



# WASHOE COUNTY

Integrity Communication Service

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## STAFF REPORT

BOARD MEETING DATE: June 20, 2023

**DATE:** May 19, 2023  
**TO:** Board of County Commissioners  
**FROM:** Brian Bass, Interim Remediation District Manager,  
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**THROUGH:** Dwayne Smith, P.E., Division Director, Engineering and Capital Projects  
Community Services Dept., 328-2043, [desmith@washoecounty.gov](mailto:desmith@washoecounty.gov)  
**SUBJECT:** Public Hearing and possible action to: (1) adopt an ordinance amending Ordinance No. 1000 to change the boundaries of District No. 24 (Groundwater Remediation); and (2), Public Hearing and possible action to adopt an ordinance imposing a fee on the parcels of land in Washoe County, Nevada District No. 24 (Groundwater Remediation) to pay the costs of developing and carrying out a plan for remediation.

The Central Truckee Meadows Remediation District was formed in 1997 to address the tetrachloroethene (PCE) contamination of groundwater in the central Truckee Meadows area. The District is tasked with remediating PCE contamination and annually updates both the Service Area boundary and Contaminant Area boundary based on continuous analysis and modeling efforts. There is no impact to the General Fund. (All Commission Districts.)

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### SUMMARY

In 1995 the legislature passed NRS 540A.250-285, allowing for the creation of a district for the remediation of the quality of water that is available for municipal, industrial, or domestic use. In 1997, the Washoe County Board of Commissioners (Board) passed Ordinance 1000 creating District No. 24 (the Central Truckee Meadows Remediation District or CTMRD) in accordance with NRS540A.250 to address the tetrachloroethene (PCE) contamination of groundwater needed to meet water demands in southern Washoe County.

The Board is required to amend the CTMRD boundaries when necessary. These boundary changes are accomplished through an ordinance amendment, required by NRS 540A.262 to be introduced by the Board at a public hearing. The CTMRD boundaries include both a Service Area boundary and a Contaminant Area boundary.

Pursuant to NRS540A.250(3)(b), the Service Area boundary includes the wholesale and retail service areas of any water purveyor with groundwater wells located inside the area contaminated by PCE (i.e., inside the Contaminant Area boundary). The Truckee

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Meadows Water Authority (TMWA) has municipal supply wells inside the Contaminant Area boundary, and the Service Area includes that part of the TMWA service area which includes those wells. The Service Area also includes the Sun Valley General Improvement District (SVGID) and the Parr – Reno Water Company, given they are TMWA wholesale water customers.

The Contaminant Area boundary includes that area where historical (i.e. present prior to the creation of the CTMRD) PCE contamination exists and where the parties who caused or contributed to that contamination cannot be identified. Pursuant to NRS540A.250(3)(a), the Contaminant Area boundary also includes the areas where this historical or legacy PCE contamination can be expected to migrate to in the event that mitigation measures are not carried out.

Changes to the Service Area boundary may from time to time be made when there are changes in the TMWA wholesale and/or retail service areas. These changes are made to reflect parcels that are annexed into or removed from those service areas.

Changes to the Contaminant Area boundary may be made from time to time when CTMRD program activities:

- 1) Delineate previously unrecognized legacy PCE contamination;
- 2) Determine that the areal extent of legacy contamination has changed; or,
- 3) When parties who have caused or contributed (i.e. responsible parties) to PCE contamination are identified and the affected parcels are removed from within the Contaminant Area boundary, with mitigation efforts falling to the responsible party, under the purview of the NDEP.

Adding or removing parcels from the Contaminant Area boundary are based on a data review, coordinated with and subject to concurrence by NDEP and the Washoe County Health District (WCHD). The CTMRD Contaminant Area boundary was revised in 2022.

