

City of Carson City  
Agenda Report

Item # 17A

Date Submitted: May 21, 2010

Agenda Date Requested: June 3, 2010  
Time Requested: 10 minutes

To: Mayor and Supervisors

From: Public Works Department

**Subject Title:** Action to adopt on second reading, Bill # 105 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 EFFECTIVE ON BILLS DATED ON OR AFTER JULY 1, 2010; AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING CHARGES AND FEES ON BILLS DATED ON OR AFTER JULY 1, 2010; AND OTHER MATTERS PROPERLY RELATING THERETO. (KEN ARNOLD)

**Staff Summary:** The proposed rate increase of an average of 30% is necessary for debt service (28%) and to provide for increased operations and maintenance costs (2%) which include power costs, chemicals, and water sampling costs. There is an average 2% increase to all other fees other than the monthly service and commodity charges and fees. Based on discussions during the first reading of this proposed ordinance on May 6, 2010, staff recommends that the highest tier in the residential commodity fee schedule not become effective until October 1, 2010. This will allow time for staff to develop and implement a conservation incentive program (see attached incentive program examples that staff has obtained).

**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 adopt on second reading, Bill #105 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 EFFECTIVE ON BILLS DATED ON OR AFTER JULY 1, 2010; AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING CHARGES AND FEES ON BILLS DATED ON OR AFTER JULY 1, 2010; AND OTHER MATTERS PROPERLY RELATING THERETO.

**Explanation for Recommended Board Action:** The proposed average 30% rate increase will provide funding to support the required capital program. This year's rate increase is allocated for debt service (28%) and increased operations and maintenance costs (2%).

As the Board is aware, Carson City was faced with two management options to provide current and future water demands; construct and operate a Uranium treatment plant, which does not provide new water or import water for blending and future water demands. The regional water system and intertie is the only true option. The system option will result in the interconnection of the Minden water system, the North Douglas County water system, the Indian Hills General Improvement water system, the Carson City water system and the Lyon County (Dayton) water system. Minden will supply up to 12,000 gallons per minute of water to the regional system. The

project cost for Phase I is approximately \$13 million with Carson City's share at approximately \$8 million. Phase I of the project would be constructed beginning summer of 2010 and be completed in fall of 2011.

Carson City will acquire capability for up to 4,500 gallons per minute of water delivery from the project which compared to current peak summer demands of 17,000 gallons per minute is quite substantial and will provide for needed reserves for our water system. The City is purchasing 1,250 acre-feet of water rights from the Town of Minden for \$10 million and together with almost 2,000 acre-feet of water currently owned by Carson City within the Carson Valley Groundwater Basin the Carson City water system will have access to 3,250 acre-feet of new water.

This project will allow the City to forgo having to construct a Uranium Treatment Plant because the new water brought into the system will be able to blend with the uranium water to meet the federal standards. Currently the City has 8 water wells which are impacted by uranium along with Ash Creek. This project will avoid approximately \$40 million in construction costs for the Uranium Treatment Plant and forgo \$1.4 million a year in operation and disposal cost for the plant. No new water would be available with this scenario.

Additionally, the new water introduced to the City water system will allow staff to operate the Carson City system in a more efficient manner and not utilize more expensively produced water which staff estimates will save several hundred thousand dollars per year in operations costs which will help off-set some of the increased capital costs for the project. In order to utilize the new Minden water there will be several large diameter water lines and a booster pumping station within the city that need to be constructed in addition to the connection to Douglas County. Costs are estimated to be approximately \$14 million. Staff gave notice to the public on April 14, 2010, 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 Statue, Code, Policy, Rule or Regulation:** NRS 237 Business Impact Statements

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

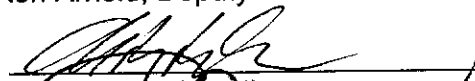



**Explanation of Impact:** Less debt financing will be required.

**Funding Source:** NA

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

**Supporting Material:** Revised CCMC Chapter 12.01

Prepared By: Ken Arnold, Deputy Public Works Director – Operations

Reviewed By: 	Date: 5-25-10
(Department Head)	
Concurrences: 	Date: 5/25/10
(City Manager)	
 Melanie Buketta	Date: 5-25-10
(District Attorney)	
 Nancy Paulson	Date: 5/25/10
(Finance Director)	

Board Action Taken:

Motion: \_\_\_\_\_

1) \_\_\_\_\_  
2) \_\_\_\_\_

Aye/Nay  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)

ORDINANCE NO. \_\_\_\_\_

BILL NO. 105

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 EFFECTIVE ON BILLS DATED ON OR AFTER JULY 1, 2010; AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING CHARGES AND FEES ON BILLS DATED ON OR AFTER JULY 1, 2010; 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, [~~quasi-residential~~] and residential customers as defined in this chapter.

