

# Wastewater Treatment and Disposal Upgrade

## Industry Working Group

### Meeting #7

May 17, 2012



City of Nampa  
Wastewater Division  
[www.cityofnampa.us/wastewater](http://www.cityofnampa.us/wastewater)



# Welcome

- **Introduction of IWG members, staff, consulting team**
- **Review of Agenda**
- **Meeting Objectives:**
  - Review results of the research of other cities' wastewater incentive policies
  - Discuss and confirm the list of policies Nampa should consider
  - Review process and timeline for policy development

# Need for Comprehensive Policy

Industrial Connection Fee = WW Capacity Reservation

## Goals of this process

- Capacity reservation policy compliments Nampa's economic development strategy
- The policy is an incentive for industrial development and existing industry expansion
- The policy is designed to maintain the financial integrity of the wastewater fund

# Establishing the Baseline of Capacity

**Prior to implementing policy, Nampa's "Baseline" Capacity of the wastewater system will need to be established.**

- What is the system capacity in relation to the 85% level of service that triggers planning for expansion?
  - Flow and loading usage compared to total capacity
- What capacity has been allocated?
  - Lent to industrial customers, purchased capacity



# Research Results: Cursory National Review

## Local Incentives/Policies

- This research effort was conducted to discover:
  - Incentive techniques being used by communities throughout the country
  - Whether examples existed that were similar to the potential incentive techniques introduced at the last IWG meeting
  - Evaluations of existing incentive programs and the applicability of those studies to the Nampa effort

# Research Results: Cursory National Review

## Findings: Local Incentives/Policies

- Industrial Pretreatment Program: MTAS/UT IPS
- Economic Development Incentives for Infrastructure Improvement (fee waiver program): McKinley County, NM
- Wastewater Administration Policies:  
Lake City, TN
- Mitigation Fee Act (Governs Capacity Fees):  
State of California

# Research Results: Cursory National Review

## Findings: Local Incentives/Policies

- Wastewater Treatment Capacity Banking & Transfer: Modesto, CA
- Business Incentive Plan: Sunnyvale, TX
- Economic Development Incentive Policy: City of Kerrville, City of Ingram and Kerr County (TX)
- LB-840 Cash Payment Incentive:  
Grand Island, NE
- Wastewater Service Connection Fees: MTAS/UT  
IPS

# Research Results: Cursory National Review

## Local Incentives/Policies (Key Themes)

- Broad policy statements emphasizing equity and fund integrity
- Tax abatement and fee waivers
- Quid Pro Quo – Industry requirements to earn incentives



# Research Results: Cursory National Review

## Findings: Studies/Evaluations

### *Moving from the General to the Specific*

- Assessing Evaluation Methodologies for Performance-Based Incentives (W.E. Upjohn Institute for Employment Research)
- What Works in Economic Development Practice? An Evaluation of Strategies and Tools (Center for Economic Development, Maxine Goodman Levin College of Urban Affairs, Cleveland State University)

# Research Results: Cursory National Review

## Findings: Studies/Evaluations

### *Moving from the General to the Specific*

- Building a More Sustainable Economy: Economic Development Strategy and Public Incentives in Austin (TX)
- Development Fee Trends and Tucson Case Study (Galardi Consulting, LLC)
- Financial Incentive Compliance Review: Marion County, FL

# Research Results: Idaho Cities Incentive Policies

## **City of Boise:**

- No incentive policies
- Up-front industrial wastewater capacity charges
- Available financing, may require security instrument

## **City of Caldwell:**

- No incentive policies
- Up-front Industrial wastewater capacity charges
- Payment required before building permit is issued

**City of Lewiston:** Research pending

# Research Results: Idaho Cities Incentive Policies

## **City of Meridian:**

- *Economic Development Incentives Policy is expected to be drafted in 2012-2013*

## **City of Pocatello:**

- No incentive policies
- Up-front industrial wastewater capacity charges
- Payment required before site occupancy

## **City of Idaho Falls:**

- *Economic and Community Development Incentive Program – Ordinance No. 2895*



# Research Results: Idaho Cities Incentive Policies

## City of Twin Falls:

- No incentive policies
- Sewer rates may be negotiated

G. Group V - Industrial (User Code 500): This class of users includes all large volume and industrial process waste dischargers. The monthly fee for this class of users shall be in accordance with the Industrial User Agreement, entered into by each industrial user with the City of Twin Falls for the use of the wastewater system. (The City of Twin Falls may negotiate sewer rates on a contractual basis with major industrial customers.)

# Nampa's Potential Policies

- **Lending wastewater system capacity**
  - Recall of capacity = no property value of capacity reservation
  - No holding charge for reservation without use of capacity
  - No cost to industry, risk cost of production interruption

# Nampa's Potential Policies

- **Purchase of wastewater system capacity**
  - No recall of capacity reservation (no risk to industry)
  - Property value of purchased capacity is immediate
  - Holding charge for reservation of capacity without use of capacity
  - Fixed/predictable cost to industry

# Nampa's Potential Policies

- **Lease/purchase of wastewater system capacity**
  - No recall of capacity according to lease/purchase terms
  - Property value of capacity reservation increases as purchased capacity accumulates
  - Holding charge for reservation of purchased capacity without use of capacity
  - Risk to industry, less risk to City
  - Cash flow orientation



# Nampa's Potential Policies

- **Tax Abatement**
  - Mechanisms for tax abatement
  - Incidence of tax abatement effects
    - General fund
      - Delayed revenue impact and delayed effect of tax abatement
- **Transferability of previously purchased capacity reservations**

# Nampa's Potential Policies

- **Pretreatment Options**
  - Who pays and who operates?
  - Voluntary Environmental Improvement Bonds

# Nampa's Potential Policies

- **Incentive “Threshold” Issues**
  - Number of and quality of jobs (minimum level for new average wage)
  - Planning and zoning requirements
  - Environmental performance (or other policy-related performance goals)
- **Evaluation and Sunset Provisions**
  - Specific evaluation of the effect of incentive policies
  - Policy expires on designated date unless renewed by City Council

# Nampa's Potential Policies

- **Additional Incentives/Concepts**
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# Next Steps

## Anticipated schedule:

- May 30 - Program Team presents updates to NWAG
- June 1 - Voltaic Solutions delivers draft policies to the city
- June 4 (week of) - Draft policies are distributed to IWG
- June 14 - Present draft Policies to IWG #8

# Next Steps

## Anticipated schedule:

- June 26 - Board of Appraisers reviews draft policies
- July 16 - Draft policies are presented to City Council



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