

**MINUTES
CITY OF FALLON
55 West Williams Ave
Fallon, Nevada
March 21, 2023**

The Honorable City Council met in a regular scheduled meeting on the above date in the Council Chambers, 55 West Williams Avenue, Fallon, Nevada.

Present:

Mayor Ken Tedford
Councilwoman Kelly Frost
Councilwoman Karla Kent
Councilman Paul Harmon
Chief of Staff Bob Erickson
Deputy City Attorney Trent deBraga
Public Works Director Brian Byrd
City Clerk-Treasurer Sean Richardson
Deputy City Clerk Elsie Lee
Deputy City Clerk Michael O'Neill
Captain Ron Wenger
Captain John Riley
City Engineer Derek Zimney
Director of Tourism Jane Moon

The meeting was called to order by Mayor Ken Tedford at 9:00 a.m.

Mayor Ken Tedford led the Pledge of Allegiance.

Mayor Ken Tedford inquired if the agenda had been posted in compliance with NRS requirements.

City Clerk-Treasurer Sean Richardson advised that the agenda was posted in compliance with the NRS requirements.

Public Comments

Mayor Ken Tedford inquired if there were any public comments. He noted that comments are to be general in nature, not relative to any agenda items. No action may be taken on a matter raised under this item until the matter has been specifically included on an agenda as an item upon which action will be taken.

No comments were noted.

Consideration and possible approval of Council meeting minutes for February 21, 2023.

Councilwoman Kent motioned to approve the Council meeting minutes for February 21, 2023, with no changes or corrections; seconded by Councilman Harmon and approved with a 3-0 vote by the Council.

Approval of Warrants

- A) Accounts Payable
- B) Payroll
- C) Customer Deposit

Councilman Harmon motioned to approve the accounts payable, payroll and customer deposit warrants; seconded by Councilwoman Kent and approved with a 3-0 vote by the Council.

Public Hearing for Bill No. 792: An Ordinance amending the City of Fallon Municipal Code, Title Five, “Business Licenses and Regulations,” to add Chapter 5.60 entitled “Mobile Food Vendors” which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto.

Deputy City Attorney Trent deBraga stated Bill No. 792 was introduced at the City Council’s properly noticed regular meeting on March 7, 2023. Notice of the deposit of copies of the proposed ordinance and the public hearing date was duly published in The Fallon Post on March 10, 2023. The proposed ordinance, as introduced, and Proof and Statement of Publication of the Notice of Deposit of Public Hearing to Adopt Bill No. 792 are attached to this coversheet. This agenda item represents the public’s opportunity to comment on the proposed ordinance and to present relevant information and materials to the Council.

Mayor Tedford inquired if there were any public comments.
No comments were noted.

Consideration and possible adoption of Bill No. 792: An Ordinance amending the City of Fallon Municipal Code, Title Five, “Business Licenses and Regulations,” to add Chapter 5.60 entitled “Mobile Food Vendors” which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto.

Deputy City Attorney Trent deBraga stated that this agenda item represents the Council’s opportunity to consider the proposed ordinance as they see fit. The Council is free to adopt Bill No. 792 as introduced or amend it, in any respect, prior to its adoption. The proposed ordinance, as introduced, is attached to this coversheet. Of course, any amendment the Council would like to entertain, they could certainly do that. I will say, based upon the initial public hearing, I know there were some directions the Council wanted to see, in terms of some amendments. I have prepared an amended version of the Bill, as introduced. I will pass this form to the Council and submit it for the record. The Council can review and have further discussions or propose any further changes.

Mayor Tedford asked Deputy City Attorney Trent deBraga to go through the changes on the submitted form.

Deputy City Attorney read the changes, marked with red ink, on the attached document.
Mayor Tedford inquired if there were any public comments, or if the Council had any

questions or proposed amendments.

Councilman Harmon stated he had a few questions. On page 2, 5.60.020, does this include the Schwann's truck going through neighborhoods, or the trucks that sell meat in neighborhoods?

Deputy City Attorney Trent deBraga stated that was correct. Based upon the definition that would be applicable to them.

Councilman Harmon inquired about the process of letting these trucks know about the new Ordinance, if passed.

Mayor Tedford stated that would be the Clerk's Office.

Councilman Harmon stated he had another question in the same section, under E, "Vehicle". Would a pushcart be included in this? We have seen, from time-to-time people putting up push carts, selling slushies, or other things.

Deputy City Attorney Trent deBraga stated that based on the definition, a pushcart would not fall under this definition. Part of the reason for that, in drafting this, is the Nevada Administrative Code, in their definition of a mobile unit, it excludes pushcarts, or similar operation from their definition. We felt if the state wasn't going to regulate it, we weren't going to put it in there. I know my colleague, Sean, he has been tracking some of the bills, and I know that there is some proposed legislation about regulating pushcarts, and if he needs to speak to more of that, he can. We are monitoring that. In the event that bill passes, there probably would be some, at least some sort of state mechanism, to where pushcarts would be regulated. Based on our definition, the pushcarts would not fall under the mobile food vendor. However, I think that if we are made aware of a pushcart, they are still going to have to have a business license if they are operating within the City limits.

Councilman Harmon inquired if the State bill passes, will we have to amend this ordinance, at that time, to include them?

Deputy City Attorney Trent deBraga stated that is a possibility, if the Council sees that it is becoming an issue, or that they would like to see it in there, we could certainly amend this or perhaps create another ordinance.

Mayor Tedford inquired if there were any further comments from Council or public.

