



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: November 14, 2023

DATE: October 13, 2023

TO: Board of County Commissioners

FROM: Dwayne Smith, P.E., Division Director, Engineering and Capital Projects
Community Services Dept., 328-2043, desmith@washoecounty.gov

THROUGH: Dave Solaro, Arch., P.E., Assistant County Manager

SUBJECT: Recommendation to adopt Resolution R23-149 to suspend the Golden Valley Artificial Recharge Program (Program) participant fee collection from January 1, 2024, through December 31, 2033, continuing Program activities in support of the maintenance of the State of Nevada Division of Water Resources injection permit performed pursuant to Washoe County Ordinance 1548, at an estimated annual cost of \$30,000.00 with all efforts utilizing existing Program cash reserve balance, estimated to be \$684,000.00 as of September 30, 2023, and to require all Program participants to bring any past due accounts current through the processes identified in Ordinance 1548. (Commission District 5.)

SUMMARY

The Washoe County Community Services Department (CSD) is requesting that the Board of County Commissioners (Board) approve and adopt Resolution R23-149 for the Golden Valley Artificial Recharge Program (Program). This Resolution will authorize the suspension of the collection of monthly Program participant fees (user fees) from January 1, 2024, until December 31, 2033, and further direct staff to continue the necessary actions prescribed in Ordinance 1548 for administration of the Program.

Staff provides this recommendation based on persistent high groundwater levels that the Golden Valley area has been experiencing since 2015 which in some cases has resulted in possible impacts to residences located at the bottom of the valley. The recommendations contained within the 2023 Golden Valley Aquifer Recharge Assessment study (Study) are based on a geological investigation and water demand forecast study initiated to understand the existing site and geological conditions impacting the area.

Staff's recommendation also takes into consideration the majority opinion received by the Program participants (over 50%) who have attended and participated in multiple public meetings and workshops and provided written comments and recommendations through two unofficial ballots. Attendance at the public meetings and workshops has ranged between 30 to 120 plus Program participants with over half of the participants have submitting written responses, ballots and/or providing verbal comments.

During the 10-year fee suspension period, staff will continue field activities such as water level and water quality collection, and groundwater model updates and reporting to

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maintain the Nevada Division of Water Resources Artificial Recharge Permit. Near the end of the 10-year period, staff will prepare a revised hydrogeologic and water demand forecast with recommendations based on the conditions as they exist at that time.

Washoe County Strategic Objective supported by this item: Fiscal Sustainability, Long-term sustainability.

PREVIOUS ACTION

On May 23, 2023, the Board adopted Resolution R23-64, temporarily pausing monthly payments until the end of the 2023 calendar year for the Golden Valley Artificial Recharge Program ratepayers to allow for additional public outreach and allow community-driven determination of the future of the Golden Valley Artificial Recharge Program.

On November 12, 2014, the Board adopted Ordinance 1548, adopting Washoe County requirements and schedule of rates, tolls, and charges for the Golden Valley Artificial Recharge Program within Washoe County by providing for rates, payments, procedures, and their enforcement relating to conditions of service, exemptions and appeal procedures.

On June 25, 2002, the Board adopted Ordinance 1166, adopting a schedule of rates and charges for the provision of artificial recharge water service in Golden Valley, establishing Washoe County to submit billings to all water users within the Golden Valley area and requiring payment thereof, and providing procedures for its enforcement.

BACKGROUND

Washoe County staff observed persistent high groundwater levels within the Golden Valley area since 2015 and when groundwater levels did not decline as they had historically, the County contracted a professional engineering firm to analyze the Golden Valley Aquifer and determine the existing site conditions and groundwater influences that are resulting in high groundwater levels. The study focused on both underground conditions and water demand forecast to understand the existing site and geological conditions impacting the area. The Study included a hydrologic model to assist in the forecasting of the Golden Valley aquifer and to allow for recommendations such as ceasing artificial injection of water into the aquifer for the foreseeable future. These recommendations were made considering the high groundwater and potential impacts to the residents that live in the lower portions of the area. It was told to staff that two residents have connected to municipal sewer due to impacts to their septic systems and other residents have stated continual problems with flooded basements and other impacts to their homes.

In addition to the engineering efforts, a financial analysis was completed to determine the historic, current, and anticipated annual costs required to maintain the Program. Those costs include permits, program components, agreements, and County staff time for field and office work. Items such as billing and bill collection will not be performed and are recognized as cost savings to the Program. To pay for the on-going Program costs as identified, staff and the Program participants are recommending the use of the existing fund balance which is adequate to cover all estimated Program costs through 2043 with

no additional contributions except for interest earned through approved investments. An additional requirement is that the fund balance will not drop below \$100,000, an amount determined necessary to make system repairs should they be required.

