

**City of Carson City
Agenda Report**

Date Submitted: July 22, 2011

Agenda Date Requested: August 4, 2011
Time Requested: 20 minutes

To: Mayor and Supervisors

From: Public Works Department

Subject Title: For Possible Action; Action to introduce on first reading, Bill # _____, an ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.01, WATER CONNECTION CHARGES AND USE RATES, SECTION 12.01.020, SCHEDULE OF RATES, BY INCREASING RATES 5% EFFECTIVE ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011; AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING CHARGES AND FEES BY 5% ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011; AMENDING SECTION 12.01.057, RIGHT-OF-WAY TOLL BY INCREASING FROM 1% TO 2% ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011, AND OTHER MATTERS PROPERLY RELATING THERETO. (ANDREW BURNHAM)

Staff Summary: The proposed rate increase of 5% is necessary for debt service (4%) and to provide for increased operations and maintenance costs (1%) which include power costs, chemicals, and water sampling costs. The revenue from the increase in the Right-of-Way Toll from 1% to 2% goes to the General Fund.

Type of Action Requested: (check one)
 Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: (XX) Yes, Completed No

Recommended Board Action: I move to approve on first reading, Bill # _____, an ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.01, WATER CONNECTION CHARGES AND USE RATES, SECTION 12.01.020, SCHEDULE OF RATES, BY INCREASING RATES 5% EFFECTIVE ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011; AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING CHARGES AND FEES BY 5% ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011; AMENDING SECTION 12.01.057, RIGHT-OF-WAY TOLL BY INCREASING FROM 1% TO 2% ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011, AND OTHER MATTERS PROPERLY RELATING THERETO.

Explanation for Recommended Board Action: The proposed 5% rate increase will provide funding to support the required capital program. This year's rate increase is allocated for debt service (4%) and increased operations and maintenance costs (1%). The current fiscal year capital program is to principally support water main relocations for Phase 2 of the Carson City Freeway relative to the Snyder Avenue overpass structure and drainage improvements for the future freeway and for water right and land purchases relating to Ash Canyon water tanks access. Revenue from the increase in the Right-of-Way Toll from 1% to 2% goes to the General Fund.

Staff gave notice to the public on July 13, 2011, through the Nevada Appeal, in addition to providing the proposed ordinance revisions and Business Impact Statement to the Builder's Association of Western Nevada, Manufacturer's Association, and the Chamber of Commerce.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 237 Business Impact Statements

Fiscal Impact: After approval of second reading, will see an increase in revenues.

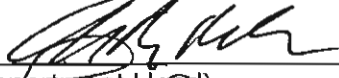
Explanation of Impact: Less debt financing will be required.

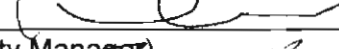
Funding Source: NA

Alternatives: Do Not Approve; Modify; Give additional direction to staff.

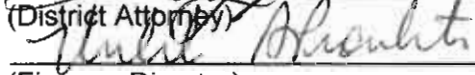
Supporting Material: Revised CCMC Chapter 12.01

Prepared By: Ken Arnold, Environmental Manager

Reviewed By:  Date: 7/26/11
(Department Head)

Concurrences:  Date: 7/26/11
(City Manager)

 Date: 7/26/11
(District Attorney)

 Date: 7/26/11
(Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____ _____

(Vote Recorded By)

ORDINANCE NO. _____

BILL NO.

ORDINANCE AMENDING TITLE 12, WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.01, WATER CONNECTION CHARGES AND USE RATES, SECTION 12.01.020, SCHEDULE OF RATES, BY INCREASING RATES 5% EFFECTIVE ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011; AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING CHARGES AND FEES 5% ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011; AMENDING SECTION 12.01.057, RIGHT-OF-WAY TOLL, BY INCREASING FROM 1% TO 2% ON BILLS DATED ON OR AFTER SEPTEMBER 1, AND OTHER MATTERS PROPERLY RELATING THERETO.

THE BOARD OF SUPERVISORS OF CARSON CITY DO ORDAIN:

SECTION I:

That Section 12.01.020 of the Carson City Municipal Code is hereby amended as follows:

12.01.020 Schedule of rates.

1. The schedule of rates for the water facilities and service furnished by the Carson City water system, which rates are based upon the costs of financing, constructing, operating, maintaining, repairing and replacing the system, are set forth in subsection 2 of this section.

2. The monthly rate for each service shall be computed as follows, unless otherwise required by this chapter:

DOMESTIC/RESIDENTIAL SERVICE

Applicability:

Applicable to water service to commercial and residential customers as defined in this chapter.

