

# City Manager's Office

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## MEMORANDUM

**DATE:** 5/2/2024

**TO:** Mayor and City Council

**THROUGH:** Doug Thornley, City Manager Approved Electronically  
Jackie Bryant, Assistant City Manager

**FROM:** John Flansberg, Regional Infrastructure Administrator  
Trina Magoon, Utility Services Director

**SUBJECT:** **Sierra Sage Golf Course communication requesting members to make public comment relating to charges for water from Reno to Washoe County through the Reno Stead Water Reclamation Facility (RSWRF) Effluent Reuse System.**

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This memorandum is provided as an informational item regarding communication that was sent out from the Sierra Sage Golf Course requesting its members to make public comment at the upcoming May 8, 2024, Reno City Council meeting.

In April 2023, Mike Mazzaferri of Cal-Mazz Golf Management was actively reaching out to Councilmembers regarding the cost of water for the Sierra Sage Golf Course. A memorandum was issued at that time to provide background of the agreement that the City of Reno has with Washoe County to provide effluent reuse water at the Sierra Sage Golf Course and North Valleys Sports Complex (see attached 4/21/2023 memo) including payment terms in exchange for the operations and maintenance of the “purple pipe” system. Cal-Mazz Golf Management has an agreement with Washoe County to operate the County’s golf course (Sierra Sage Golf Course) that includes paying for water used. The City of Reno does not have a contractual agreement with Cal-Mazz Golf Management.

The agreement with Washoe County states that the City of Reno will charge not less than 50% nor more than 70% of the equivalent potable water use rate. The purpose of this charge is to pay for the operating cost and future replacement cost of the effluent water distribution system. The City of Reno is charging the lowest rate possible per the agreement by using 50% of the metered irrigation service “off-peak period” commodity charge set by TMWA (\$1.66 per 1,000 gallons as of 5/1/2024).

This issue has become more sensitive because Washoe County changed its rate structure a couple of years ago in how they charge for effluent reuse water. Washoe County made the decision not to charge customers (parks and golf courses) for effluent reuse water at the South Truckee Meadows Water Reclamation Facility (STMWRF) by shifting those costs to the sewer user fee paid by the sewer utility customers. This decision was made because Washoe County has a surplus of effluent water and needs customers to use the water. To this end, the sewer users are paying for collection, treatment, and full disposal costs of the effluent, because STMWRF cannot discharge its effluent into Steamboat Creek per its permit requirements.

The City of Reno uses sewer funds to construct reuse facilities. It relies upon payment of effluent reuse charges to operate and maintain the system. Washoe County's decisions around its rate structure and billing practices to the Sierra Sage Golf Course are not within the City of Reno's control. The City of Reno charges the agreed upon rate to Washoe County. If the City of Reno were to reduce the rate charged to Washoe County, the City of Reno would be subsidizing Sierra Sage Golf Course users at the expense of the City of Reno sewer rate payers.



**Dear Sierra Sage Men's Golf Club Members,**

**We need your help to keep affordable golf alive in Reno.**

**Many of you are aware that a 25-year-old City of Reno/Washoe County agreement is threatening the viability of Sierra Sage Golf Course's ability to provide affordable golf or worse stay in business. The City's recent interpretation of this agreement effectively increased our water bill by over 4 ½ times (or 450%) of what Mazz Golf Management was charged for more than a decade.**

**Sierra Sage is the ONLY golf course paying for reclaimed water.**

**Mazz Golf Management has informed Washoe County that there are only two choices:**

**End its management contract with Washoe County, or raise fees, thus threatening to put a wonderful recreational resource out of reach for many of our juniors, seniors, and golfing families.**

**We need your help to ask the Reno City Council to renegotiate this agreement with Washoe County.**

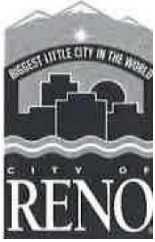
**Please join us Wednesday, May 8 at 10:00 AM to address the City Council during the public comment period (in person, via Zoom, or by telephone).**

**For more information contact Roxanne Spring ([roxanne@sierrasagegolf.org](mailto:roxanne@sierrasagegolf.org)) in the Pro Shop. If you are inclined to help, please provide your contact information (name, email, and phone number) to Roxanne. Once we have the troops assembled, we will set up a meeting to discuss the public comment process and our messaging strategy.**

**Thank you for your participation and voicing your support for affordable public golf.**

**Sincerely,**

**Mike Mazzaferri**



# City Manager's Office

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## MEMORANDUM

**DATE:** 4/21/2023

**TO:** Mayor and City Council

**THROUGH:** Doug Thornley, City Manager  
Jackie Bryant, Assistant City Manager

Approved Electronically

**FROM:** John Flansberg, Regional Infrastructure Administrator  
Kayla Garcia, Management Analyst

**SUBJECT: RSWRF Effluent Reuse System and Washoe County Agreement for Sierra Sage Golf Course and North Valleys Regional Sports Complex.**

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Recently Councilmembers have received requests to meet with Mike Mazzaferri of Cal-Mazz Golf Management regarding the cost of water for the Sierra Sage Golf Course. The City of Reno bills Washoe County per agreement for the amount of effluent reuse water used at the Sierra Sage Golf Course and North Valleys Sports Complex. Cal-Mazz Golf Management has an agreement with Washoe County to operate their golf course (Sierra Sage Golf Course) that includes paying for water used. The City of Reno does not have a contractual agreement with Cal-Mazz Golf Management.

