



Las Vegas

Agenda Item No.: 49.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: APRIL 7, 2010

DEPARTMENT: CITY MANAGER
DIRECTOR: ELIZABETH N. FRETWELL

☐ Consent ☒ Discussion

SUBJECT:
ADMINISTRATIVE

Report and possible action on status of the Clean Water Coalition

Fiscal Impact

☐

No Impact

☐ Augmentation Required

☐

Budget Funds Available

Amount:

Funding Source:

Dept./Division: City Manager

PURPOSE/BACKGROUND:

The Clean Water Coalition (CWC) was established in 2002 under NRS 277 to administer and implement the Systems Conveyance and Operations Program (SCOP). SCOP was supposed to be a regional system for the conveyance of wastewater from all of the valleys wastewater treatment facilities, to the middle of Lake Mead, through a large diameter underground piping system. Because of reduction in wastewater flows due to the slowdown in development, improvements in the lake water quality, and changes in technology to treat wastewater, the SCOP project was suspended by the CWC Board at their February 23, 2010 meeting until 2012, at which time a determination would be made on the future need for this system. The Board also approved the termination of Connection Fee collection effective March 1, 2010. Sewer User surcharge fees of \$7 annually are still collected and these fees generate approximately \$7 million a year from all the member agencies. With the suspension of the SCOP project, the future role of CWC is a question that the member agencies are now examining.

RECOMMENDATION:

Receive report and direct staff as appropriate on the Clean Water Coalition

BACKUP DOCUMENTATION:

Submitted after Final Agenda - PowerPoint Presentation by Staff

Motion made by STEVEN D. ROSS to Approve subject to the following directions:

1. No additional growth shall be allowed in the Clear Water Coalition.
2. Scaling back the proposed Fiscal Year 2011 budget to the minimum amount needed to meet existing obligations and minimal operational costs of this agency and reduce user rates commensurately.

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3. Do not allow any capital expenditures or additional indebtedness that will obligate the members until this indebtedness is satisfied.
4. Develop a transition plan to, either, redefine or dissolve the Clean Water Coalition as outlined in Section 18 of the Interlocal Agreement or for the City of Las Vegas to withdraw as a member of the Clean Water Coalition.
5. If there is dissolution, develop a way to redistribute any remaining fund balance due to the member agencies.

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0
RICKI Y. BARLOW, LOIS PARGANIAN, STEVE WOLFSON, OSCAR B. GOODMAN,
GARY REESE, STEVEN D. ROSS, STAVROS ANTHONY; (Against None); (Abstain-
None); (Did Not Vote-None); (Excused-None)

Minutes:

JORGE CERVANTES, Director of Public Works, provided a report on the status of the Clean Water Coalition (CWC).

MR. CERVANTES outlined his recommendations for the Council's consideration. He asked that no additional growth be allowed in the Clean Water Systems Conveyance and Operations Program (SCOP) as the SCOP was being developed, there was a need for that group to add staff to operate and manage the facility; however, with the suspension of SCOP, there should be no increase in the staffing level or the agency itself. The budget being proposed for Fiscal Year 2011 should be scaled back to provide the minimum amount of funding needed to meet their existing contractual obligations and the minimum operational costs and reduce the user fees commensurate with the revised budget. With the \$7.00 user fee they collect, the agency has collected several million dollars a year. Their current proposed budget is \$4.5 million, but he believes the budget required to operate the agency needs to be significantly less. He recommended that no capital expenditures be allowed until other debts are paid, and to develop a transition plan to either redefine or dissolve the CWC or for the City of Las Vegas to withdraw as a member. If there is dissolution, develop a way to redistribute any remaining fund balance due to the member agencies.

MAYOR GOODMAN asked what would happen to the money if the M Casino lawsuit is successful and the \$62 million is recovered by CWC, and what would happen if CWC is dissolved. MR. CERVANTES replied that the money would come back to the member agencies, and the member agencies would then decide to use that money for additional water quality improvements or redistribute those funds to rate payers.

COUNCILMAN REESE asked if there are talks about dissolving the CWC. MR. CERVANTES responded that discussions have been held about trying to identify CWC'S role and whether it should exist if the SCOP project is suspended. MR. CERVANTES added that if the CWC still exists with a different function, it would be smaller and would not need the \$7 million to operate that agency.

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COUNCILMAN BARLOW confirmed with MR. CERVANTES that the City of Las Vegas contributes \$16 million to the CWC. The collection of revenue started about 2006, and the three original member agencies contributed seed money while the agency was being implemented. MR. CERVANTES indicated that COUNCILMAN ROSS sits on the CWC'S board.

COUNCILMAN ROSS understood the reason for the establishment of the CWC and the nature of SCOP but it is no longer needed. There are roles the CWC could play in this community. The uses described by MR. CERVANTES are duplicated uses being provided by other agencies.

COUNCILWOMAN TARKANIAN agreed that other agencies are extremely trained to provide the same services as the CWC. COUNCILMAN ROSS opined this is a regional issue and that possibly a regional body should look at waste-water issues. It is unfortunate that some employees will be affected by this action, but it is in the best interest of the City of Las Vegas to protect its citizens.

COUNCILMAN ROSS directed staff to implement the recommendations as provided by MR. CERVANTES.

CITY ATTORNEY BRAD JENKINS advised that under the Open Meeting Law, direction to staff is appropriate, as many of those selections will need additional action by the City Council.

COUNCILWOMAN TARKANIAN requested that COUNCILMAN ROSS provide her with a list of the CWC'S expenses and salaries.

See Item 11 for related discussion.

