## City of Carson City Agenda Report

Hem# 19B

Date Submitted: June 5, 2009

Agenda Date Requested: June 18, 2009
Time Requested: 10 minutes

To:

Mayor and Supervisors

From: Public Works Department

Subject Title: Action to adopt on second reading, Bill No. 109, AN ORDINANCE AMENDING TITLE 12. WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.03, SEWER CONNECTION CHARGES AND USE RATES, SECTION 12.03.020, SCHEDULE OF RATES, BY INCREASING ALL RATES 5% AND OTHER MATTERS PROPERLY RELATED THERETO. (Burnham)

Staff Summary: The proposed increase of rates reflected in Chapter 12.03 provide for the necessary revenue requirements to operate, maintain and meet debt obligations. More specifically, the changes provide for an across the board 5% increase to sewer use fees effective July 1, 2009 to the monthly rates for each property and septic haulers. This ordinance was approved by the Board of Supervisors on June 4, 2009, without change.

	(check one) (XXX) Ordinance ( ) Other (Specify)			
Does This Action Require A Busin	ess Impact Statement:	(XX)Yes,	Completed (	_) No

Recommended Board Action: I move to adopt, on second reading, Bill No. 109, AN ORDINANCE AMENDING TITLE 12. WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.03, SEWER CONNECTION CHARGES AND USE RATES, SECTION 12.03.020, SCHEDULE OF RATES, BY INCREASING ALL RATES 5% AND OTHER MATTERS PROPERLY RELATED THERETO.

**Explanation:** The sewer rates were increased a total of 24% as of July 1, 2008. That increase was necessary to simply meet existing debt service obligations and operational costs. Due to the continuing decline in connection fees this past year, staff is recommends a 5% increase as of July 1, 2009. The 5% rate increase requested is principally for a small capital program debt service (4%) to cover costs for the Edmonds Drive sewer realignment necessary for Phase 2 of the freeway and to cover increased operations and maintenance costs (1%) such as for fuel, electricity, and chemicals.

Staff gave notice to the public on May 8, 2009, 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. Staff provided a report on all utility budgets and capital improvement programs to the Board of Supervisors on May 7, 2009, a portion of which explained the need for a rate increase for the water budget.

Fiscal Impact: Upon approval of second reading, revenues will increase.

Funding Source: NA

Explanation of Impact: Less debt financing will be required.

Alternatives: Do not approve; modify; and/or give additional direction to staff.

Prepared By: Ken A	Arnold, Deputy Public Wo	rks Director -	Operation	S	
Reviewed By:(Dep	artment Head)	the the second	Date:	6-9-0	7
Concurrences:	Manager)		Date:	45/05	·· · · · · · · ·
<u>41.</u>	planie Buket	<b>*</b>	ما :Date		
$\mathcal{M}$	fict Attornex) from l	th	Date:	-9-09	
(Fina	ince Director)				
Board Action Taken	<b>:</b>				
Motion:		_ 1)			Aye/Nay
		2)			
(Vote Recorded	By)				

#### ORDINANCE NO.

#### **BILL NO. 109**

AN ORDINANCE AMENDING TITLE 12, <u>WATER</u>, <u>SEWERAGE AND DRAINAGE</u>, CHAPTER 12.03, <u>SEWER CONNECTION CHARGES AND USE RATES</u>, SECTION 12.03.020, <u>SCHEDULE OF RATES</u>, BY INCREASING ALL RATES FIVE PERCENT EFFECTIVE JULY 1, 2009, AND OTHER MATTERS PROPERLY RELATED THERETO.

Fiscal Impact: Increased Revenues to the Sewer Funds

THE BOARD OF SUPERVISORS OF CARSON CITY DO HEREBY ORDAIN: SECTION I:

That Section 12.03.020 of the Carson City Municipal Code is hereby amended as follows:

12.03.020 Schedule of rates. 1. The following schedule of rates for the sanitary sewer facilities and services furnished by or through, or for the use of, the Carson City sanitary sewer system, which rates are found and declared to be reasonable and just, taking into account and consideration the cost and value of the system and cost of maintaining and operating the system, and the proper and necessary allowances for the depreciation thereof and the amount necessary for the retirement of all bonds and other securities payable from revenues of the system, the accruing interest on all such securities, and reserves therefore are fixed, established, levied, imposed and otherwise prescribed in subsection (2) of this section.