This memorandum is provided as an informational item on the existing Reno Stead Water Reclamation Facility effluent reuse system that was constructed in 1999 and 2000 to provide class A effluent to Sierra Sage Golf Course and North Valleys Regional Sports Complex for irrigation purposes. The memorandum will also cover the 1999 Sports Complex and Golf Course Effluent Reuse Agreement with Washoe County as it relates to payment for water used at the golf course and sports complex.

**Background:**

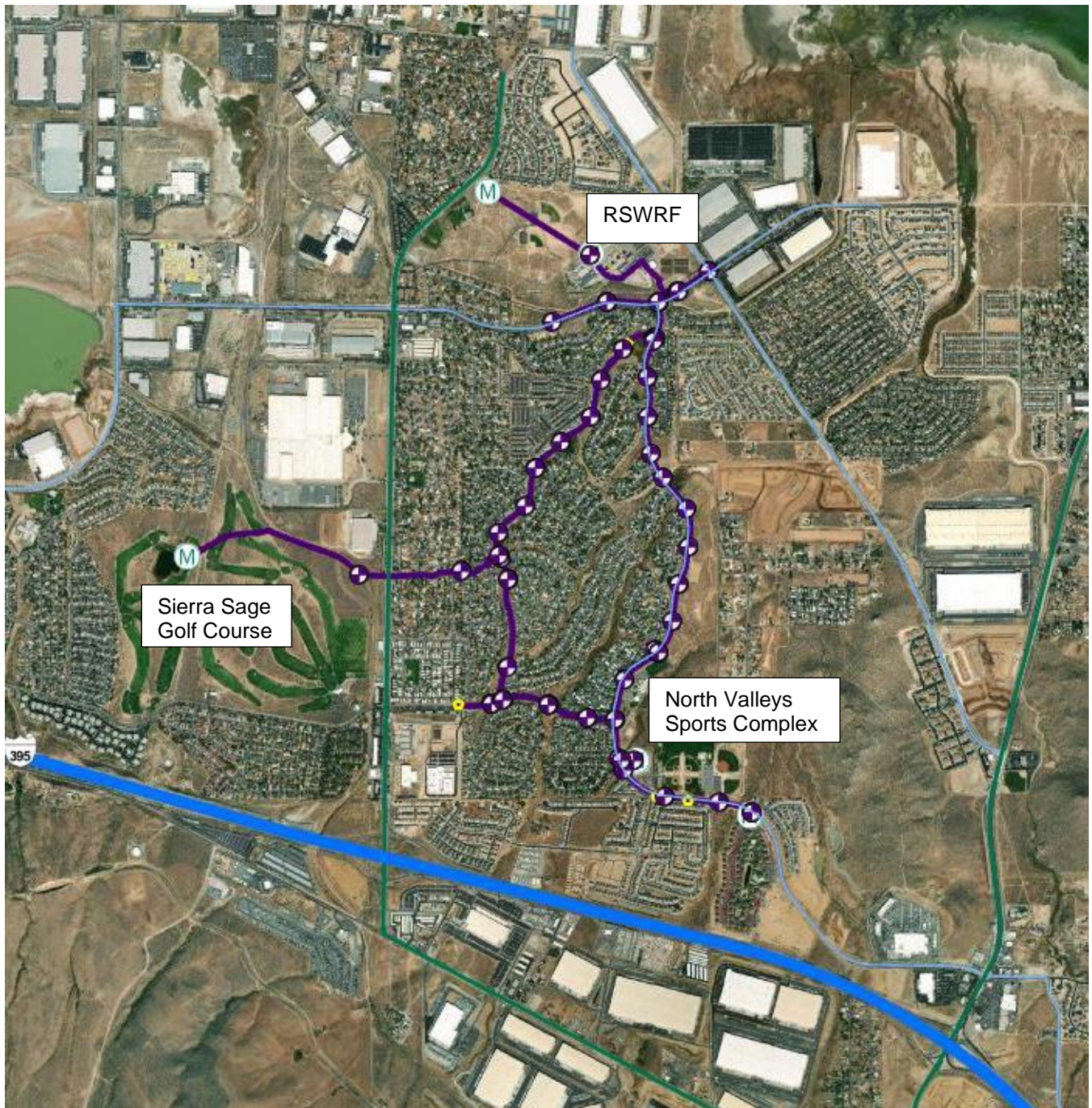
The Reno Stead Area Effluent Reuse Facilities Plan was completed by CH2M Hill in May 1996. That report concluded that effluent could economically be used as a source of reuse water for the Stead / Lemmon Valley area. The Regional Water Planning Commission approved the Effluent Reuse Plan and incorporated its findings into the Regional Water Plan. At that time, effluent from the Reno Stead Water Reclamation Facility (RSWRF) was used to irrigate Dorothy McAlinden Park and for construction water used as dust control at construction sites via water trucks that filled their tanks on site at RSWRF. The Effluent Reuse Plan recommended constructing a “purple pipeline” to the Sierra Sage Golf Course and a future North Valleys Sports Complex to expand the availability of reuse water and supplant the use of potable water for irrigation at these sites.