Residential monthly service charge:

Meter Size	Amount
5/8"	[\$12.08]
	\$21.00 [(eff. 7/01/10)] \$22.05 (eff. 9/01/11)
1"	[\$20.29]
	\$32.00 [(eff. 7/01/10)] \$33.60 (eff. 9/01/11)

Meter Size	Amount
1-1/2"	{ \$32.35 \$47.50 {(eff. 7/01/10)} \$49.88 (eff. 9/01 /11)
2"	{ \$40.57 \$58.50 {(eff. 7/01/10)} \$61.43 (eff. 9/01/11)
3"	{ \$60.87 \$85.00 {(eff. 7/01/10)} \$89.25 (eff. 9/01/11)
4"	{ \$81.18 \$112.00 {(eff. 7/01/10)} \$117.60 (eff. 9/01/11)
6"	{ \$121.70 \$165.00 {(eff. 7/01/10)} \$173.25 (eff. 9/01/11)

Residential monthly commodity charge:

First 5,000 gallons per month	
	{ 0.81 per 1,000 gallons \$0.00 per 1,000 [thousand (eff. 7/01/10)]
Next 25,000 gallons per month	
	{ \$1.20 per 1,000 gallons \$1.75 per 1,000 gallons {(eff. 7/01/10)} \$1.84 per 1,000 gallons (eff. 9/01/11)
Next 20,000 gallons per month	
	{ \$1.68 per 1,000 gallons \$3.00 per 1,000 gallons {(eff. 7/01/10)} \$3.15 per 1,000 gallons (eff. 9/01/11)
Over 50,000 gallons per month	
	{ \$3.00 per 1,000 gallons \$4.75 per 1,000 gallons {(eff. 7/01/10)} \$4.99 per 1,000 gallons (eff. 9/01/11)

COMMERCIAL SERVICE

Commercial monthly service charge:

Meter Size	Amount
5/8"	\$23.00 {(eff. 7/01/10)} \$24.15 (eff. 9/01/11)
1"	\$35.00 {(eff. 7/01/10)} \$36.75 (eff. 9/01/11)
1 1/2"	\$52.25 {(eff. 7/01/10)}

	\$54.86 (eff. 9/01/11)
2"	\$65.00 [(eff. 7/01/10)] \$68.25 (eff. 9/01/11)
3"	\$95.00 [(eff. 7/01/10)] \$99.75 (eff. 9/01/11)
4"	\$125.00 [(eff. 7/01/10)] \$131.25 (eff. 9/01/11)
6"	\$185.00 [(eff. 7/01/10)] \$194.25 (eff. 9/01/11)
10"	\$460.00 [(eff. 7/01/10)] \$483.00 (eff. 9/01/11)

Commercial monthly commodity charge:

First 5,000 gallons per month	
	\$0.00 per 1,000 gallons [(eff. 7/01/10)]
Next 14,000 gallons per month	
	\$1.60 per 1,000 gallons [(eff. 7/01/10)]
	\$1.68 per 1,000 gallons (eff. 9/01/11)
Next 30,000 gallons per month	
	\$2.40 per 1,000 gallons [(eff. 7/01/10)]
	\$2.52 per 1,000 gallons (eff. 9/01/11)
Over 50,000 gallons per month	
	\$3.70 per 1,000 gallons [(eff. 7/01/10)]
	\$3.89 per 1,000 gallons (eff. 9/01/11)

WATER TRUCK WATER SERVICE

Applicability:

Applicable to all users who are permitted to take water from hydrants or standpipes, excluding city.

Commodity charge:

The charge shall be ~~[\$25.60;]~~ \$26.00 [(eff. 7/01/10)]; \$27.30 (eff. 9/01/11) per month service charge plus a commodity rate equal to the highest commodity charge for commercial water service for each 1,000 gallons.

FIRE FLOW TESTING

Applicability:

Applicable to all requests for fire flow information, as defined in this chapter.

Cost to perform fire flow testing:	[\$74.57] \$76.00 [(eff. 7/01/10)] \$79.80 (eff. 9/01/11)
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WATERLINE HOT TAP FEES

Applicability:

Applicable to water maintenance hot tap services for the tapping of water mains ranging in size from 4 inches to 12 inches.