Councilwoman Frost motioned to adopt, as amended by Deputy City Attorney Trent deBraga, Bill No. 792: An Ordinance amending the City of Fallon Municipal Code, Title Five, "Business Licenses and Regulations," to add Chapter 5.60 entitled "Mobile Food Vendors" which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto; seconded by Councilman Harmon and approved with a 3-0 vote by the Council.

Possible introduction of Bill No. 793: An ordinance providing for the annexation of 0.54 acres, more or less, located at 575 Babb Place, owned by HSKS LLC, and contiguous to the corporate limits of the City of Fallon, Nevada, and for other matters properly related thereto.

Councilwoman Kent introduced Bill No. 793: An ordinance providing for the annexation of 0.54 acres, more or less, located at 575 Babb Place, owned by HSKS LLC, and contiguous to the corporate limits of the City of Fallon, Nevada.

Setting of a public hearing date for Bill No. 793: An ordinance providing for the annexation of 0.54 acres, more or less, located at 575 Babb Place, owned by HSKS LLC, and contiguous to the corporate limits of the City of Fallon, Nevada, and for other matters

properly related thereto.

Mayor Tedford stated the public hearing date for Bill No. 793: An ordinance providing for the annexation of 0.54 acres, more or less, located at 575 Babb Place, owned by HSKS LLC, and contiguous to the corporate limits of the City of Fallon, Nevada, and for other matters properly related thereto, will be April 4, 2023, at 9:00 a.m.

Mayor Tedford stated that items 10, 11, and 12 are all concerning resolutions to increase the rates of electric, water, and sewer departments. I thought I would preface those discussions for the Council, with some remarks. On our agenda today, it is interesting, we don't introduce and pass a lot of ordinances. We don't even do a lot of annexations. We usually do introduction and passing of ordinances, when an issue arises, or a problem occurs, that we are trying to take care of. We don't expand the 4-mile incorporated limits of the City very often either. We don't increase rates very often either. This is an interesting meeting. The utility departments, or these enterprise accounts that we run, as you all know, belong to the citizens. Those electric, water, sewer, landfill, sanitation, and these departments, are not ours, they don't belong to someone in Delaware. They belong to these citizens. We are elected and have the obligation to make sure that they run properly, we take great pride in keeping the lights and water running efficiently. The citizens expect this of us, and always have. There is always a hardship, imposed by rate increases, and there is never a good time to raise them. Like you, I know these citizens. Many of them, I've known my entire life, as you have. None of us wants to tell our friends, or our neighbors, that their costs are going up. Especially, those we know who it will hit hard. We have a lot of single parents, we have a lot of senior citizens, and we know these families, it will hit hard. Those hardest hit, we know there are programs that are available to those it may relieve some of that burden, and those are operated in the Clerk's office, across the way. Ultimately, for our citizens, as we discuss this today, we know we have to keep the City moving forward. Our water department, for instance, hasn't increased its base water rate in 17 years, and 2023's dollars don't go as far as the dollars went in 2006. The electric department hasn't raised that rate in 9 years, and the sewer rate hasn't been raised in 8 years. This is sort of a culture here. I started as a Councilman in 1987, this is my 36th year in government, at the City. The research that we did, bringing these rates to you today, with my work with staff, will show that in those 36 years, we've raised electric rates 4 times. We have raised water rates 5 times. We have raised sewer rates 5 times. This is what I believe is the culture. This isn't a bad thing. I think what it shows is that we don't come to the Council and ask you to raise rates unless it is really something that we need to do. I believe today is the time that we need to do this. Staff have put a lot of time and effort into what this rate should be, and how we got there. Sean will spend a little time with you on that, items 10, 11, and 12. I know you saw the year-end figures and how those ending fund balances weren't quite what they should be in the various enterprise accounts. Not that they are bad, and that we are in trouble, but they aren't what they should be. I do know, as you know, every time we do street paving, we try to do the sewer and water lines in those streets. This is the first time, that I recall, that we are doing a street and that we are not replacing a water or sewer line. It isn't that it is terrible, or we wouldn't be doing that. Maybe, if we had more money in the water or sewer account, we would be doing it. So, we aren't throwing money away, and not doing it. If we were a little more flush in water and sewer, maybe we would have done it. That doesn't mean that we aren't doing them on Broadway because that street hasn't been done since 1987. For sure we are doing that and looking at those a lot harder now because we don't have quite as much money in water and sewer. We shouldn't be in that position and putting Brian into that situation, in Public Works. Maybe when we bid the street, we maybe

need to take water and sewer out, and get this project done. Those are the things that we need to consider, and I want you to know that when we look at raising rates and the last time we raised them, you all weren't at the table, that is how long ago it was. Not because Paul just started and just two years ago for Karla, this is totally foreign to you. Kelly, you were here for one of them, and I was here for all the increases from 17 years ago, when we raised water. It is a hard thing to do, but to properly manage it is something that is hard but necessary to do. I will reiterate, there is no good time to do this. I wanted to just preface the discussion, not trying to take the air out of the room here, but just explain how difficult it is to manage a City the size of ours, but that is what we do. I spoke with someone this weekend and I told them that a difficult thing for us, when we give our citizens a bill, we give them a bill for everything but Southwest Gas, their tv provider, and telephone. The rest of that bill is us. If you are in another town, you are getting a bill from Waste Management and the sewer company. From us, you get a bill for everything. It isn't fair if you moved here from Reno because there, you have a variety of bills. Here you get it all from Sean, Elsie, and Michael. It is their fault, not ours (laughter). I always tell people when they look at me and they tell me the bill I sent them was terrible. I tell them, "Yeah, it is a pretty big bill but at least we didn't bill you for the gas." Keep in mind that we are billing them for everything. I tell them that they only have to send one check, well now it is with my credit card, but I am still a hard copy guy. With that, we will go to Item #10, on the agenda.

