

CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE

Minutes of the February 18, 2014 Meeting

A meeting of the Carson City Utility Financial Oversight Committee was scheduled for 3:30 p.m. on Tuesday, February 18, 2014, in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Andrea Engleman
Vice Chairperson Mark Turner
Member Michael Bennett
Member Mark Rotter
Member Bruce Scott

STAFF: Andrew Burnham, Public Works Department Director
Nickolas Providenti, Finance Department Director
Darren Schulz, Deputy Public Works Director / City Engineer
David Bruketta, Utilities Manager
Sheri Russell, Accounting Manager
Joseph Ward, Senior Deputy District Attorney
Kathleen King, Deputy Clerk / Recording Secretary

NOTE: A recording of these proceedings, the committee's agenda materials, and any written comments or documentation provided to the recording secretary, 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 (3:30:17) - Mr. Ward called the meeting to order at 3:30 p.m. Roll was called; a quorum was present.

3. PUBLIC COMMENT (3:30:39) - Mr. Ward entertained public comment. (3:31:55) Don Wilson of 1846 Divot Road, Carson City, read a prepared statement into the record discussing concerns relative to the Empire Ranch Golf Course. Copies of the written statement were provided to the committee members and to the recording secretary.

4. POSSIBLE ACTION TO ADOPT THE AGENDA

5. POSSIBLE ACTION TO ELECT COMMITTEE CHAIR AND VICE CHAIR (3:36:17) Mr. Ward advised he was in the process of researching the Carson City Charter relative to Mr. Rotter's membership status as he is a resident of, and registered voter in, Washoe County Mr. Ward noted the presence of a quorum regardless of the outcome of his research, and entertained nominations for committee chair. **Member Turner moved to nominate Ande Engleman as chair. Bruce Scott seconded the motion.** Mr. Ward called for a vote on the pending motion.

RESULT:	Approved [5 - 0]
MOVER:	Member Mark Turner
SECOND:	Member Bruce Scott
AYES:	Members Turner, Scott, Bennett, Engleman, and Rotter
NAYS:	None
ABSENT:	None
ABSTAIN:	None

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In reference to Mr. Ward's earlier statement, Member Scott suggested there should be no problem with Member Rotter remaining on the committee as Supervisor Brad Bonkowski's appointment. Members Turner and Bennett agreed. Member Rotter provided background information on his former residence and long-time business in Carson City, and discussed his interest in serving as a committee member. Chairperson-elect Engleman agreed with the comments relative to Member Rotter continuing to serve, and expressed appreciation for his expertise. Mr. Ward suggested modifying the agenda to address appointment of a committee vice chair toward the end of the meeting in order to provide sufficient time for his research of the Charter. Chairperson-elect Engleman so modified the agenda.

(4:32:27) In reference to Section 2.320 of the Carson City Charter, Mr. Ward reviewed the provision requiring committee members appointed by the Board of Supervisors to be residents and registered voters of Carson City. He responded to corresponding questions of clarification and discussion followed. Mr. Rotter discussed the importance of the committee having a full complement of voting members, and advised that he would speak with Supervisor Brad Bonkowski about another appointment.

Chairperson Engleman reviewed the responsibilities of the vice chair, and entertained nominations. **Member Scott nominated Member Turner as vice chair.** Member Turner accepted the nomination. Chairperson Engleman called for a second. **Member Bennett seconded the nomination.**

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

6. REVIEW, DISCUSSION, AND POSSIBLE ACTION REGARDING THE MISSION OF THE COMMITTEE AND FORMATION RESOLUTION, AND POSSIBLE DIRECTION TO STAFF

(3:42:00) - Chairperson Engleman introduced this item. Mr. Burnham provided background information and reviewed the agenda materials. Chairperson Engleman entertained questions or comments; however, none were forthcoming. No formal action was taken.

7. REVIEW OF FINANCIAL POLICIES ADOPTED BY THE BOARD OF SUPERVISORS, AND POSSIBLE ACTION TO PROVIDE DIRECTION TO STAFF

(3:45:10) - Mr. Burnham introduced this item, and Mr. Providenti reviewed the agenda materials. Mr. Burnham and Mr. Providenti responded to questions of clarification.

8. REVIEW OF FINANCIAL MODEL AND BUDGETS AS THE BASIS OF ADOPTED UTILITY RATES AND POSSIBLE ACTION TO PROVIDE DIRECTION TO STAFF

(3:51:39) - Mr. Burnham introduced FCS Group Principal Karyn Johnson, who narrated a PowerPoint presentation of the Water and Sewer Rate Study, copies of which were included in the agenda materials. Chairperson Engleman entertained questions or comments of the committee members; however, none were forthcoming.

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Mr. Burnham discussed development of the new capital program and budget in conjunction with the FCS Group water and sewer rate model. He advised that the information will be provided to the committee at the next meeting. In response to a question, Ms. Johnson referred to that portion of the rate study relative to residential and commercial increases. Mr. Burnham advised that the information is also available on the City's website. He clarified that the Board of Supervisors adopted "five years of rate increases. So, there's no more action on the part of the Board over the next several years. Those are going to be automatic at this point because they're all part of the ordinances that were adopted last year."

Member Scott expressed appreciation that "the Board looked at five years and ... it's valuable that they took ... the five-year time frame to implement." He suggested this as "quite a contrast with the failure to add any connection fees even though the report recommended that utilities of this type might have those." He suggested the possibility of discussing connection fees "because the rates fall on the current customers; the connection fees fall on growth." Discussion followed, and Member Rotter suggested discussing the concept of connection fees based on meter size.

Ms. Johnson responded to questions of clarification relative to her presentation. In response to a question, Mr. Burnham advised that the five-year capital improvement program would be presented to the committee at the next meeting. He discussed the method by which the capital improvement program is developed, and provided background information on the investment aspect of the water and sewer rate study. Mr. Providenti provided an overview of the 2002 - 2003 Utilities Advisory Committee recommendations to "debt fund everything ...". In response to a question, he discussed the City's bond rating. In response to a further question, he discussed the upcoming budget process.

9. DISCUSSION REGARDING ITEMS FOR THE NEXT COMMITTEE MEETING (4:25:40) -

In response to a question, Mr. Burnham reviewed the tentative agenda for the next meeting. Following discussion, consensus of the committee was to schedule the next meeting for Tuesday, March 25th at an earlier time. (4:38:10) Chairperson Engleman suggested agendizing discussion of effluent water at the next meeting.

10. PUBLIC COMMENT (4:37:56) - Chairperson Engleman entertained public comment; however, none was forthcoming.

11. ACTION TO ADJOURN (4:38:41) - Vice Chairperson Turner moved to adjourn the meeting at 4:38 p.m. Member Scott seconded the motion. Motion carried 5-0.

The Minutes of the February 18, 2014 Carson City Utilities Financial Oversight Committee are so approved this _____ day of March, 2014.

ANDREA ENGLEMAN, Chair