



# WASHOE COUNTY

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## STAFF REPORT BOARD MEETING DATE: April 28, 2026

**DATE:** April 7, 2026

**TO:** Board of County Commissioners

**FROM:** Dwayne Smith, Division Director, Engineering & Capital Projects  
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**THROUGH:** Eric Crump, Director,  
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**SUBJECT:** Recommendation by the Community Services Department to 1) adopt Resolution R26-23 directing staff to initiate the introduction and first reading of an Ordinance repealing and replacing Ordinance No. 1552, to decrease stormwater management fees effective July 1, 2026, from \$9.31 to \$2.00 per residential parcel or equivalent residential unit (ERU) for non-residential parcels, and other matters properly relating thereto; and 2) direct staff to initiate design of the North Spanish Springs Floodplain Detention Facility Phase 2 project utilizing available Program funds to further reduce flood and stormwater impacts this area of North Spanish Springs. (Commission Districts 4 & 5.) FOR POSSIBLE ACTION

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### SUMMARY

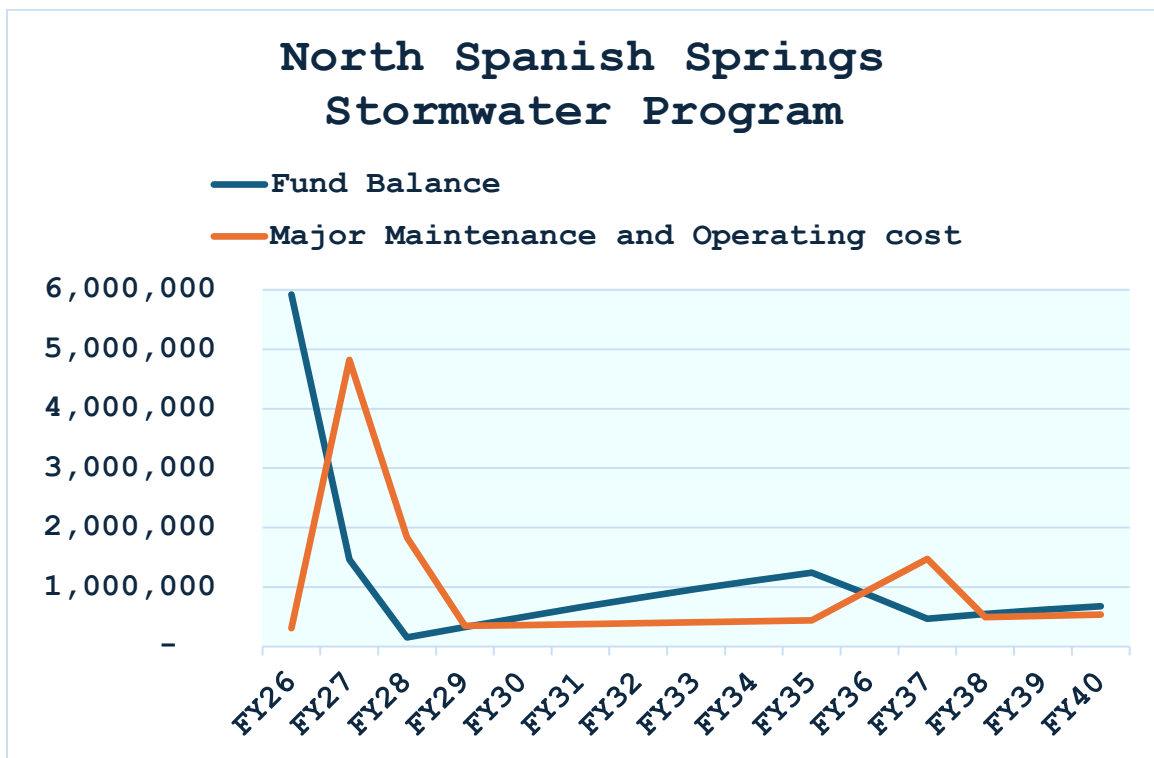
The Board of County Commissioners (Board), at its April 14, 2015, meeting, adopted Ordinance No. 1552, modifying the service area and amount and basis for calculating stormwater management fees (Stormwater Fee) related to the North Spanish Springs Floodplain Detention Facility - Stormwater Program (North Spanish Springs Stormwater Program). This action funded the outstanding revenue deficit required to pay operating expenses and debt service for the initial program. By that action, Washoe County collected sufficient funds to satisfy the remaining debt servicing for the original bond secured by the County for the benefit of the North Spanish Springs Stormwater Program as well as the continuous annual operating expenses to manage and maintain the various stormwater infrastructure elements. At the April 14, 2015, meeting, the County committed to reduce the Stormwater Fee paid by the residents with the successful elimination of the infrastructure bond payments so that the fee would reflect operational and maintenance costs only. The final infrastructure bond payment will be paid on July 1, 2026.