The Board may from time to time (NRS 540A.265) redetermine, by ordinance, the fee to be collected in a given year for carrying out activities in support of the Remediation Management Plan (i.e. the “Plan for Remediation” referred to in NRS 540A.260). The 2023 estimated number of parcels and average annual per parcel remediation fee by benefit group, and the total annual remediation fee revenue that would result from the adoption of these ordinances are summarized in following table:

**ATTACHMENT 5  
2023 CTMRD ANNUAL FEE SCHEDULE <sup>3</sup>**

Billing Year	Service Area Boundary Benefit Group			Contaminant Area Boundary Benefit Groups						Total Revenue
	Rate Factor	Avg. Fee <sup>1</sup>	Total	Rate Factor	Avg. Fee <sup>1</sup>	Total	Rate Factor	Avg. Fee <sup>2</sup>	Total	
2023	0.5:1	\$6.94	\$942,648	1:1	\$8.13	\$45,693	2:1	\$94.12	\$261,659	\$1,250,000

<sup>1</sup> For years prior to 2006, average annual fees for Benefit Groups A and B were based on flat-rate water service information. Accompanying a significant decrease in flat-rate water services provided by TMWA, beginning in 2006, the average annual remediation fee represented is based on both flat rate and metered water service information.

<sup>2</sup> The average Non-Residential annual fee equals the sum of all fees divided by the number of parcels (Non-Residential parcels do not have flat rate water service).

<sup>3</sup> Based on the most recent best-available data and could change slightly if new data from water purveyors is received prior to delivery to the Treasurer's office in June.

- Benefit Group A: all water using parcels within the CTMRD Service Area boundary.
- Benefit Group B: all water-using parcels in Benefit Group A that are also residential parcels within the CTMRD Contaminant Area boundary.
- Benefit Group C: all water-using parcels in Benefit Group A that are also non-residential parcels within the CTMRD Contaminant Area boundary.

**Washoe County Strategic Objective supported by this item:** Economic Impacts: Support a thriving community.

**PREVIOUS ACTION**

On May 16, 2023, the Board adopted the Final Budget for Fiscal Year 2024.

On May 9, 2023, the Board held the first reading of an ordinance: (1) amending Ordinance No. 1000 to change the boundaries of District No. 24 (Groundwater Remediation); (2) provided for a notice of a public hearing and other matters relating thereto; and (3) set the public hearing for the second reading and possible adoption on June 20, 2023, and held the first reading of an ordinance: (1) imposing a fee on the parcels of land in Washoe County, Nevada District No. 24 (Groundwater Remediation) to pay the costs of developing and carrying out a plan for remediation; (2) provided for a notice of a public hearing and other matters relating thereto; and (3) set the public hearing for the second reading and possible adoption on June 20, 2023.

On April 11, 2023, the Board adopted Resolution R23-027, calling a hearing on the amendment of the boundaries of District No. 24 and set the public hearing for May 9, 2023.

A public hearing to introduce an amendment to the CTMRD boundary ordinance and an amendment to the remediation fee ordinance was last held by the Board in 2022.

**BACKGROUND**

**Boundary Amendment Ordinance (Attachment 1)**

From time to time, the Board may amend the CTMRD boundaries:

- (1) to amend the CTMRD Service Area boundary based on those parcels annexed into and those parcels removed from the Service Area by the affected water purveyors, which

parcels are then subject to the remediation fee. The Boundary Amendment Ordinance (Attachment 1) identifies those parcels annexed into and those parcels removed from the Service Area boundary during calendar year 2022; and

(2) to approve revisions to the CTMRD Contaminant Area boundary.

***Service Area Boundary*** - NRS 540A.250 specifies that the CTMRD Service Area boundary shall include the wholesale and retail service area of any water company with wells located in the contaminated area (i.e. within the Contaminant Area boundary). Truckee Meadows Water Authority (TMWA) operated wells within the Contaminant Area boundary; therefore the Service Area boundary proposed here incorporates that portion of the TMWA wholesale and retail service area interconnected to those wells.

The 2022 calendar year CTMRD Service Area boundary (upon which the 2023 remediation fees are based) includes all or part of these water purveyor service areas:

- TMWA;
- Sun Valley General Improvement District (SVGID); and,
- Parr-Reno Water Company.

NRS 540A.265 requires these water purveyors to provide the annualized water use (by Assessor's Parcel Number and in dollars) for each parcel in their respective service areas to the County within ninety days of being requested to do so. Since 2006, this request has been made by December 1 each year. Although NRS540A.265(1)(d) so allows, staff continues to recommend that the Board exclude assessing remediation fees against properties within the contaminant boundary that are undeveloped (and receive no water service) or that receive water service wholly independent from any water purveyor with groundwater wells.