Waterline hot tap fees shall be:	
Each hot tap, including tap machine, one hour of work and related equipment	[\$662.24] \$690.00 [(eff. 7/01/10)] \$724.50 (eff. 9/01/11)
Man hours Additional:	
2-Man crew—per hour	[\$95.72] \$100.00 [(eff. 7/01/10)] \$105.00 (eff. 9/01/11)
Standby—2 Man crew-per hour	[\$95.72] \$100.00 [(eff. 7/01/10)] \$105.00 (eff. 9/01/11)
Equipment hours Additional:	
Per piece of equipment	[\$25.60] \$26.00 [(eff. 7/01/10)] \$27.30 (eff. 9/01/11)
Mileage, round trip, to service out-of-city customers-per mile	The charge will be based on the IRS standard mileage rate for business miles driven
Return trip-Minimum fee per trip (not including mileage and equipment)	[\$189.21] \$200.00 [(eff. 7/01/10)] \$210.00 (eff. 9/01/11)

3. The directors of the public works and finance departments shall conduct an annual review of the water system contribution of users and user classes, the total costs of operation and maintenance of the water system, the schedule of rates and the schedule of water connection charges and tapping fees set forth in Section 12.01.030, and submit a report to the board with the annual budget, but no later than April 1st each calendar year summarizing the review and containing recommendations for rate adjustments as necessary to:

A. Maintain the proper proportionate distribution of operation and maintenance costs among users and user classes;

B. Assure generation of sufficient revenue to pay the total operation and maintenance costs necessary to the proper operation and maintenance (including replacement) of the water system.

(Ord. 2008-8 § 2, 2008: Ord. 2007-3 § 1, 2007: Ord. 2005-6 § 1, 2005: Ord. 2003-11 § 1, 2003: Ord. 1999-14, 1999: Ord. 1993-44 § 2, 1993: Ord. 1991-67 § 2, 1991: Ord. 1991-12 § 2, 1991: Ord. 1988-16 § 1, 1988: Ord. 1986-42 § 1, 1986: Ord. 1984-39 § 1, 1984: Ord. 1983-11 § 1, 1983: Ord. 1982-8 § 2 (part), 1982).

(Ord. No. 2009-9, § I, 6-18-2009)

SECTION II:

That Section 12.01.030 of the Carson City Municipal Code is hereby amended as follows:

12.01.030 Schedule of water connection charges, lateral and meter box sets, and meter set fees.

1. The water connection charges are as follows:

	WERC
Single-family residence	1.0
Duplex (each living unit)	1.0
Apartment (each living unit)	0.5
Mobilehome individual lot	1.0
Mobilehome park (each pad)	0.5

For the purpose of determining water connection charges, the water equivalent residential customer value, or portion thereof, is based upon a fee of \$454.00 per one WERC for every connection. For all other water connections not specified above, the connection charge is based on the "total WERCs" of the proposed development (Example: 1,250 gallons per day divided by 550 gallons per WERC equals 2.27 WERCs; 2.27 WERCs times \$454.00 per WERC equals \$1,030.58). The public works

director or designee will assign a total WERC value to each development based on water usage information provided to the city through completion and submittal of water usage information data or from previously supplied data generated through the review of similar or like uses and/or developments.

2. All fees for connection to the city water system shall be collected prior to the issuance of a building permit for construction, unless otherwise required by this chapter.

3. On or before September 30, 2011, the Board of Supervisors will, at a properly noticed and agendized public meeting, review the effects of the amendment to this section.

CITY INSTALLED SERVICE

Applicability:

All connections to the city water system by the city will include all piping, connectors, trenching, backfill and resurfacing necessary to install a service lateral and make its connection to an adjacent and acceptable main waterline. The city will also furnish, install and connect a water meter box or pit setter to the service lateral, and furnish and install a radio frequency water meter of the size ordered by the customer, in accordance with the following fee schedule:

Lateral and Meter Size	City Installed Service
5/8"	[\$1,430.21]
	\$1,450.00 {(eff. 7/1/10)}
	\$1,522.50 (eff. 9/01/11)
1"	[\$1,679.52]
	\$1,700.00 {(eff. 7/01/10)}
	\$1,785.00 (eff. 9/01/11)
1-1/2"	[\$2,635.58]
	\$2,700.00
	\$2,835.00 (eff. 9/01/11)
2"	[\$3,452.53]
	\$3,500.00 {(eff. 7/01/10)}
	\$3,675 (eff. 9/01/11)
3"	[\$5,524.93]
	\$5,600.00 {(eff. 7/01/10)}
	\$5,880.00 (eff. 9/01/11)
4"	[\$9,108.79]
	\$9,290.00 {(eff. 7/01/10)}
	\$9,754.45 (eff. 9/01/11)
6"	[\$13,349.32]
	\$13,600.00 {(eff. 7/01/10)}
	\$14,280.00 (eff. 9/01 /11)