Possible adoption of Resolution No. 23-02: A resolution adjusting the electric utility rates.

City Clerk Treasurer Sean Richardson stated that Resolution 23-02 is a resolution adjusting the electric rates. The resolution adjusts the rates in all four general service categories in both the monthly customer charge and commodity rate. The City has not adjusted electric utility rates since 2014 or 9 years ago and it was only to the monthly base rate. The commodity rate has not been adjusted since 2006 or 17 years. There have been increased costs for operations, transmission, and capital needs, but the biggest factor for the need to adjust the rates is due to the wholesale power market. The power market has changed dramatically over the last several years as the demand for power is outpacing the supply in addition to numerous other factors affecting our economy today. The cost of wholesale power purchased from UAMPS is expected to increase over 50% when compared to fiscal year 2020 to this current fiscal year. The City has always tried to keep its rates as low as possible, but this rate adjustment is necessary to keep the Electric Enterprise Fund financially stable and solvent. The proposed rates are detailed in the resolution, and I'd be happy to answer any questions.

Mayor Tedford stated that it probably should be mentioned, as the price of power goes up, there is no profit in that. I always mention Delaware because we are not a company that is held in Delaware that sends profits to Arizona, Delaware, and wherever. All the profits go back into improving the capital of the citizens, like the New River Substation that we built and improving the enterprise accounts for the citizens that own them. It isn't like we increase rates so we can increase a profit margin for a shareholder somewhere, they are the shareholder. We work for them, and all our employees work for them. This is the message from me that goes through department heads to the employees. We work for these people that are writing the monthly bills to us, they are the owners.

Councilwoman Frost stated that it can be very difficult to raise rates. The hardest thing to do, as a Councilmember, is to tell people that you serve, that their bill is going to increase. When I was first appointed to the Council in 2014, I didn't join for the purpose of raising costs

on our citizens. Yet, I think one of my first meetings I was immediately confronted with a resolution to do this. I think I was here over 9 years ago, when this took place. At that time, I learned that despite the City staff's best efforts to avoid raising rates, we as the Council, do have the responsibility to keep our operations solvent, and sometimes the cost of business increases, and so we have to make this hard decision.

Councilwoman Kent confirmed that these increases are necessary. It is really awesome that our Clerk's office really looked into this, but sometimes you think, just like in the case with the Transfer Station, that we want to make incremental increases every year. We wait, and then we have to do this. As a consumer, you wonder if they think that luckily, they made the savings the previous years, but now I have to kind of catch up. Now, we have it in place, and we will review the rates each year. So, if there is an adjustment that will be on a smaller proportion not on a larger proportion.

Mayor Tedford confirmed Councilwoman Kent's statement. You are right that is built into this.

Councilman Harmon stated that he would like Sean to confirm that with this utility electric rate increase, for a single household, we are still going to be less expensive than a county resident paying NV Energy, is that correct?

City Clerk Treasurer Sean Richardson stated that we will be around the same market. It is difficult to compare NV Energy because they have a few different rate structures in all their categories. In their rate, they don't have their 5% local government tax, it is included outside of their rate. We don't charge that on ourselves. So, to compare them is tough, but to try and make it a comparison of apples to apples, it is hard to say if it is lower because it depends on the customer.

Councilman Harmon stated that NV Energy increases a lot more often than, the City, for the usage per kilowatt.

Clerk Treasurer Sean Richardson confirmed. Just looking at what has been on the news and in social media, obviously they do it quite a bit more than us. I think they are planning for the future. With this power market, now a days, it is something that we need to be looking at because unlike this water and sewer, with electricity there is a commodity out there that we are buying, and it is based on a market price. There is no market price for getting the water from our aquifer, it is an operational cost. There is no market for that commodity that we are buying on the open market that fluctuates all the time. This power market that we are in right now is a tough market. All the members of UAMPS are struggling with this same thing. They are all adjusting their rates right now. Is this the end of it? I don't know. This is something that we are going to have to follow closely.

Mayor Tedford stated that the number one thing is that we have to provide our citizens with stable power. Secondly, we have to look at price. This has been our goal for decades. We try like the devil to not lose power, and if they do, it has to be for a very short time. That has been the goal. Then, when this whole crazy power shortages started happening, we were fortunate enough that we were still being able to supply power. There were no brownouts, like our neighboring state, California, has been having. We have been able, through UAMPS, to be able to have a steady flow of power to these citizens in Fallon. Much appreciated though and much overlooked. That has to always be central to our goal, is to have stable power. There were many years, more than I would like to count, that we were buying long and selling short. We had invested in some long-term contracts, that unfortunately, were just very high. At least we had power for our people. We gobbled up a lot of our reserves in our electric account because we just couldn't charge people that kind of money, but we had power for them. When the market was out there, on the electric grid, was just fluctuating so much but we had power.

