

Item # 28B

**City of Carson City
Agenda Report**

Date Submitted: May 22, 2009

Agenda Date Requested: June 4, 2009
Time Requested: 10 minutes

To: Mayor and Supervisors

From: Public Works Department

Subject Title: 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 ALL RATES 5% EFFECTIVE ON BILLS DATED ON OR AFTER JULY 1, 2009; AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING ALL CHARGES AND FEES, EXCEPT WATER CONNECTION CHARGES, 5% ON BILLS DATED ON OR AFTER JULY 1, 2009; AND OTHER MATTERS PROPERLY RELATING THERETO.

Staff Summary: The proposed rate increase of 5% is necessary for debt service (1%) and to provide for increased operations and maintenance costs (4%) which include power costs, chemicals, and water sampling costs.

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 ALL RATES 5% EFFECTIVE ON BILLS DATED ON OR AFTER JULY 1, 2009; AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING ALL CHARGES AND FEES, EXCEPT WATER CONNECTION CHARGES, 5% ON BILLS DATED ON OR AFTER JULY 1, 2009; AND OTHER MATTERS PROPERLY RELATING THERETO.

Explanation for Recommended Board Action: As the Board is aware last year water rates were increased 6% as of July 1, 2008. The proposed 5% rate increase will provide funding to support a reduced capital program for the next five years in the range of \$18 million. This year's rate increase is allocated for debt service (1%) and increased operations and maintenance costs (4%).

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, which explained the need for a rate increase for the water budget.

Applicable Statue, 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, Deputy Public Works Director – Operations

Reviewed By: _____

(Department Head)

Date: 5-26-09

Concurrences: _____

(City Manager)

Date: 5/26/09

(District Attorney)

Date: 5-26-09

(Finance Director)

Date: 5/26/09

Board Action Taken:

Motion: _____

1) _____
2) _____

Aye/Nay

(Vote Recorded By)

ORDINANCE NO. _____

BILL NO. _____

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 ALL RATES 5% EFFECTIVE ON BILLS DATED ON OR AFTER JULY 1, 2009; AMENDING SECTION 12.01.030, SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES, BY INCREASING ALL CHARGES AND FEES, EXCEPT WATER CONNECTION CHARGES, 5% ON BILLS DATED ON OR AFTER JULY 1, 2009; 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.

Monthly service charge:

Meter Size	Amount
5/8" x 3/4"	[\$10.85] \$11.50 (eff. 7/01/08)
	\$12.08 (eff. 7/01/09)
1"	[\$18.23] \$19.32 (eff. 7/01/08)
	\$20.29 (eff. 7/01/09)
1-1/2"	[\$29.07] \$30.81 (eff. 7/01/08)
	\$32.35 (eff. 7/01/09)
2"	[\$36.45] \$38.64 (eff. 7/01/08)
	\$40.57 (eff. 7/01/09)
3"	[\$54.69] \$57.97 (eff. 7/01/08)
	\$60.87 (eff. 7/01/09)

Meter Size	Amount
4"	[\$72.93] \$77.31 (eff. 7/01/08)
	\$81.18 (eff. 7/01/09)
6"	[\$109.34] \$115.90 (eff. 7/01/08)
	\$121.70 (eff. 7/01/09)
8"	[\$174.96] \$185.46 (eff. 7/01/08)
	\$194.73 (eff. 7/01/09)
10"	[\$279.92] \$296.72 (eff. 7/01/08)
	\$311.56 (eff. 7/01/09)

Monthly commodity charge:

First 5,000 gallons per month	[0.73 per 1,000 gallons]
	0.77 per 1,000 gallons (eff. 7/01/08)
	0.81 per 1,000 gallons (eff. 7/01/09)
Next 10,000 gallons per month	[\$1.08 per 1,000 gallons]
	\$1.14 per 1,000 gallons (eff. 7/01/08)
	\$1.20 per 1,000 gallons (eff. 7/01/09)
Next 35,000 gallons per month	[\$1.51 per 1,000 gallons]
	\$1.60 per 1,000 gallons (eff. 7/01/08)
	\$1.68 per 1,000 gallons (eff. 7/01/09)
Next 50,000 gallons per month	[\$2.35 per 1,000 gallons]
	\$2.49 per 1,000 gallons (eff. 7/01/08)
	\$2.61 per 1,000 gallons (eff. 7/01/09)
Over 100,000 gallons per month	[\$2.70 per 1,000 gallons]
	\$2.86 per 1,000 gallons (eff. 7/01/08)
	\$3.00 per 1,000 gallons (eff. 7/01/09)

