy and revenues would be increased. Also, the planning and development system would be improved and the requirement for numerous interlocal agreements would be eliminated.

The drawbacks for incorporating the service area would be increases in the cost of maintenance staff and cost of metering stations.

City Manager Rose verified with Acting Director Bereskin the net gains would be discussed.

Acting Director Bereskin stated new developers within the City had contributed an approximate 90% of additional infrastructure at an approximate cost of \$4.5 million. The completed infrastructure would be turned over to the CCWRD. He added a 10% oversizing agreement between Clark County and the City would be a fair exchange. Presently customers existed within the City with the higher ERU charge. Three customers in the service area fit that criteria: Nellis Industrial Park, the Southern Nevada Women's Correctional Facility, and the Enterprise Industrial Park. The City paid the County approximately \$209,000 annually for wastewater treatment costs. Mayor Pro Tempore Robinson questioned what the cost would be if the City assumed the wastewater treatment responsibilities. Acting Director Bereskin answered the City paid CCWRD based on the ERU and current costs would be approximately \$209,000. A change to a metering station would lower the payment to CCWRD and the City would profit from the maintenance to the system. The City was not receiving approximately \$110,000 in a potential revenue source because businesses in the newly annexed area contracted directly with the CCWRD for wastewater treatment services.

Mayor Montandon expressed concern regarding the estimated cost versus the estimated revenue and added he received calls from businesses whose costs for sewer system and water system created extra fees and delayed their projects. He stated if he purchased a parcel of land near I-215 and I-15 the cost paid to an engineer and design consultant would be extremely high to design the water and sewer system based on the multiple entities involved. City Manager Rose stated if the Council directed further action regarding this item, the cost and revenue would be determined.

Mayor Montandon questioned if the City could build a reclamation facility near a metering station. City Manager Rose felt discussion regarding a future site of a reclamation facility would create premature debate but options for a future location would be provided to Council for discussion.

Mayor Montandon stated during the summer of 2003 he toured the water reclamation districts in the Cities of Tempe and Scottsdale, Arizona. The facilities were referred to as "water parks" and were architectural masterpieces. They were located in the middle of populated areas.

Mayor Montandon and Council Members directed staff to move forward with a wastewater service study.

Mayor Montandon referred to Item No. 1 and recognized former Senator Bryan who was seated in the audience.

Senator Bryan stated he and City Manager Rose had attended a productive meeting with the BLM and encouraged the Mayor and Council to contact him with specific directions for his future United States legislative attendance. Mayor Montandon stated City Manager Rose had been directed to define the scope of services with the firm of Lionel, Sawyer & Collins for the upcoming contract negotiations.

3. DISCUSSION AND/OR DIRECTION REGARDING WATER RECLAMATION FACILITY BUREAU OF RECLAMATION TITLE 16 FUNDING.

Acting Director Bereskin stated 100% of the City of North Las Vegas' wastewater would be treated by the City of Las Vegas and Clark County at an approximate cost of over \$6 million annually. Wastewater treatment facilities were functioning in the surrounding entities. The Henderson wastewater treatment facility treated 21 million gallons a day, Clark County treated 92 million gallons a day, and the City of Las Vegas treated 65 million gallons a day. The City of North Las Vegas currently discharged 14 million gallons daily to the City of Las Vegas which contributed 22% to their 65 million gallon daily flow. Approximately 1 million gallons daily was discharged to Clark County. The County charged the City for approximately 2.5 million gallons daily. An understanding existed in the Las Vegas valley that once the water reached the treatment facility and was treated, the water would become the resource of the facility. Acting Director Bereskin stated the City was losing this valuable resource.

Councilman Buck questioned if the water had to be returned for credit. Acting Director Bereskin stated returning the treated wastewater was not mandatory. The water could be claimed as a secondary allocation and used as the facility operators saw fit.