Our goal was always, we have to have stable power for the people in the City of Fallon. When it seems like the whole country is talking about what I call clean coal, when they have taken away that and want you to fill it with all the other types of energy in the country, and there isn't enough. That has always been our concern. To be able to still provide stable power. Sean is right, every time we did a raise, and went above Sierra Pacific or Nevada Power, they went right by us after a short time. They have many staff members that are always working on energy price increases. That is not what we do here. I think that we are always in the ballpark. Our goal isn't always to be worried about what the price is, as much as it is to make sure that we have stable power for our people, and then try to make it work by making it more efficient. Being efficient comes down to how Brian and Kevin run that operation in the electric department. We are doggone efficient. As you know, CDF Congressional proposed funding, for lack of a better term, an earmark for that bill back in the New River Substation is going to help us be more efficient and give better, reliable power, for a couple of substations. The line loss that we took out helps us be more efficient, in how our operation is, and all the stuff that we have done to upgrade that system. Which one helps you keep from utility rate increases. It is just an ongoing thing. On the other side, the expense side, rather than the rate increase side.

Councilman Harmon stated that he appreciates the work that the Clerk's Office for all their work they put into this. We are different compared to NV Energy, in that they are for profit, and that is not what we are looking for. We are just looking for sustainability and being able to keep moving. The work the Public Work department does to provide us with stable power. I have lived in other cities, and it is different. I have lived in other cities, Mr. Mayor, and I have received 5 different bills for the same thing, and I appreciate the one bill. I am like you; I am a one check person. This is very difficult for us, but in my opinion, we need to continue to be able to be stable with our government and with our spending. It is something that we are going to have to explain to our constituents when they start calling. I am sure now, since I have only been here for 2 months, but that I am going to start to get some phone calls on this. I will be able to explain to them the history of what we have gone through in the past and what our vision is now, moving forward.

Mayor Tedford stated that when we have an outage, they always know my first question is, for how long? They always ask me where the outage is and say, "For how long it is going to be?" They flood the streets with our guys, and they are on those pretty doggone fast. Most of those aren't internally, a lot of them are what is coming in from the outside. NV Energy has been very good with us. They are pretty good when they come from the outside to try and get our people up and running. It isn't just the houses; you start worrying about the ice cream in the freezer. Ice cream in these grocery stores. It is all about being efficient in how you deliver it. Any public questions or comments?

No further comments were noted.

Councilwoman Kent motioned to adopt Resolution No. 23-02: A resolution adjusting the electric utility rates; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

Possible adoption of Resolution No. 23-03: A resolution adjusting the water utility rates.

City Clerk Treasurer Sean Richardson stated that Resolution 23-03 is a resolution to adjust the water utility rates. The resolution adjusts only the monthly base rates in all the meter size categories. The commodity rate for all the categories remains unchanged. The City last adjusted water rates in 2006 or 17 years ago. With increased costs for operations & capital

needs, the Water Utility Enterprise requires a rate adjustment to remain financially stable and solvent. The proposed rates are detailed in the resolution, and I'd be happy to answer any questions.

Mayor Tedford inquired if there were any questions or comments from the Council or public.

No comments were noted.

Councilman Harmon motioned to adopt Resolution No. 23-03: A resolution adjusting the water utility rates; seconded by Councilwoman Kent and approved with a 3-0 vote by the Council.

Possible adoption of Resolution No. 23-04: A resolution adjusting the sewer utility rates.

City Clerk Treasurer Sean Richardson stated that Resolution 23-04 is a resolution to adjust the sewer utility rates. The resolution adjusts the monthly fixed base rates in all categories. The commodity rate for all the categories remains unchanged. The City last adjusted sewer rates in 2015 or 8 years ago. With increased sewer maintenance costs, capital improvements & the need for storm drain maintenance and expansion, the Sewer Utility Enterprise requires a rate adjustment to remain financially stable and solvent. The proposed rates are detailed in the resolution, and I'd be happy to answer any questions.

Mayor Tedford commented that most people probably don't see it but whenever it starts raining here, of any length, in the middle of the night, we have crews all over this city, pumping water. This is a very flat city. We used to get out and drive them all, and now we have a list of where the water is, and we can go immediately to those places. Those crews are out, with various pieces of equipment that we have, and they are pumping all the low spots, where water accumulates. It is quite a job, and we have some real storm drain issues. Some, we are just not able to fix. Those people do a great job, and a lot of it happens in the middle of the night, so people can traverse streets the next day and not have water up in their lawn. As new places are being built, we are taking care of that, as much as we can. It is an old City, that started in 1908, that there is a lot of them we just have to pump. Any questions/comments from the public or Council?

No further comments were noted.

Councilwoman Frost motioned to adopt Resolution No. 23-04: A resolution adjusting the sewer utility rates; seconded by Councilman Harmon and approved with a 3-0 vote by the Council.

Consideration and possible appointment of Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2023, for an estimated total fee not to exceed One Hundred One Thousand and Fifty Dollars (\$101,050.00), and approval for the Mayor to authorize additional fees if necessary to complete the audit.

City Clerk Treasure Sean Richardson stated that Pursuant to NRS 354.624, the City must provide for an annual audit of all its financial statements. NRS 354.624(3) requires the City to designate its auditors and provide notice of the designation to the Department of Taxation not later than three (3) months before the close of the fiscal year to be audited. The Audit Committee, which consists of Councilwoman Karla Kent, City Attorney Mike Mackedon, Deputy City Attorney Trent deBraga and Chief of Staff Bob Erickson, has reviewed the attached proposal and recommends the appointment of Eide Bailly as auditors for

the City of Fallon for the fiscal year ending June 30, 2023. The quoted total fee covers the general audit and one major program audit in addition to all travel costs.

Mayor Tedford inquired if there were any questions from Council or public.