A community-driven decision-making process began in April 2022 and since that time the County has hosted four publicly attended meetings to provide both financial and hydrologic information relating to the Program. The County hosted four additional meetings in the spring and summer of 2023, under Board direction, to share additional Program information to the residents. Public workshops were conducted as follows:

- On May 23, 2022, Washoe County staff conducted a public meeting with the Golden Valley community, outlining the public outreach process for updating the Program. Opportunity for public input was provided with this meeting.
- On June 6 and June 25, 2022, Washoe County staff conducted public meetings with the Golden Valley community, providing information on County efforts to modify the Program. Opportunity for public input was provided with this meeting.
- On September 13, 2022, Washoe County staff conducted a public meeting with the Golden Valley community, providing an update on the hydrologic analysis conducted by a Program consultant. Opportunity for public input was provided with this meeting.
- On April 13, 2023, the first survey was distributed to the Golden Valley community, requesting the public to identify their preferred method for the future of the Program. The options included continuing the Program as directed under Ordinance 1548, maintaining the Program with a suspension of rates, or terminating the Program.
- On April 5 and April 13, 2023, Washoe County staff conducted public meetings with the Golden Valley community, providing information on the final hydrologic analysis and an update on the modification of the Program. Opportunity for public input was provided with this meeting.
- On June 7 and June 17, 2023, Washoe County staff conducted public meetings with the Golden Valley community, providing findings of the first public survey and process for modifying the Program. Opportunity for public input was provided with this meeting.
- Beginning in July 2023, a final survey was distributed to the Golden Valley community, requesting the public to identify their preferred method for the future of the Program. The options included maintaining the Program with a suspension of rates or terminating the Program.

In summary, questionnaires were made available at all meetings, requesting the public to provide their preferred option for the future of the Program. Between 47% to 55% of all Program participants responded to the ballots with just over two-thirds of received votes

identifying the desire to keep the Program in place, to stop the collection of new fees and to use the existing fund balance to fund on-going Program activities.

With input and direction from the Program participants as well as the recommendations provide through the technical studies, staff is recommending the suspension of Program fees as described above but will continue to monitor the site conditions within the Golden Valley sub aquifer. Should actual site conditions change, based on the specific conditions, staff will work with the Program participants and technical experts to develop appropriate recommendations. Staff will also closely review any new domestic well deepening in the Golden Valley area. Due to the varied geological and site conditions across the Golden Valley sub basin, it is expected that some number of domestic wells will require deepening, repair, or replacement over the next 10 years. It should be noted that during prior groundwater injection activity, 24 domestic wells were deepened within Golden Valley. It is anticipated that domestic wells will need to be deepened in the future, regardless of artificial injection activity.

Staff will also continue to carefully monitor the Program fund balance, and should conditions arise that require use of the fund in excess of the planned amounts, staff will work collaboratively with the Program participants and present any subsequent recommendations to the Board of County Commissioners.

FISCAL IMPACT

Should the Board approve adoption of Resolution R23-149 to suspend the Golden Valley Recharge Program monthly fee from January 1, 2024, to December 31, 2033, annual loss in revenue of \$162,608 is expected in the Utilities Fund (566), Golden Valley Recharge Operations (664300), Water-Metered (491000). However, there is approximately \$684,000 cash balance as of September 30, 2023, which is sufficient and will be utilized to support an estimated annual cost of \$30,000 for the continued operations of the recharge program during the ten-year period. As required under Ordinance 1548, a minimum balance of \$100,000, shall be kept in the Program Fund for emergency purposes.

RECOMMENDATION

It is recommended the Board of County Commissioners adopt Resolution R23-149 to suspend the Golden Valley Artificial Recharge Program (Program) participant fee collection from January 1, 2024, through December 31, 2033, continuing Program activities in support of the maintenance of the State of Nevada Division of Water Resources injection permit performed pursuant to Washoe County Ordinance 1548, at an estimated annual cost of \$30,000.00 with all efforts utilizing existing Program cash reserve balance, estimated to be \$684,000.00 as of September 30, 2023, and to require all Program participants to bring any past due accounts current through the processes identified in Ordinance 1548.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to adopt Resolution R23-149 to suspend the Golden Valley Artificial Recharge Program (Program) participant fee collection from January 1, 2024, through December 31, 2033, continuing Program activities in support of the maintenance of the State of Nevada

Division of Water Resources injection permit performed pursuant to Washoe County Ordinance 1548, at an estimated annual cost of \$30,000.00 with all efforts utilizing existing Program cash reserve balance, estimated to be \$684,000.00 as of September 30, 2023, and to require all Program participants to bring any past due accounts current through the processes identified in Ordinance 1548.”