On February 9, 1999, the Reno City Council approved an interlocal (ILA) agreement with Washoe County to provide water to the Sierra Sage Golf Course, North Valleys Sports Complex, and Lemmon Valley Wetlands. The Washoe County Commission entered into the agreement on March 16, 1999. The Sports Complex and Golf Course Effluent Reuse Agreement required the City of Reno to construct improvements at RSWRF and a pipeline to water storage ponds at the Sports Complex and Golf Course



and to provide electrical switchgear to operate onsite pumps and telemetry systems for measurement and monitoring of water use. Washoe County agreed to pay for the pipeline and onsite improvements at their two facilities through a fiscal note for approximately \$1.47M through the Sewer Fund at 6% annual interest over a 20 year term. The total awarded cost of the improvements were as follows:

Phase 1 Construction at RSWRF	\$6,064,794
Phase 1 Construction Mgmt Services	\$543,500
Pipeline Construction (3,150 lf)*	\$224,422
<u>Pipeline Construction Mgmt Services</u>	<u>\$32,800</u>
Total	\$6,865,516



The agreement required the County to sell 300 acre feet of water rights from the golf course and to use the proceeds “solely and expeditiously for the development of the Sports Complex.” The City agreed to assign a secondary water right to the County for use of 350 acre feet annually of treated effluent from RSWRF for the Sports Complex and Golf Course. Washoe County agreed to pay for the effluent reuse based on the volume used at their facilities and at a cost that would be no less than 50% and no more than 70% of a similar service through the water purveyor (currently TMWA). In the first year, Washoe County would pay \$40,000 for the use of the water. In future years, they would be billed at the appropriate rate to ensure that maintenance, operations, and replacement cost of the effluent reuse system was being recovered. Unfortunately, the \$40,000 payment for water remained in place and the appropriate rate was not determined so Washoe County continued paying a flat rate of \$40,000 per year for the water.

In 2011, the County desired to amend the 1999 agreement to increase the permitted use of the proceeds of the sale of water rights to include paying off outstanding debt at the Washoe and Sierra Sage Golf Courses (\$1,405,000) and the retirement of the note payable to the City for effluent improvements (\$945,979) for a total of \$2,350,979. The County had sold 280 acre feet of groundwater rights and had approximately \$7.5M available in their fund. The amendment was approved by the City and the remaining \$5M+ was used for improvements at the Sports Complex.

Once Washoe County paid off the note, payments for water ceased altogether for approximately 18 months. Department of Public Works staff reviewed the agreement and determined that Washoe County was not paying the correct rate and were behind in payments. The City Manager’s Office was alerted to the discrepancy and alternatives were offered for payment. With turnover in the City Manager’s Office and in the County Administration, the issue was not resolved in a timely manner. The County did agree to catch up on payments by continuing to pay \$40,000 per year. After additional meetings to resolve the issue, the Director of Public Works sent a bill for the lowest amount based on the original agreement (50% of a similar service as charged by TMWA) to cover the previous three years and as the rate going forward. The proceeds received for water are as follows:

	FY 2003-2017	FY 2018-2020	FY 2021	FY 2022	FY 2023
Annual Effluent Payments (WC)	\$40,000	\$183,759	\$184,233	\$195,951	\$96,526 (6 mo.)

The current rate for water is \$3.10 per 1,000 gallons x 50% = \$1.55 per 1,000 gallons. Washoe County is billed per our agreement for this water. Washoe County then splits the cost proportionately between the Golf Course and Sports Complex based on their water use. The Sierra Sage Golf Course uses approximately 100,000,000 gallons of water annually so their share of the overall billing is approximately \$155,000.

As part of the 2023 work program, the City has contracted with DOWL (formerly Farr West Engineering) to perform a rate analysis for the effluent reuse water based on recovering the cost of maintenance, operations, and replacement of the existing system. The analysis will include current and new users (The Lakes development and O’Brien Middle School). In addition, the analysis will look at future options for expanding effluent reuse and determine the proposed rate based on constructing Red Rock Reservoir or other winter time storage alternatives.