Councilwoman Kent mentioned that it is a 7% increase over last year which seems a fair increase, with today's rising costs. If there are no further questions I will go ahead and make a motion.

No further comments were noted.

Councilwoman Kent motioned to appoint Eide Bailly as auditors for the City of Fallon for the fiscal year ending June 30, 2023, for an estimated total fee not to exceed One Hundred One Thousand and Fifty Dollars (\$101,050.00), and approval for the Mayor to authorize additional fees if necessary to complete the audit; seconded by Councilwoman Frost and approved with a 3-0 vote by the Council.

Public Comments

Mayor Tedford inquired if there were any public comments.

No comments were noted.

Council and Staff Reports

Mayor Tedford stated he wanted to give a brief flood update. There is a flood op meeting every day, Brian, Ryan, and Steve Endacott attend on operations. I meet with Caleb Cage, the Incident Commander, and Jim Barbee a couple of times a week on policy or what needs to be done. Those are ongoing. There is a weather brief from BOR's weather people once a week and there is an Emergency Operation Center meeting, and there is another meeting too. That snowpack is larger than 2017, and I think that I mentioned that earlier to you. I understand that there is some talk in the community that the dam is half full, and so we are fine. That doesn't really matter that it is half full right now. I don't believe we are fine. In 2017 we emptied the dam 3 times, to avert people flooding. So, today's depth of Lahontan Dam is not a concern. It is my belief that we need water to start coming down that river. The temperature is still pretty cold on the mountain, and what we don't need is to turn really warm in May or June and have it all melt. In 2017 the snow was packed more straight up and down and now it is more sloped, like a ramp. You could have the snow melt and it is a whole different situation we can be in. BOR has been very helpful, the County has been very helpful, the state has been very helpful, TCID has been very helpful. All of that is progressing. Everything is working well but that water is under 95 already. I think the Carson Lake is filling fast and the water is going to get to the Big Dig quickly. I think that people need to be concerned, and the people in the community should not be saying this is not a big deal. I have heard that this is not a big deal. It is a big deal, and they should be concerned. That is all I can really say right now, where the situation is. Everyone is working doggone hard to make sure that we can get water through this valley without people flooding. It is all about time and temperature, and a lot of factors have to work our way, I think. Everyone is being very cooperative, and I think that is a tribute to this community and the partners that they have, at the state, and the federal level with the BOR. I think that part is all going well. I was alarmed to hear that people in the community thought this was not a big deal, and that we could fill that lake and we would be fine. That lake has to be filled and emptied, maybe 3 ½-4 times, this year. To me, this is people that don't know how the water comes in and out of the lake, and where it goes. All I can do is to tell you to tell your friends to not listen to that talk. That is all

I know.

Councilwoman Kent asked if we are still having the Truckee River come in this year. Mayor Tedford stated that City Attorney Mike could speak about that.

City Attorney Mike stated that none of these flood years are identical. When there has been the type of snowpack there was in 2017 and earlier years, there was never a case the TCID would divert anymore through the canal then was necessary to deliver irrigation water to the benches, which was the Fernley bench, the Hazen bench, and the Swingle bench. They certainly didn't want to add, in those years, add water to Lahontan. What I am saying, if it were not for the irrigation on the benches, there would be no diversion from the Truckee, everything would fly past because you would be adding flood water to your reservoir, and they are not doing that now. As you may know, the TCID is not delivering to the canal this year at all because they are doing repairs. In that sense, it is a good thing, the water users in the valley are going to get 100% even though there is no diversion from the Truckee. They didn't know what the water conditions would be when the decision was made to shut down the canals to make the repairs.

Mayor Tedford stated that he believes he read in the paper that, and I think we were briefed, there is 1.1 million gallons acre feet of water in that snowpack right now, and in 2017 there was 500,000. If people think that the lake is half full right now, so they are good, we emptied it 3 times last time. Divide 290 thousand, which is what it holds below the boards, into 1.1-million-acre feet, that will tell you how many times that lake has to be empty. I don't know what people are thinking when they are saying we are fine. I was very discouraged when I heard people thought we were just fine and thought people were getting excited over nothing.

No reports were noted.

Executive Session

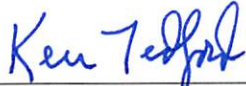
Mayor Tedford tabled the executive session, as it was not needed at this time.

Adjournment

There being no further business to come before the Council, Mayor Tedford adjourned the meeting at 10:00 a.m.

Attest:


Sean C. Richardson, City Clerk-Treasurer



Mayor Ken Tedford

MEMORANDUM

TO: Clerk Sean Richards
FROM: Mayor Ken Tedford
DATE: 24 March 23
RE: Board Minutes

The attached minutes of the Fallon City Council Meeting held March 21, 2023, reflect the discussion and approval of three resolutions 23-02, 23-03 and 23-04, respectively adjusting electrical, water, and sewer rates. The minutes report that discussion ensued relative to the need to increase revenue for the electrical, water, and sewer funds and the history of the existing rates.

The purpose of this memorandum is to clarify my discussion in support of the proposed increase for the utility rates.

The City operates a number of enterprises which serve the citizens on a continuing and are financed or recovered primarily through charges to their users. Management of these enterprises must be fiscally solvent and able to appropriately capitalize assets and operations. The City of Fallon's electrical, water treatment, and sewer treatment utilities are three such departments within the City. The City has designed its rates to differentiate between fixed operational costs and those costs that vary based upon the commodity provided and provide adequate capital to operate the specific utility. In the years since the prior rates were set, all aspects of operating the electric, water, and sewer utilities have increased. Accordingly, the rates needed to be increased to correspond with those costs.