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 [\$23.00;] \$24.38 (eff. 7/01/08); \$25.60 (eff. 7/01/09) per month service charge plus a commodity rate equal to the highest commodity charge for 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:	<u>[\$67.00]</u>	\$71.02 (eff. 7/01/08) \$74.57 (eff. 7/01/09)
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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	<u>[\$595.00]</u> \$630.70 (eff. 7/01/08) \$662.24 (eff. 7/01/09)
Man hours Additional:	
2-Man crew—per hour	<u>[\$86.00]</u> \$91.16 (eff. 7/01/08) \$95.72 (eff. 7/01/09)
Standby—2 Man crew-per hour	<u>[\$86.00]</u> \$91.16 (eff. 7/01/08) \$95.72 (eff. 7/01/09)
Equipment hours Additional:	
Per piece of equipment	<u>[\$23.00]</u> \$24.38 (eff. 7/01/08) \$25.60 (eff. 7/01/09)
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)	<u>[\$170.00]</u> \$180.20 (eff. 7/01/08) \$189.21 (eff. 7/01/09)

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. 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).

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 \$4,543.00 effective October 7, 2005 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. The public works director or his/her 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 will be collected at the time application is made for water service, unless otherwise required by this chapter.

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"	[\$1,285.00]	\$1,362.10 [(eff. 7/01/08)]
		\$1,430.21 (eff. 7/01/09)
1"	[\$1,509.00]	\$1,599.54 [(eff. 7/01/08)]
		\$1,679.52 (eff. 7/01/09)
1-1/2"	[\$2,368.00]	\$2,510.08 [(eff. 7/01/08)]
		\$2,635.58 (eff. 7/01/09)
2"	[\$3,102.00]	\$3,288.12 [(eff. 7/01/08)]
		\$3,452.53 (eff. 7/01/09)
3"	[\$4,964.00]	\$5,261.84 [(eff. 7/01/08)]
		\$5,524.93 (eff. 7/01/09)
4"	[\$8,184.00]	\$8,675.04 [(eff. 7/01/08)]
		\$9,108.79 (eff. 7/01/09)
6"	[\$11,994.00]	\$12,713.64 [(eff. 7/01/08)]
		\$13,349.32 (eff. 7/01/09)

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 [\$1,354.00;] \$1,435.24; \$1,507.00 effective July 1, [2008] 2009. Each 5/8-inch by 3/4-inch water meter furnished and installed in the dual pit setter will cost an additional [\$342.00;] \$362.52; \$380.65 effective July 1, [2008] 2009.

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 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" x 3/4"	[\$342.00]	\$362.52 [(eff. 7/01/08)]
		\$380.65 (eff. 7/01/09)
1"	[\$409.00]	\$433.54 [(eff. 7/01/08)]
		\$455.22 (eff. 7/01/09)
1-1/2"	[\$556.00]	\$589.36 [(eff. 7/01/08)]
		\$618.83 (eff. 7/01/09)
2"	[\$684.00]	\$725.04 [(eff. 7/01/08)]
		\$761.29 (eff. 7/01/09)
3"	[\$1,968.00]	\$2,086.08 [(eff. 7/01/08)]
		\$2,190.38 (eff. 7/01/09)
4"	[\$3,339.00]	\$3,539.34 [(eff. 7/01/08)]
		\$3,716.31 (eff. 7/01/09)
6"	[\$6,194.00]	\$6,565.64 [(eff. 7/01/08)]
		\$6,893.92 (eff. 7/01/09)

3. 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 [\$74.00] \$78.44; \$82.36 effective July 1, [2008] 2009 fee 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.

4. 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. 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)

SECTION III:

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

PROPOSED _____ (month) _____ (day), 2009.

PROPOSED

PASSED _____ (month) _____ (day), 2009.

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, 2009.