AGENDA ITEM # \_\_\_\_\_

The Washoe County Community Services Department (CSD) therefore requests that the Board adopt Resolution R26-23, directing staff to initiate the introduction and first reading of an ordinance repealing and replacing Ordinance No. 1552 to allow for a reduction in stormwater management fees effective July 1, 2026, from \$9.31 to \$2.00 per residential parcel or equivalent residential unit (ERU) for non-residential parcels.

The following assumptions were used in the County’s recommendations:

- 1.71% growth rate based on current build-out projection
- 4% annual increase in operating expenses (excluding depreciation)
- 2% investment/interest income on entire available fund balance
- No change to the \$1,285 connection fee
- \$500,000 major maintenance expenses in FY27, FY28, FY36 and FY37
- \$4 to \$5 million Phase 2 project
- Meets all Washoe County financial policies and cash reserve requirements



In further support of the North Spanish Springs Stormwater Program, staff requests the Board’s direction to initiate the design of the North Spanish Springs Stormwater Program Phase 2 project and utilize approximately \$4.5 million of available funds for this effort. Phase 2 will focus on improving drainage systems further to the south and on the west side of Pyramid Highway that negatively impact the Springwood/Desert Springs residential areas as well as result in the periodic flooding of the intersection of Pyramid Highway and Eagle Canyon Drive. This second phase of work will enhance the safety and protection of the North Spanish Springs residents as they use the local and state-owned roadways.

**Washoe County Strategic Objective supported by this item:**

Economic Impacts: Support a thriving community.

### **PREVIOUS ACTION**

On April 14, 2015, the Board held the second reading and adopted an Ordinance revising the Washoe County requirements for stormwater drainage and flood control service within Washoe County by modifying the service area as well as the amount and basis for calculating stormwater management fees; and other matters properly relating thereto. This ordinance repealed Ordinance No. 1537 (Bill No. 1733).

On March 24, 2015, the Board held the introduction and first reading of an Ordinance revising the Washoe County requirements for stormwater drainage and flood control service within Washoe County by modifying the service area as well as the amount and basis for calculating stormwater management fees; and other matters properly relating thereto and set the Public Hearing for second reading and possible adoption for April 14, 2015.

On July 8, 2014, the Board held a public hearing and adopted Ordinance No. 1537, revising the Washoe County requirements for stormwater drainage and flood control service within Washoe County by providing options for when an applicant may choose to pay required stormwater facility connection privilege fees.

On February 25, 2014, the Board evaluated an option to develop a stormwater utility for all unincorporated areas of the County to eliminate user rates charged for the North Spanish Springs Flood Detention Facility (NSSFDF). The Board decided not to develop a stormwater utility and directed staff to adjust stormwater management fees in North Spanish Springs to fund the deficit in revenue required to pay operating expenses and debt service associated with the NSSFDF.

On January 11, 2011, the Board approved an early and final payment of \$2.7 million from the City of Sparks for its share of costs for the construction of Stormwater Drainage Facilities within unincorporated Spanish Springs.

On June 27, 2006, the Board adopted Ordinance No. 1305, amending Ordinance No. 1197, to increase fees in the Spanish Springs Stormwater Drainage and Flood Control Service Area.

On June 15, 2006, the Debt Management Commission approved the County's proposal.

On June 13, 2006, the Board executed a Resolution of Intent to issue bonds in the amount of \$4.6 million to fund the construction of the NSSFDF and directed the Clerk to notify the Washoe County Debt Management Commission of the County's proposal to borrow money and issue the aforementioned bonds.

On October 18, 2005, the Board adopted an Ordinance authorizing the issuance of bonds in the amount of \$6.5 million to fund the construction of the NSSFDF.

On March 22, 2005, the Board approved an Interlocal Agreement with the City of Sparks to share in the cost of the construction of Stormwater Drainage Facilities within unincorporated Spanish Springs.

On May 13, 2003, the Board adopted Ordinance No. 1197, establishing a stormwater drainage and flood control service area and fees in unincorporated Spanish Springs for the design, construction, operation, and maintenance of the NSSFDF.

On November 15, 2002, The Spanish Springs Citizen Advisory Board recommended the adoption of an Ordinance creating the Spanish Springs Stormwater Drainage and Flood Control Service Area in Spanish Springs.

### **BACKGROUND**

Following a Spanish Springs flood event in 1986, construction of flood control facilities in unincorporated Spanish Springs became a citizen-led initiative. Following several years of planning, flood facilities were approved by the Spanish Springs Citizen Advisory Board, and subsequently the Board of County Commissioners (Board) approved the Spanish Springs Stormwater Drainage and Flood Control Service Area in May 2003. Subsequently a design was completed for the northern area, spanning from the east side of Pyramid Highway at Calle de la Plata Road, to an undeveloped area on the west side of the highway where a large basin and dam structure were built, along with an outfall channel. Construction of the Washoe County project was completed in 2008. The facility was designed to mitigate the effects of a high-intensity, 100-year storm with a 24-hour duration in the Griffith Canyon area of Spanish Springs. The flood facility captures, retains, and meters flood flows in Spanish Springs that eventually lead through the City of Sparks' stormwater drainage system and terminate in the Truckee River.