In discussing the need to increase rates, I sought to contrast our operations to a traditional, for-profit corporate utility. Corporate-owned and maintained utility companies have a legal obligation to make and remit dividends to its investors in return for their initial capital investments. In those circumstances, customer's rates also ultimately are set with an eye to corporate dividends. In effect, rate payers of those utilities contribute to the profits of stockholders across the nation and the world. In contrast, the customers of the City's utilities are citizen-owners of its utilities, and our rates are not structured to derive profits and the only return on investment is to benefit our citizens. My intent in contrasting these two paradigms was to draw attention to the fact that rates paid by the City's customers and citizens are not paid for the purpose of generating private profits but for the provision of services to our citizens. I am providing this memorandum to clarify my position.

Bill No. 792

Ordinance No. 774

An Ordinance amending the City of Fallon Municipal Code, Title Five, "Business Licenses and Regulations," to add Chapter 5.60 entitled "Mobile Food Vendors" which provides for the regulation and licensing of mobile food vendors within the City of Fallon; and other matters properly related thereto.

WHEREAS, the City Council of the City of Fallon does ordain as follows:

SECTION ONE: that Title Five, "Business Licenses and Regulations," be amended, adding Chapter 5.60 which shall read as follows:

Chapter 5.60-"Mobile Food Vendors"

5.60.010 -Statement of Purpose and Intent-Regulation.

It is found and declared that the public health, safety, morals, good order and general welfare of the residents of the City of Fallon require the regulation and control of all mobile food vendors. All mobile food vendors shall be licensed and regulated so as to protect the public health, safety, morals, good order and general welfare of the inhabitants of the City and to safeguard the public. It is further found and declared that the right to obtain such a license is a privilege and that the license may be suspended, limited or revoked for violation of the conditions of this chapter. In conformity with the policy of this chapter, the following persons ~~are declared not to be qualified~~ may be found unqualified to hold a license under the provisions of this chapter:

- A. A person who violates, or has violated, the provisions of this chapter despite notice by the City;
- B. A person who has been convicted of a crime involving theft, fraud, dishonesty, receiving or possessing stolen property, any controlled substance violation, ~~or~~ any sex offense or other serious crime;
- C. A person whose license, issued under the provisions of this chapter, or those ordinances or statutes of any other agency lawfully engaged in the licensing or regulation of business as defined in this chapter, has been denied, suspended or revoked for cause;
- D. A person who, at the time of renewal of any license issued under this chapter, would not be eligible for such license upon a first application;
- E. A partnership, limited partnership association, limited liability company, or other business entity unless all of the members of such partnership, limited partnership association, limited liability company, or other business entity are qualified to obtain a license;

- F. A corporation, unless it is incorporated in the State of Nevada, or unless it is a foreign corporation which is qualified under Nevada law to transact business in Nevada; or
- G. A corporation, if an officer or director thereof would not be eligible to receive a license for any reason which would disqualify an individual applicant.

5.60.020- Definitions.

For the purposes of this chapter, the following terms, phrases, words and their derivations shall have the meaning given herein. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory.

- A. "City" means the City of Fallon.
- B. "Mobile food vendor" means, but is not limited to, any person or employee or agent thereof carrying on or conducting the business of selling ice cream, fruit, candy, vegetables, meats or any other edible foods, whether raw, prepared, loose or packaged, from a motor vehicle, or other type of food service conveyance, for human consumption and which is used to sell and dispense food or beverages to customers.
- C. "Employee" means a person who works for or under the direction of, on behalf of, or as an agent of a licensee.
- D. "Licensee" means the holder of a mobile food vendor license.
- E. "Vehicle" means a motorized vehicle, as well as a trailer or other portable unit that can be drawn by a motorized vehicle and is intended for use in vending.
- F. "Vend or Vending" means to sell or offer to sell food products or beverages from a vehicle.
- G. "Premises" means the interior of a business establishment, and all exterior landscaped areas, pedestrian areas and sidewalks adjacent to a business establishment, and the designated parking lot area provided by a business establishment for its customers to park their vehicle. The premises includes the entire parking area used by a multi-store complex or shopping center wherein such business establishment is located.
- H. "Private property" means all real property in the City, but excluding public property.

- I. "Public property" means all real property owned, leased or occupied by the City, all real property in which the City has a possessory interest, and any easement granted to the City for public purposes, including, without limitation, public streets, parks, alleys, sidewalks, flood control channels, and any other real property within the City owned, leased or occupied by any governmental entity.
- J. "Health District" means the Central Nevada Health District.
- K. "Nevada State Division" means the Nevada Division of Public and Behavioral Health or other state agency responsible for regulating mobile food vendors or mobile units.

5.60.030-License Required.

It is unlawful for any mobile food vendor to engage in the business of mobile food vending within the City without first obtaining a license therefor in compliance with the provisions of this chapter. As a prerequisite to obtaining a license pursuant to this chapter, a licensee shall first have a City business license issued pursuant to FMC 5.04.

5.60.040-License-Application.

An application for a mobile food vendor license must be made upon forms provided by the City Clerk's Office. The applicant shall provide the following:

- (A) A description of the selling methods to be used and the nature of the products or services to be offered;
- (B) Proof of filing with the State of Nevada Department of Taxation;
- (C) A health permit for each vehicle;
- (D) A copy of a valid, unexpired Nevada vehicle registration, if applicable, for each vehicle;
- (E) Such other information or documentation as the City or any of the City's departments may require in order to establish the applicant's suitability and fitness for approval; and
- (F) By submitting an application, an applicant consents to a background investigation, including the applicant's criminal history to determine if the applicant is suitable for approval.

