



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: August 31, 2020

DATE: August 1, 2020

TO: Board of County Commissioners

FROM: Alan Jones, P.E., Senior Engineer,
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THROUGH: Dwayne Smith, P.E., Division Director, Engineering and Capital Projects
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SUBJECT: Recommendation to retroactively adopt Resolution R20-025 to temporarily reduce reclaimed water use rates by fifty-percent for the 2020 irrigation season to encourage improved management practices of reclaimed water irrigation and increased use. Adjusted rates would be effective retroactively to the January 2020 billing cycle. (Commission District 2.)

SUMMARY

In 2018, the Washoe County Utility had undertaken an agronomic study of landscape irrigation with its reclaimed water system in order to provide continued quality water resources and excellent customer service. The preliminary findings of that study indicated that additional and periodic flood irrigation of sites served by reclaimed water may be beneficial to customer landscaping and soils. Reclaimed water is used by parks, schools, golf courses, and streetscape throughout the South Truckee Meadows since the system was initial constructed over 30 years ago.

Recognizing this benefit as well as the continued and expanded use of treated effluent to reduce the use of potable water, preserving this important resource, the Board of County Commissioners (Board) adopted Resolution 18-056 to temporarily reduce reclaimed water rates by fifty-percent from the August 2018 billing cycle through the end of the November 2019 irrigation season. This approach resulted in several high volume effluent water customers using additional reclaimed water resulting in less demand on potable water, thereby preserving the resource for higher and better use.

The Utility is again recommending to temporarily reduce the reclaimed water rates by fifty-percent for the 2020 irrigation season to encourage improved management practices of reclaimed water and to encourage the use of reclaimed water in lieu of potable water. Credits for payments on previous bills will be provided with the balance of payments adjusted through the remainder of the irrigation season which typically ends with a December billing statement.

Strategic Objective supported by this item: Stewardship of our community.

AGENDA ITEM # _____

PREVIOUS ACTION

On September 25, 2018, the Board adopted Resolution R18-056 to temporarily reduce reclaimed water use rates by fifty-percent from the August 2018 billing cycle through the end of the November 2019 irrigation season to encourage improved management practices of reclaimed water irrigation.

On July 8, 2014, the Board conducted a public hearing and adopted ordinance 1535, revising the Washoe County requirements and schedule of rates and charges for reclaimed water service within Washoe County by providing options for when an applicant may choose to pay required reclaimed water connection privilege fees.

BACKGROUND

Washoe County currently provides the south Truckee Meadows high-quality tertiary treated Category A reclaimed water. Category A is a Nevada Department of Environmental Protection (NDEP) classification that allows for full-body contact and is safely used in schools, golf courses, parks, and industrial processes for irrigation and other non-potable purposes.

In 2018, Washoe County started an agronomic study of our treated effluent water supply at a major user's site to better understand how our product performs for irrigating landscaping and vegetation and to investigate any potentially deleterious effects from long-term non-potable water irrigation. In summary, the early findings indicate that our reclaimed water meets and exceeds State requirements for Category A reclaimed water but also states that periodic flushing of landscaping areas that regularly use Washoe County reclaimed water may be beneficial to the soil and allow plants to thrive.

Although long-term reclaimed water use can cause potential mineral build up in soils and plant root zones over time, flushing landscaping can remove this mineral build-up by leaching the higher concentrations of minerals away from the root zones. This leaching action occurs with reclaimed water because it has much lower concentrations of minerals than the surrounding soils.

To encourage effective management of landscape irrigation, as was adopted in 2018, staff is recommending that another irrigation season of temporarily reducing reclaimed water use rates by fifty-percent be made to encourage the periodic flushing of landscaping.

In addition to better management of reclaimed water, the temporary rate reduction also encourages the reclaimed water users to fully utilize reclaimed water in lieu of using potable water for irrigation purposes. This allows for Washoe County to better manage its reclaimed water balance while also preserving potable water for higher and better uses.

FISCAL IMPACT

Reclaimed water irrigation service rates were previously reduced for the billing period August 2018 through the end of the irrigation season in November 2019. The change in rates reduced Zone 1 (\$1.16 per 1,000 gallons) and Zone 2 (\$1.74 per 1,000 gallons) to \$0.58 and \$0.87, respectively.

The Utilities Fund (566) earned approximately \$1 million of reclaimed water revenue in fiscal year 2018 as recorded in Reclaimed Water Operations (664500), Water-Metered (491000). These revenues were reduced to \$696,000 in fiscal year 2019 as a result of the initial fifty-percent reduction in rates. A similar reduction in revenues would be expected in fiscal year 2020, and a smaller reduction in revenues in fiscal year 2021, if the reduced rates were to continue through the upcoming irrigation season (December 2020 billing cycle).

Reduced revenue in fiscal years 2019 and 2020 cause overall non-depreciable reclaimed water expenses to exceed revenue; however, the reclaimed utility has enough operating cash reserves of \$5.9 million to offset the temporary deficit.

To accommodate the retroactive application of the adjusted rates, a credit would be provided to all reclaimed water customer accounts for all billings within the 2020 calendar year irrigation season billed at the higher user rates.

RECOMMENDATION

It is recommended the Board of County Commissioners retroactively adopt Resolution R20-025 to temporarily reduce reclaimed water use rates by fifty-percent for the 2020 irrigation season to encourage improved management practices of reclaimed water irrigation and increased use. Adjusted rates would be effective retroactively to the January 2020 billing cycle.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to retroactively adopt Resolution R20-025 to temporarily reduce reclaimed water use rates by fifty-percent for the 2020 irrigation season to encourage improved management practices of reclaimed water irrigation and increased use. Adjusted rates would be effective retroactively to the January 2020 billing cycle."