The total cost of the upper flood facility in Spanish Springs was \$13.9 million; \$11.1 million of this was funded by two bond issuances in 2005 and 2006. In January 2011, the Board approved a payment for \$2.7 million from the City of Sparks to fulfill its share of an Interlocal Agreement for the NSSFDF's construction. This payment provided cash flow to temporarily service the outstanding debt and provided bond-related restricted cash reserves. This eliminated the need for rate increases during the height of the economic downturn. However, due to a stall and uncertainty in new development, the NSSFDF enterprise fund was insufficient to satisfy debt service and cover operating expenses.

In February 2014, the Board evaluated an option to develop a County-wide stormwater utility that would have eliminated user rates charged for the NSSFDF. The Board instead directed staff to adjust the stormwater management fees to fund the deficit in revenue required to pay operating expenses and debt service associated with the NSSFDF.

In April 2015, the Board adopted Ordinance No. 1552, modifying the stormwater management fee charged to residential and business owners within the Spanish Springs Stormwater Drainage and Flood Control service areas from \$7.34 to \$9.31. Section 1.4 of the Ordinance states that once bonds are fully paid, user rates will be evaluated and adjusted to reflect the reduction in debt service and to accommodate capital, maintenance, and other operating needs known or expected at the time of the adjustment.

In anticipation of the final debt service payment scheduled for July 1, 2026, staff initiated discussions on operating, capital, and cash funding needs. As an outcome of this work, staff is recommending reducing the stormwater management fees from \$9.31 to \$2.00 per residential parcel or ERU for non-residential parcel. Staff further recommend evaluating the needs of the stormwater enterprise fund for necessary adjustments after ten years following the recommended fee reduction. The evaluation will provide an opportunity to identify and appropriately address any issues that surface during the interim period. There

is currently a sufficient cash balance to cover annual operating expenses for the existing infrastructure and sufficient funds for the North Spanish Springs Floodplain Detention Facility Phase 2 project.

The North Spanish Springs Floodplain Detention Facility Phase 2 project will be a continuation of the County's effort to enhance the safety and protection of the residents that live in the area by reducing the devastating impacts of flood and high-energy stormwater events that damage public and private property. Phase 2 will focus on improving drainage systems further to the south on the west side of Pyramid Highway that negatively impacts the Springwood/Desert Springs development areas as well as roadways and other infrastructure located near the intersection of Pyramid Highway and Eagle Canyon Drive.

It is anticipated that approximately \$3 million in future connection fees will be collected as more development continues in the unincorporated area of North Spanish Springs. Buildout is estimated at 2040 and staff will continue to evaluate and recommend additional phases of infrastructure projects that will enhance the protection of the public.

### **FISCAL IMPACT**

Sufficient funds are available in the Utilities Fund (566), Stormwater Business Area (13) to make the final bond payment on July 1, 2026, and to allow for a reduction of the stormwater management fees from \$9.31 to \$2.00. The recommended new stormwater management fees, available cash reserve in the fund, future connection fees and investment income are projected to allow for the County to meet its continued responsibilities to support the existing and future infrastructure included in the North Spanish Springs Stormwater Program.

The proposed reduction in fees is consistent with the intent of Ordinance 1552 Section 1.4 to evaluate and adjust fees to reflect full payment of bonds and accommodate capital, maintenance, and other operating needs known or expected at the time of the adjustment.

### **RECOMMENDATION**

It is recommended the Board of County Commissioners 1) adopt Resolution R26-23 directing staff to initiate the introduction and first reading of an Ordinance repealing and replacing Ordinance No. 1552, to decrease stormwater management fees effective July 1, 2026, from \$9.31 to \$2.00 per residential parcel or equivalent residential unit (ERU) for non-residential parcels, and other matters properly relating thereto; and 2) direct staff to initiate design of the North Spanish Springs Floodplain Detention Facility Phase 2 project utilizing available Program funds to further reduce flood and stormwater impacts this area of North Spanish Springs.

**POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: "Move to 1) adopt Resolution R26-23 directing staff to initiate the introduction and first reading of an Ordinance repealing and replacing Ordinance No. 1552, to decrease stormwater management fees effective July 1, 2026, from \$9.31 to \$2.00 per residential parcel or equivalent residential unit (ERU) for non-residential parcels, and other matters properly relating thereto; and 2) direct staff to initiate design of the North Spanish Springs Floodplain Detention Facility Phase 2 project utilizing available Program funds to further reduce flood and stormwater impacts this area of North Spanish Springs."