Residential m[M]onthly service charge:

Meter Size	Amount
5/8" [x 3/4"]	[\$11.50 (eff. 7/01/08)]
	\$12.08 [(eff. 7/01/09)] \$21.00 (eff. 7/01/10)
1"	[\$19.32 (eff. 7/01/08)]
	\$20.29 [(eff. 7/01/09)] \$32.00 (eff. 7/01/10)
1-1/2"	[\$30.81 (eff. 7/01/08)]
	\$32.35 [(eff. 7/01/09)] \$47.50 (eff. 7/01/10)

Meter Size	Amount
2"	[\$38.64 (eff. 7/01/08)]
	\$40.57 [(eff. 7/01/09)] \$58.50 (eff. 7/01/10)
3"	[\$57.97 (eff. 7/01/08)]
	\$60.87 [(eff. 7/01/09)] \$85.00 (eff. 7/01/10)
4"	[\$77.31 (eff. 7/01/08)]
	\$81.18 [(eff. 7/01/09)] \$112.00 (eff. 7/01/10)
6"	[\$115.90 (eff. 7/01/08)]
	\$121.70 [(eff. 7/01/09)] \$165.00 (eff. 7/01/10)
8"	\$185.46 (eff. 7/01/08)
	\$194.73 (eff. 7/01/09)
10"	\$296.72 (eff. 7/01/08)
	\$311.56 (eff. 7/01/09)

Residential monthly commodity charge:

First 5,000 gallons per month	
	[0.77 per 1,000 gallons (eff. 7/01/08)] 0.81 per 1,000 gallons [(eff. 7/01/09)] \$0.00 per thousand (eff. 7/01/10)
Next [10,000] 25,000 gallons per month	
	[\$1.14 per 1,000 gallons (eff. 7/01/08)] \$1.20 per 1,000 gallons [(eff. 7/01/09)] \$1.75 per 1,000 gallons (eff. 7/01/10)
Next [35,000] 20,000 gallons per month	
	[\$1.60 per 1,000 gallons (eff. 7/01/08)] \$1.68 per 1,000 gallons [(eff. 7/01/09)] \$3.00 per 1,000 gallons (eff. 7/01/10)
[Next 50,000] gallons per month	
	\$2.49 per 1,000 gallons (eff. 7/01/08) \$2.61 per 1,000 gallons (eff. 7/01/09)
Over [100,000] 50,000 gallons per month	
	[\$2.86 per 1,000 gallons (eff. 7/01/08)] \$3.00 per 1,000 gallons [(eff. 7/01/09)] \$4.75 per 1,000 gallons (eff. 7/01/10)

COMMERCIAL SERVICE

Commercial monthly service charge:

Meter Size	Amount
5/8"	\$23.00 (eff. 7/01/10)

1"	\$35.00 (eff. 7/01/10)
1 ½"	\$52.25 (eff. 7/01/10)
2"	\$65.00 (eff. 7/01/10)
3"	\$95.00 (eff. 7/01/10)
4"	\$125.00 (eff. 7/01/10)
6"	\$185.00 (eff. 7/01/10)
10"	\$460.00 (eff. 7/01/10)

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)
Next 30,000 gallons per month	
	\$2.40 per 1,000 gallons (eff. 7/01/10)
Over 50,000 gallons per month	
	\$3.70 per 1,000 gallons (eff. 7/01/10)

**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 [~~\$24.38 (eff. 7/01/08);~~] ~~\$25.60 [(eff. 7/01/09)]~~ ; \$26.00 (eff. 7/01/10) 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:	[\$71.02 (eff. 7/01/08)]
	\$74.57 [(eff. 7/01/09)]
	\$76.00 (eff. 7/01/10)

### 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	<del>[\$630.70 (eff. 7/01/08)]</del> \$662.24 [(eff. 7/01/09)] \$690.00 (eff. 7/01/10)
Man hours Additional:	
2-Man crew—per hour	<del>[\$91.16 (eff. 7/01/08)]</del> \$95.72 [(eff. 7/01/09)] \$100.00 (eff. 7/01/10)
Standby—2 Man crew-per hour	<del>[\$91.16 (eff. 7/01/08)]</del> \$95.72 [(eff. 7/01/09)] \$100.00 (eff. 7/01/10)
Equipment hours Additional:	
Per piece of equipment	<del>[\$24.38 (eff. 7/01/08)]</del> \$25.60 [(eff. 7/01/09)] \$26.00 (eff. 7/01/10)
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)	<del>[\$180.20 (eff. 7/01/08)]</del> \$189.21 [(eff. 7/01/09)] \$200.00 (eff. 7/01/10)

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:

	<b>WERC</b>
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" [x 3/4"]	\$1,430.21 [(eff. 7/01/09)]
	\$1,450.00 (eff. 7/1/10)
1"	\$1,679.52 [(eff. 7/01/09)]
	\$1,700.00 (eff. 7/01/10)
1-1/2"	\$2,635.58 [(eff. 7/01/09)]
	\$2,700.00 (eff. 7/01/10)
2"	\$3,452.53 [(eff. 7/01/09)]
	\$3,500.00 (eff. 7/01/10)
3"	\$5,524.93 [(eff. 7/01/09)]
	\$5,600.00 (eff. 7/01/10)
4"	\$9,108.79 [(eff. 7/01/09)]
	\$9,290.00 (eff. 7/01/10)
6"	\$13,349.32 [(eff. 7/01/09)]
	\$13,600.00 (eff. 7/01/10)