5.60.050-Compliance with Health Regulations.

Each mobile food vendor shall:

- (A) Comply with all Nevada State Division regulations, or, if at the time of application the Health District is regulating mobile food vendors then each mobile food vendor shall comply with all Health District regulations.
- (B) Prominently display on all vehicles all health permits issued to the vendor by the Nevada State Division or Health District.

5.60.060-License Fee.

Each mobile vendor shall pay an annual fee that shall be established and amended from time to time by resolution of the City Council. The annual license fee shall be due on the first day of January of each year. There shall be no pro rata computation for the license fee for any license issued after the first day of January of each calendar year.

5.60.070-License-Display-Nontransferable.

- (A) Any person required to have a mobile food vendor license must display in a conspicuous manner of each vehicle to be used for vending, the license associated with that vehicle. The display shall be of such color, size and placement that the license can be easily read at a distance of ten feet.
- (B) No license granted or issued under any provision of this chapter shall be in any manner assignable or transferable.

5.60.080- Further Regulations.

- (A) No licensee hereunder may lease, rent, or otherwise hire a vehicle to another for use as a mobile food vendor. Every driver shall be a licensee hereunder, or the direct employee of such licensee.
- (B) No mobile food vendor shall enter on private property, knock on doors, ring any bells, or otherwise disturb persons in their residences. This section shall not apply, however, when the mobile food vendor has been specifically invited by the owner, resident, occupant or person legally in charge of the premises.
- (C) Every mobile food vendor's vehicle must be equipped with a trash receptacle and shall keep setup sites free from trash, garbage or other refuse. Each mobile food vendor shall be held responsible for littering in the vicinity of their vehicle.
- (D) Mobile food vendors shall provide a venue free from excessive noise. Mobile food vendors shall not broadcast any music while stopped or parked.
- (E) Use of strobe lights or other similar devices aimed at directing attention to the mobile vending business is prohibited.

(F) Mobile food vendors shall not interfere with the safe and convenient passage of pedestrians, obstruct any pedestrian walkway or reduce its clear width to less than four feet.

(G) The licensee shall maintain a vehicle to be used for vending in such a condition that all doors, windows, hoods and trunks open and close securely; ensure the exterior of the vehicle is clean and in good repair; and ensure any windows on the vehicle are clear of signs and other obstructions.

5.60.090-Location Restrictions.

(A) Except as otherwise provided in subsection (B) of this section, no mobile food vendor shall:

(1) Conduct business on Public Property.

(2) Conduct business on Private Property unless written permission is received from the owner of record and the mobile food vendor can provide satisfactory evidence of the same.

(3) Vend in any congested area where the operation will impede pedestrian or vehicle traffic.

(B) The provisions of subsection (A)(1) of this section do not apply to the operations of a mobile food vendor at a particular location if and to the extent the vendor is operating at that location pursuant to a contractual arrangement with the City or authorization from the City.

5.60.110- Hours of Operation- Restrictions.

It is unlawful for a mobile food vendor to operate within the corporate limits of the City between the times of ~~8:00 p.m. and 8:00 a.m.~~ 10:00 p.m. and 7:00 a.m.; provided, however, that the provisions of this section shall not apply to mobile food vendors who receives approval from the City to conduct business at different hours.

5.60.120- Unlawful Operations.

It shall be unlawful for any mobile food vendor to:

(A) ~~Sale~~ Sell, offer, or provide alcohol or alcoholic beverages as those terms are defined in FMC 5.08.010, unless the mobile food vendor has been issued a liquor license pursuant to FMC 5.08 and the City Clerk, in the promotion of public events within the City, allows a licensee, for the duration of the public event only, to sell alcoholic beverages at such public event.

(B) Vend or park a vehicle to be used for vending within five hundred (500) feet of the outside perimeter of school property:

1. During the hours the school is in session;
2. During the one-hour period preceding the start of the first session of the day;
or
3. During the one-hour period after the final session has ended;

3.4. The provisions of subsection (B)(1-3) of this section do not apply to a licensee who obtains the written permission of the on-site school administrator where the licensee intends to vend, provided that the written permission of the on-site school administrator be furnished to the City Clerk's Office prior to operations. The written permission from the on-site school administrator shall include the name of the licensee who is granted permission in addition to the date(s), time(s), duration, and location where the licensee will operate.

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(C) Consume alcoholic beverages while vending;

(D) Vend within five hundred (500) feet of a licensed concession stand located within a City park when the concession stand is open for business, unless otherwise permitted under a contractual arrangement with the City or authorization from the City regarding a specific location;

(E) Vend in any residential neighborhood unless the vendor is operating as a caterer for a specific event at a specific location;

(F) Vend within two hundred (200) feet of the primary public entrance of a licensed restaurant during the hours the restaurant is open for business, unless the vendor:

1. Is located on the same premises as the licensed restaurant and is operating either on behalf of or with the written consent of the restaurant licensee and with the written permission of all other licensed restaurants within two hundred (200) feet of where the vending will take place; or
2. Is operating at a location which such vending has been specifically approved by means of a special event permit issued by the City;

(G) Operate or park a vehicle to be used in vending in violation of applicable traffic and parking laws and ordinances;

(H) Place tables, chairs or similar items in the public right-of-way in connection with a vending operation;

(I) Vend on any one parcel, lot or commercial subdivision for more than ~~four (4)~~ eight (8) hours within any twenty-four hour period;

(J) Vend on the same premises where the licensee operates any licensed business, including a restaurant establishment, unless the food and beverages to be prepared, offered or sold from the vehicle could be prepared, sold, and disposed of on the premises in compliance with all City codes and regulations.