2. The monthly rate for each property shall be computed as detailed in Schedule A of this section, unless otherwise required by this chapter.

# Schedule A

Class	Fixed Capitalization Charge	Variable Capitalization Charges \$/Thousand Gallons of Water Usage (Debt Service and Capital Maintenance or Depreciation)	User Charges \$/Thousand Gallons of Water Usage (Operation Maintenance and Replacement Operating Components)	Maximum Water Usage For Applying Commodity Charge
Commercial	\$6.09 [(eff. 7/01/08)] \$6.39 (eff. 7/01/09)	\$0.02	\$2.43 [(eff. 7/01/08)] \$2.55 eff. 7/01/09)	No Maximum
Commercial Multifamily	\$6.09 [(eff. 7/01/08)] \$6.39 (eff. 7/01/09)	\$0.02	\$2.43 [(eff. 7/01/08)] \$2.55 eff. 7/01/09)	Winter Sewer Average/Actual
Residential	\$6.09 [(eff. 7/01/08)] \$6.39 (eff. 7/01/09)	\$0.02	\$2.43 [(eff. 7/01/08)] \$2.55 eff. 7/01/09)	Winter Sewer Average/Actual
Quasi- Residential	\$6.09 [(eff. 7/01/08)] \$6.39 (eff. 7/01/09)	\$0.02	\$2.43 [(eff. 7/01/08)] \$2.55 eff. 7/01/09)	Winter Sewer Average/Actual
Wholesale Bakery	\$6.09 [(eff. 7/01/08)] \$6.39 (eff. 7/01/09)	\$0.04	4.70 [(eff. 7/01/08)] \$4.94 (eff. 7/01/09)	No Maximum
Motel with Dining Facilities	\$6.09 [(eff. 7/01/08)] \$6.39 (eff. 7/01/09)	\$0.02	\$3.11 [(eff. 7/01/08)] \$3.27 (eff. 7/01/09)	No Maximum
Commercial Laundry	\$6.09 [(eff. 7/01/08)] \$6.39 (eff. 7/01/09)	\$0.02	\$2.29 [(eff. 7/01/08)] \$2.40 (eff. 7/01/09)	No Maximum
Mortuaries	\$6.09 [(eff. 7/01/08)] \$6.39 (eff. 7/01/09)	\$0.05	\$4.74 [(eff. 7/01/08)] \$4.98 (eff.7/01/09)	No Maximum
Restaurants	\$6.09 [(eff. 7/01/08)] \$6.39 (eff. 7/01/09)	\$0.04	\$4.01 [(eff. 7/01/08)] \$4.21 (eff. 7/01/09)	No Maximum

Septic haulers shall be charged thirty-one dollars and twenty-seven cents (\$31.27) [effective July 1, 2008]; thirty-two dollars and eighty-three cents (\$32.83) effective July 1, 2009 for the first one thousand (1,000) gallons or fraction thereof plus \$0.031 [effective July 1, 2008]; \$0.033 effective July 1, 2009 per gallon for each gallon in excess of the first one thousand (1,000) gallons.

3. This user charge system is in accordance with CFR Section 35.2140 (February 17, 1984) which is incorporated herein by this reference. (Refer to Section 12.03.010 (9), Definitions.) (Ord. 2003-12 § 1, 2003: Ord. 1994-61 §2, 1994: Ord. 1993-44 §12, 1993: Ord. 1992-29 §2, 1992: Ord. 1991-11 §2, 1991: Ord. 1988-15 §1, 1988: Ord. 1986-34 §1, 1986: Ord. 1986-17 §1, 1986: Ord. 1985-16 §1, 1985: Ord. 1983-10 §1, 1983: Ord. 1982-9 §1, 1982: Ord. 1981-18 § §1,2,3, 1981; Ord. 1980-22 §3 (part), 1980).

### **SECTION II:**

That no other provisions of Title 12 of the Carson City Municipal Code are affected by this ordinance.

PROPOSED this 4th day of June, 2009			
PROPOSED by Supervisor Molly Walt			
PASSED on the day of, 2009			
VOTES: AYES: _			

	NAYES:	
	ABSENT:	
		Robert L. Crowell, Mayor
ATTEST:		
ALAN GLOVI	ER, Clerk-Recorder	
This ord	linance shall be in force and effe	ect from and after the day of
2009.		