### 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 [~~one thousand five hundred seven dollars (\$1,507.00) effective July 1, 2009.~~] \$1,507; \$1,550.00 (eff. 7/01/10). Each 5/8-inch [by-

~~3/4-inch~~ water meter furnished and installed in the dual pit setter will cost an additional ~~[three hundred eighty dollars and sixty five cents (\$380.65) effective July 1, 2009.]~~ \$380.65; \$390.00 (eff. 7/01/10).

### 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" [ <del>x 3/4"</del> ]	\$380.65 [ <del>(eff. 7/01/09)</del> ]
	\$390.00 (eff. 7/01/10)
1"	\$455.22 [ <del>(eff. 7/01/09)</del> ]
	\$470.00 (eff. 7/01/10)
1-1/2"	\$618.83 [ <del>(eff. 7/01/09)</del> ]
	\$630.00 (eff. 7/01/10)
2"	\$761.29 [ <del>(eff. 7/01/09)</del> ]
	\$780.00 (eff. 7/01/10)
3"	\$2,190.38 [ <del>(eff. 7/01/09)</del> ]
	\$2,230.00 (eff. 7/01/10)
4"	\$3,716.31 [ <del>(eff. 7/01/09)</del> ]
	\$3,800.00 (eff. 7/01/10)
6"	\$6,893.92 [ <del>(eff. 7/01/09)</del> ]
	\$7,000.00 (eff. 7/01/10)

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 ~~[eighty two dollar and thirty six cent (\$82.36) effective July 1, 2009; fee]~~ \$82.36; \$85.00 (eff. 7/01/10) 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 no other provisions of the Carson City Municipal Code are affected by this ordinance.

PROPOSED \_ \_\_\_\_ (month) \_\_\_\_ (day), 2010.

PROPOSED BY \_\_\_\_\_

PASSED \_\_\_\_\_ (month) \_\_\_\_ (day), 2010.

VOTE:                   AYES: SUPERVISORS: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NAYS: SUPERVISORS: \_\_\_\_\_

\_\_\_\_\_

ABSENT: SUPERVISORS: \_\_\_\_\_

\_\_\_\_\_  
Robert L. Crowell, Mayor

ATTEST:

ALAN GLOVER, CLERK/RECORDER.

This ordinance shall be in force and effect from and after the \_\_\_\_\_ day of the month of \_\_\_\_\_ of the year, 2010.

# *Water Conservation Incentive Programs*

## **California**

### **Southern California**

- Minimum of 250 SF of live turf that has been irrigated for at least one year; no maximum
- The converted area must be replaced with permeable plant or surface coverage
- Projects must be pre-approved and completed within 120 days of approval
- Once completed, a rebate check equal to \$1 per SF will be issued

### **Borrego Water District**

- Maximum of 2,500 SF; no minimum
- Project must be pre-approved
- A rebate check equal to \$1 per SF will be issued
- Area must remain available for inspection for a ten year period; new turf planted within the ten year period will result in forfeiture of rebate

### **Arroyo Grande**

- City inspection required prior to and after turf removal
- Turf must be replaced with drought tolerant plants
- Sprinklers must be replaced with drip irrigation
- Rebates are based upon the following criteria:

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<b>Rebate Amount</b>	<b>Amount of Grass Removed</b>
\$75	250 - 500 sq. ft.
\$150	500 - 1,500 sq. ft.
\$300	1,500 - 2,500 sq. ft.
\$450	2,500 - 3,500 sq. ft.
\$600	3,500 - 4,500 sq. ft.
\$750	4,500 and up

### **Sonoma**

- Prior approval / inspection required
- No minimum or maximum square footage requirements
- Removed turf must be replaced with Low Water Use Plants
- .75 per SF will be rebated upon completion of project

# *Water Conservation Incentive Programs*

## **Arizona**

### **Prescott**

- No maximum or minimum
- Project must be pre-approved and inspected upon completion
- .50 per SF will be rebated upon final inspection

### **Scottsdale**

- Program available only to single-family residential customers
- Pre-approval required
- Minimum of 500 SF of turf must be removed; no maximum
- Maximum amount of \$1,500 will be rebated per property
- .25 per SF rebated for turf removal only
- .50 per SF rebated for turf removal and installation of low water use plants

## **Nevada**

### **Southern Nevada Water Authority**

- Turf must be removed and replaced with approved desert landscaping
- Rebate for first 5,000 SF per property: \$1.50 per SF
- Rebate for area in excess of 5,000 SF: \$1.00 per SF
- Maximum rebate of \$300,000 per property
- Application must be approved prior to project beginning