CITY INSTALLED DUAL PIT SETTER

Applicability:

The city will install water service to supply 2 separate customers through a dual pit setter connected to an adjacent and acceptable main waterline by a 1-inch service lateral. This service will include all connectors, trenching, backfill and resurfacing necessary to accomplish the installation to supply the 2 adjoining customers, parcels or developments. The fee for this installation is [~~\$1,507~~]; \$1,550.00 [(~~eff. 7/01/10~~)]; \$1,627.50 (eff. 9/01/11). Each 5/8-inch water meter furnished and installed in the dual pit setter will cost an additional [~~\$380.65~~]; \$390.00 [(~~eff. 7/01/10~~)]; \$409.50 (eff. 9/01/11).

CUSTOMER INSTALLED SERVICE

Applicability:

All connections to the city water system by persons other than city will be performed by persons properly licensed by the [state] State of Nevada and Carson City to accomplish the type of work contemplated, and all work performed and all materials placed will be in accordance with the Carson City Code of Standard Specifications for Public Works Construction. Prior to placement of a customer installed service, the applicable meter and meter set fee under the following schedule must be remitted. Under this fee schedule, no other work will be performed and no materials other than the prescribed water meter if requested by the customer, will be furnished by Carson City.

Meter Size	Contractor Installed Service
5/8"	[\$380.65]
	\$390.00 [(eff. 7/01/10)]
	<u>\$409.50 (eff. 9/01/11)</u>
1"	[\$455.22]
	\$470.00 [(eff. 7/01/10)]
	<u>\$493.50 (eff. 9/01/11)</u>
1-1/2"	[\$618.83]
	\$630.00 [(eff. 7/01/10)]
	<u>\$661.50 (eff. 9/01/11)</u>
2"	[\$761.29]
	\$780.00 [(eff. 7/01/10)]
	<u>\$819.00 (eff. 9/01/11)</u>
3"	[\$2,190.38]
	\$2,230.00 [(eff. 7/01/10)]
	<u>\$2,341.50 (eff. 9/01/11)</u>
4"	[\$3,716.31]

	\$3,800.00 [(eff. 7/01/10)] \$3,990.00 (eff. 9/01 /11)
6"	[\$6,893.92]
	\$7,000.00 [(eff. 7/01/10)] \$7,350.00 (eff. 9/01/11)

4. The applicable meter and meter set fees described above include 1 trip by the public works department to set the meter. If additional trips are required as a result of failure by the customer to complete all requirements of the permit for installation of the water service, the customer will be assessed a fee of ~~[\$82.36;]~~ \$85.00 ~~[(eff. 7/01/10);~~ \$89.25 (eff. 9/01/11) on the building permit for each return trip, extenuating circumstances as approved by the public works director or designee may be cause for exemption of this requirement.

5. The connection charges described above do not apply for service under "private fire protection" provided no other service or connections are made to that line.

(Ord. 2008-8 § 3, 2008: Ord. 2007-3 § 2, 2007: Ord. 2005-6 § 2, 2005: Ord. 2003-11 § 2, 2003: Ord. 1997-61 § 1, 1997: Ord. 1997-52 § 1, 1997: Ord. 1996-12 § 1, 1996: Ord. 1994-60 § 1, 1994: Ord. 1993-44 § 3, 1993: Ord. 1991-12 § 3, 1991: Ord. 1990)

(Ord. No. 2009-9, § II, 6-18-2009; Ord. No. 2009-23, § I, 10-1-2009)

SECTION III:

That Section 12.01.057 of the Carson City Municipal Code is hereby amended as follows:

12.01.057 Right-of-way toll.

The Carson City water utility shall pay a right-of-way toll, to be charged to the water customer, to Carson City as follows:

1. Commencing September 1, ~~[2002]~~2011, equal to ~~[1]~~ 2 percent of the gross receipts derived by it from each water bill of a customer within Carson City during each calendar year; said payments shall be made on or before the 15th day of January, the 15th day of April, the 15th day of July, and the 15th day of October, and each such payment shall equal ~~[1]~~ 2 percent of the aforesaid gross revenues obtained by the Carson City water utility, its successor or assigns, during 3 calendar months immediately next preceding the due date of each such payment.