5.60.130-License-Suspension-Revocation-Limitation.

Any license issued under this chapter may be revoked, limited, or suspended by the City Council for any of the reasons set forth in Sections 5.60.030 through 5.60.130, inclusive.

5.60.140- Licensee Responsible for Acts of Employees.

Every licensee shall be responsible for the acts of their employees and agents committed during the course of employment or licensed activity. In any license suspension, limitation or revocation proceedings, the fact that the licensee did not have actual knowledge of the events complained of shall be no defense, and every licensee hereunder accepts their license subject to said condition.

5.60.150- Licensee's Agreement to Conform to Law.

Acceptance of a license constitutes an agreement on the part of such licensee to be bound by all of the regulations of the City as the same now are, or may hereafter be amended or promulgated. It is the sole responsibility of the licensee to keep themselves informed of the content of all such rules and regulations, and ignorance thereof shall not excuse violations.

5.60.160 - Procedure for suspension or revocation of license.

(A) Any license issued pursuant to the provisions of this chapter may be suspended or revoked in the manner provided in this section.

(B) The City Council may, on its own motion or initiative, or upon the complaint of any person, initiate proceedings to suspend or revoke a license by serving a complaint upon the licensee setting forth the alleged reason for the proceeding;

(C) The licensee shall within five days of the date of service of the complaint, file with the City Clerk a written answer to the complaint, under oath;

(D) The City Council shall set a date and time for a hearing with notice of said hearing to be served upon the licensee;

(E) If the licensee fails to file a written answer within the time required or fails to appear at the place and time designated for the hearing, the City Council shall order the license revoked;

(F) The City Council shall within ten days from the date of the hearing enter its order suspending, revoking or sustaining the license;

(G) There shall be no reopening, appeal or review of the proceedings before the City Council, except when it shall subsequently appear to the satisfaction of the City Council that the licensee's failure to answer or appear was due to matters beyond the licensee's control and not through negligence on the part of the licensee.

5.60.170 - Emergency Suspension.

Notwithstanding any provision of this chapter, the licensee accepts their license, subject to suspension by the Mayor, Chief of Police or City Council without notice following a determination that continued operation by the licensee constitutes a clear and immediate threat to the safety and peace of the citizens of the City of Fallon. Where suspension is by the Mayor or Chief of Police, it shall remain in effect until the next regular meeting of the City Council, at which time the City Council may continue the suspension until a hearing can be held in accordance with this chapter. Upon an emergency suspension by the City Council, the suspension shall remain in effect until the hearing has been held in accordance with this chapter or the suspension is rescinded by order of the City Council.

SECTION TWO: If any section, article, paragraph, sentence, clause, phrase or word in this ordinance, or application thereto, of any persons or circumstances is held invalid or unconstitutional by a Court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance; and the City Council hereby declares it would have passed such remaining portions of this Ordinance despite such invalidity, which remaining portions shall remain in full force and effect.

This ordinance shall become effective after its passage, approval and publication as required by law.

Proposed by: _____

Passed and adopted this ____ day of _____, 2023.

Those voting "aye": _____

Those voting "nay": _____

Those absent: _____

Those abstaining: _____

KEN TEDFORD
Mayor

ATTEST:

SEAN RICHARDSON
City Clerk-Treasurer

City of Fallon

Utility Rate History - Last 30+ Years

Electric

Date	Resolution	Years since last adjustment
1/6/1981	81-02	
9/18/2001	01-14	20.7
5/9/2006	06-04	4.6
4/8/2014	14-06	7.9
3/21/2023	23-02	9.0

Water

Date	Resolution	Years since last adjustment
9/1/1987	87-14	
12/31/1989	89-18	2.3
6/5/1990	90-11	0.4
6/1/2004	04-13	14.0
5/9/2006	06-02	1.9
3/21/2023	23-03	16.9

Sewer

Date	Resolution	Years since last adjustment
9/1/1987	87-15	
12/31/1989	89-19	2.3
10/15/1999	99-13	9.8
11/15/1999	99-14	0.1
1/15/2001	01-01	1.2
11/4/2014	14-31	13.8
5/5/2015	15-26	0.5
3/21/2023	23-04	7.9

Sanitation

Date	Resolution	Years since last adjustment
7/1/1989	89-07	
3/29/1997	94-04	7.7
5/9/2006	06-05	9.1
4/3/2007	07-03	0.9
9/21/2020	20-08	13.5
7/1/2021	CPI	0.8
7/1/2022	CPI	1.0
7/1/2023	CPI	1.0

Transfer Station

Date	Resolution	Years since last adjustment
8/28/2009	Engineer	
8/22/2014	Engineer	5.0
4/19/2022	Engineer	7.7

Water Treatment

Date	Resolution	Years since last adjustment
6/1/2004	04-12	
5/9/2006	06-03	1.9

Landfill

Date	Resolution	Years since last adjustment
2/6/1990	90-02	
4/22/1994	94-03	4.2
6/21/1994	94-15	0.2
5/4/1999	99-04	4.9
7/18/2000	00-11	1.2
8/28/2009	Engineer	
8/22/2014	Engineer	5.0
4/19/2022	Engineer	7.7