***Contaminant Area Boundary*** - In 2002, in accordance with NRS 540A.265(1) the Board approved the delineation of the CTMRD Contaminant Area boundary and a three-tiered fee rate structure (based on that contaminant boundary) that assigns remediation fees in proportion to the benefits received. The CTMRD Contaminant Area boundary is a subdivision of the CTMRD Service Area boundary and includes that area where groundwater has been impacted by legacy PCE contamination (pre-CTMRD contamination, that can't be attributed to a responsible party), and where that legacy contamination may migrate to if mitigation measures by the CTMRD program are not carried out. Owners who have not caused or contributed to the PCE present on parcels located within the Contaminant Area boundary receive the direct benefits of the actions being taken by the CTMRD program to mitigate the legacy contamination beneath their property and the benefit of relief from any liability associated with the presence of that contamination.

The CTMRD Contaminant Area boundary was initially defined in 2001 and was most-recently revised in 2022 to reflect the current estimation of PCE distribution and potential migration.

### **Fee Adoption Ordinance (Attachment 3)**

The CTMRD program provides benefits to three distinct groups among water-using property owners. These include the "Service Area Boundary Benefit Group" and the two "Contaminated Area Boundary Benefit Groups" (residential and non-residential). The

proposed Service Area Boundary map is shown on Attachment 2 and on Attachment 4 together with the Contaminant Area Boundary.

Service Area Boundary Benefit Group A: includes water-using parcels that receive wholesale or retail water service from TMWA. The primary benefit for this group is receiving drinking water that meets the regulatory standards for PCE. These water-using property owners in this benefit group are assessed a fee based on annual water use, as has been the case since 1998.

Contaminant Area Boundary Benefit Group B: This benefit group includes owners of residential parcels that are located within the area impacted by PCE contaminated groundwater. The additional benefits received by this group are: (1) the benefit described for Benefit Group A, (2) the protection of property values by avoiding a CERCLA (i.e. Superfund) listing, and (3) ongoing remedial actions to reduce and eliminate PCE contaminated groundwater underlying their property.

Contaminant Area Boundary Benefit Group C: This benefit group includes owners of non-residential parcels that overlie the area impacted by PCE contaminated groundwater. The benefits for this group are: (1) benefits as described in Groups A and B; and (2) the limitation of liability which NRS 540A affords, for property owners who did not cause or contribute to contamination.

In accordance with NRS 540A.265, the Board approved a tiered fee rate structure for these benefit groups on May 24, 2002. This tiered remediation fee rate structure is:

- The base rate (0.5x) for Benefit Group A;
- Twice the base rate (1x) Benefit Group B; and,
- Four times the base rate (2x) for Benefit Group C.

Attachment 5 shows the tiered remediation fees for these benefit groups for 2023.

### **FISCAL IMPACT**

Approval of these Ordinance amendments will provide for operation and maintenance of groundwater treatment at five municipal wells and provide for ongoing implementation of the Remediation Management Plan. As shown in Attachment 5, the proposed FY23-24 CTMRD program fees and revenue remain at approximately \$1,250,000. Revenue for the Special Revenue Fund is included in the recommended FY24 Budget. The number of parcels and dollar amounts in each benefit group for 2023 are shown on Attachment 5.

The current budget for the CTMRD program has sufficient authority for continued operations utilizing existing resources and projected revenues from adoption of the Fee Adoption Ordinance.

### **RECOMMENDATION**

It is recommended that the Board of County Commissioners: (1) adopt an ordinance amending Ordinance No. 1000 to change the boundaries of District No. 24 (Groundwater Remediation); and (2), adopt an ordinance imposing a fee on the parcels of land in Washoe County, Nevada District No. 24 (Groundwater Remediation) to pay the costs of developing and carrying out a plan for remediation.

**POSSIBLE MOTION**

Should the Board agree with the staff recommendation, a possible motion would be:

“Move to: (1) adopt an ordinance amending Ordinance No. 1000 to change the boundaries of District No. 24 (Groundwater Remediation); and (2), adopt an ordinance imposing a fee on the parcels of land in Washoe County, Nevada District No. 24 (Groundwater Remediation) to pay the costs of developing and carrying out a plan for remediation.”

- Attachment 1 – 2023 Boundary Amendment Ordinance
- Attachment 2 – 2022 Service Area and New Parcels Map
- Attachment 3 – 2023 Fee Adoption Ordinance
- Attachment 4 – 2023 Fees Boundary Map
- Attachment 5 – 2023 Fee Schedule