(Ord. 2002-29 - 2.2002)

CARSON CITY**UTILITES RATE INCREASE**

July 22, 2011

AVERAGE MONTHLY BILL COMPARISON

COMMERCIAL	CURRENT	NEW RATES	<u>DOLLAR INCREASE</u>	<u>OVERALL % INCREASE</u>
Water	\$433.60	\$455.28	\$21.68	5%
R/W Water	\$4.34	\$9.11	\$4.77	
Sewer	\$344.25	\$392.45	\$48.20	14%
R/W Sewer	\$3.44	\$7.85	\$4.41	
Storm Drain	\$30.51	\$30.51	\$0.00	
TOTALS	\$816.14	\$895.20	\$79.06	

RESTAURANT	CURRENT	NEW RATES	<u>DOLLAR INCREASE</u>	<u>OVERALL % INCREASE</u>
Water	\$261.35	\$274.42	\$13.07	5%
	\$2.61	\$5.49	\$2.88	
Sewer	\$395.30	\$450.64	\$55.34	14%
	\$3.95	\$9.01	\$5.06	
Storm Drain	\$30.51	\$30.51	\$0.00	
TOTALS	\$693.72	\$770.07	\$76.35	

RESIDENTIAL	CURRENT	NEW RATES	<u>DOLLAR INCREASE</u>	<u>OVERALL % INCREASE</u>
Water	\$22.75	\$23.89	\$1.14	5%
	\$0.23	\$0.48	\$0.25	
Sewer	\$24.88	\$28.36	\$3.48	14%
	\$0.25	\$0.57	\$0.32	
Storm Drain	\$3.38	\$3.38	\$0.00	
TOTALS	\$51.49	\$56.68	\$5.19	

LARGE RESIDENT.	CURRENT	NEW RATES	<u>DOLLAR INCREASE</u>	<u>OVERALL % INCREASE</u>
Water	\$40.75	\$42.79	\$2.04	5%
	\$0.41	\$0.86	\$0.45	
Sewer	\$36.60	\$41.72	\$5.12	14%
	\$0.37	\$0.83	\$0.46	
Storm Drain	\$3.38	\$3.38	\$0.00	
TOTALS	\$81.51	\$89.58	\$8.07	

The "**OVERALL % INCREASE**" column shows the total affect of individual rate increases for water, sewer and storm water on average monthly utility bills as indicated.

WATER RATE COMPARISON		Water Only	Water Only	Water Only	Water Only	Water Only	Water Only	Water Only
CUSTOMER TYPE	CURRENT	FY-2011-12 Carson City	Lyon County	Indian Hills GID	Douglas East	Douglas West	TMWA	
COMMERCIAL	\$433.60	\$464.39	\$346.95	\$454.67	\$621.16	\$581.83	\$345.60	
RESTAURANT	\$261.35	\$279.91	\$244.05	\$259.39	\$294.47	\$308.93	\$242.00	
RESIDENTIAL	\$22.75	\$24.37	\$25.83	\$35.86	\$31.06	\$33.87	\$26.02	
LARGE RESIDENTIAL	\$40.75	\$43.65	\$37.15	\$57.25	\$62.54	\$67.01	\$38.74	

SEWER RATE COMPARISON		14% Increase Sewer Only	Sewer Only	Sewer Only	Sewer Only	Sewer Only	Sewer Only	Sewer Only
		FY-2010-11 Carson City	Lyon County	Indian Hills GID	Douglas East	Douglas West	Reno Sewer	
COMMERCIAL	\$344.25	\$400.30	\$519.49	\$487.73	\$867.34	\$867.34	\$556.66	
RESTAURANT	\$395.30	\$459.65	\$497.79	\$745.94	\$1,326.52	\$1,326.52	\$368.80	
RESIDENTIAL	\$24.88	\$28.93	\$60.15	\$30.90	\$51.02	\$51.02	\$99.16	
LARGE RESIDENTIAL	\$36.60	\$42.55	\$60.15	\$30.90	\$51.02	\$51.02	\$99.16	

REV 7/20/11 With Right a way toll charges

Water and Sewer Utilities Cost Cutting Measures

1. The department has deferred utility line extension projects and deferred utility line replacement projects totaling several million dollars over the last several years.
2. Operating expenses in Water for 2011/12 are being reduced by \$300,000 to help pay for Capital costs.
3. No merit or COLA pay increases have occurred for the last several years.
4. Public Works has reduced the number of staff positions, principally in management and engineering areas through layoffs.
5. Additional staff reductions have occurred through not filling open positions.
6. A number of staff positions have been downgraded and pay rates reduced through restructuring of the department.