Mayor Montandon stated if the City approached a bonding establishment with the ability to collect \$6 million in revenues, the City would not encounter difficulty securing \$50 million in bonds to construct a wastewater treatment facility. Acting Director Bereskin stated the operational costs of treating the wastewater existed and would reduce the \$6 million revenue figure. City Manager Rose stated the 2004-2005 Capital Improvement Plan (CIP) included an authorized project that addressed verification of the cost of constructing a reclamation facility. He added \$1.8 million would be utilized from the utility fund and approximately \$400,000 sought through grant funding. Mayor Montandon felt the City's control over its own water reclamation would create multiple benefits. In addition, the Las Vegas Wash was bordering its capacity as a link between local reclamation facilities and Lake Mead.

Acting Director Bereskin stated the Southern Nevada Water Authority's (SNWA) rate would increase to \$3.2 million for golf course connection fees. The fee had been approximately \$1.37 million last year. Additional positive aspects of the City building and utilizing its own reclamation facility included a commitment to future planning, reduction in costs for irrigation of parks, median strips and additional large turf areas. Also, it would contribute to power conservation by reducing the amount of energy used to double pump water from Lake Mead.

Financing construction of a reclamation facility could be sought from multiple sources. Lobbying efforts produced by the firm Lionel, Sawyer & Collins had established authorization through the Bureau of Reclamation (BOR) Title XVI Funds. BOR Title XVI Funds was a program established in 1992 by the United States Congress to assist smaller governmental entities to provide assistance with reusing treated wastewater. The BOR program provided a 25% match for approved projects with a maximum cap of \$20 million in matching funds. This fund matching would enable the City to receive \$20 million if it spent \$80 million from the BOR program creating a total cost of \$60 million. Additional options included seeking funds from the Nevada Division of Environmental Protection Revolving Loan Fund or selling City bonds backed by the newly established sewer rates.

The City had received the designation as one of the 28 approved projects during February 2003 by the BOR Title XVI funding. Two of the 28 projects had been completed and the remaining 26 were in various funding stages. Currently \$1 million for the City's project had been allocated for the fiscal year 2004 by the BOR.

The City could choose to participate with the SNWA in their water recycling project or proceed independently and seek future BOR funds. The SNWA project would result in a maximum cap of \$4 million in funds while the maximum cap of funds from BOR would possibly be \$20 million. A Council approved agreement existed from October 2002 that created a partnership between the City and SNWA which endorsed the valley wide recycling project. The SNWA conducted an area wide reuse study in 1998 which identified 16 projects. The SNWA asked for approval for two of the 16 projects, Desert Breeze and the northwest water recycling plant from the BOR board. Due to other agencies changing their approved partnership agreement with SNWA, the 2002 agreement was null and void.

The issue which resulted would be if the City wanted to proceed alone in seeking future BOR funds, which could result in a maximum cap of funds of \$20 million and a 25% match for funds, or agree to partner with SNWA which would result in a maximum cap of \$4 million.

Councilman Buck questioned what the cost would be for a water reclamation project. Acting Director Bereskin stated the cost would be analyzed in the near future and stated CIP had been budgeted \$25 million for a 5 million gallon per day water reclamation facility. The cost would also be contingent upon the size of the facility. Acting Director Bereskin stated if the project was \$25 million the City would receive \$6.25 million back from the BOR versus \$4 million from the SNWA. Therefore the City would then be responsible for approximately \$16 to \$18 million.

Mayor Montandon stated it seemed the City could compile a funding package for a water reclamation facility project without partnering with the SNWA. Councilman Buck expressed concern regarding the future relationship with the SNWA if the City chose to seek funding from the BOR. Acting Director Bereskin stated a benefit of seeking funds from the BOR would mean additional funds would be distributed by the SNWA to surrounding entities.

ACTION: STAFF DIRECTED TO PROCEED WITH BUREAU OF RECLAMATION AND CITY FUNDING PACKAGE

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 were no participants.

ADJOURNMENT

ACTION: THE MEETING ADJOURNED AT 5:21 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: March 17, 2004

/s/ Michael L. Montandon
Mayor Michael L. Montandon

Attest:

/s/ Karen L. Storms
Karen L. Storms CMC, Acting City Clerk