

City of Carson City
Agenda Report

Item # 30D

Date Submitted: April 23, 2010

Agenda Date Requested: May 6, 2010
Time Requested: 20 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 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. Staff is presenting two proposed ordinances, Option A – Average 30% increase with revised rate structure and Option B – 30% increase to original structure, for the Board's consideration that will provide the necessary revenue increase. Both options propose an average 2% increase to all other fees other than the monthly service and commodity charges and fees.

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 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 under both rate options 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 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: _____	Date: 4/27/10
(Department Head)	
Concurrences: _____	Date: 4/27/10
(City Manager)	
_____	Date: 4/27/10
(District Attorney)	
_____	Date: 4/27/10
(Finance Director)	

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(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 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 m[M]onthly 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 1/2"	\$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:

<u>First 5,000 gallons per month</u>	
	\$0.00 per 1,000 gallons (eff. 7/01/10)
<u>Next 14,000 gallons per month</u>	
	\$1.60 per 1,000 gallons (eff. 7/01/10)
<u>Next 30,000 gallons per month</u>	
	\$2.40 per 1,000 gallons (eff. 7/01/10)
<u>Over 50,000 gallons per month</u>	
	\$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	[\$630.70 (eff. 7/01/08)] \$662.24 [(eff. 7/01/09)] \$690.00 (eff. 7/01/10)
Man hours Additional:	
2-Man crew—per hour	[\$91.16 (eff. 7/01/08)] \$95.72 [(eff. 7/01/09)] \$100.00 (eff. 7/01/10)
Standby—2 Man crew-per hour	[\$91.16 (eff. 7/01/08)] \$95.72 [(eff. 7/01/09)] \$100.00 (eff. 7/01/10)
Equipment hours Additional:	
Per piece of equipment	[\$24.38 (eff. 7/01/08)] \$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)	[\$180.20 (eff. 7/01/08)] \$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:

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

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 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.

Monthly service charge:

Meter Size	Amount
5/8" x 3/4"	[\$11.50 (eff. 7/01/08)]
	\$12.08 [(eff. 7/01/09)] \$15.70 (eff. 7/01/10)
1"	[\$19.32 (eff. 7/01/08)]
	\$20.29 (eff. 7/01/09) \$26.40 (eff. 7/01/10)
1-1/2"	[\$30.81 (eff. 7/01/08)]
	\$32.35 [(eff. 7/01/09)] \$32.05 (eff. 7/01/10)
2"	[\$38.64 (eff. 7/01/08)]
	\$40.57 [(eff. 7/01/09)] \$57.75 (eff. 7/01/10)
3"	[\$57.97 (eff. 7/01/08)]

Meter Size	Amount	
	\$60.87 [(eff. 7/01/09)]	\$79.10 (eff. 7/01/10)
4"	[\$77.31 (eff. 7/01/08)]	
	\$81.18 [(eff. 7/01/09)]	\$105.50 (eff. 7/10/10)
6"	[\$115.90 (eff. 7/01/08)]	
	\$121.70 [(eff. 7/01/09)]	\$158.20 (eff. 7/01/10)
8"	[\$185.46 (eff. 7/01/08)]	
	\$194.73 [(eff. 7/01/09)]	\$253.15 (eff. 7/01/10)
10"	[\$296.72 (eff. 7/01/08)]	
	\$311.56 [(eff. 7/01/09)]	\$405.00 (eff. 7/01/10)

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)] \$1.05 per 1,000 gallons (eff. 7/01/10)
Next 10,000 gallons per month	
	[\$1.14 per 1,000 gallons (eff. 7/01/08)] \$1.20 per 1,000 gallons [(eff. 7/01/09)] \$1.55 per 1,000 gallons (eff. 7/01/10)
Next 35,000 gallons per month	
	[\$1.60 per 1,000 gallons (eff. 7/01/08)] \$1.68 per 1,000 gallons [(eff. 7/01/09)] \$2.20 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)] \$3.40 per 1,000 gallons (eff. 7/01/10)
Over 100,000 gallons per month	
	[\$2.86 per 1,000 gallons (eff. 7/01/08)] \$3.00 per 1,000 gallons [(eff. 7/01/09)] \$3.90 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 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	[\$630.70 (eff. 7/01/08)]
	[\$662.24 (eff. 7/01/09)]
	[\$690.00 (eff. 7/01/10)]
Man hours Additional:	
2-Man crew—per hour	[\$91.16 (eff. 7/01/08)]
	[\$95.72 (eff. 7/01/09)]
	[\$100.00 (eff. 7/01/10)]
Standby—2 Man crew-per hour	[\$91.16 (eff. 7/01/08)]
	[\$95.72 (eff. 7/01/09)]
	[\$100.00 (eff. 7/01/10)]
Equipment hours Additional:	
Per piece of equipment	[\$24.38 (eff. 7/01/08)]
	[\$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)	[\$180.20 (eff. 7/01/08)]
	[\$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:

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

Carson City \$32 Million Water Program

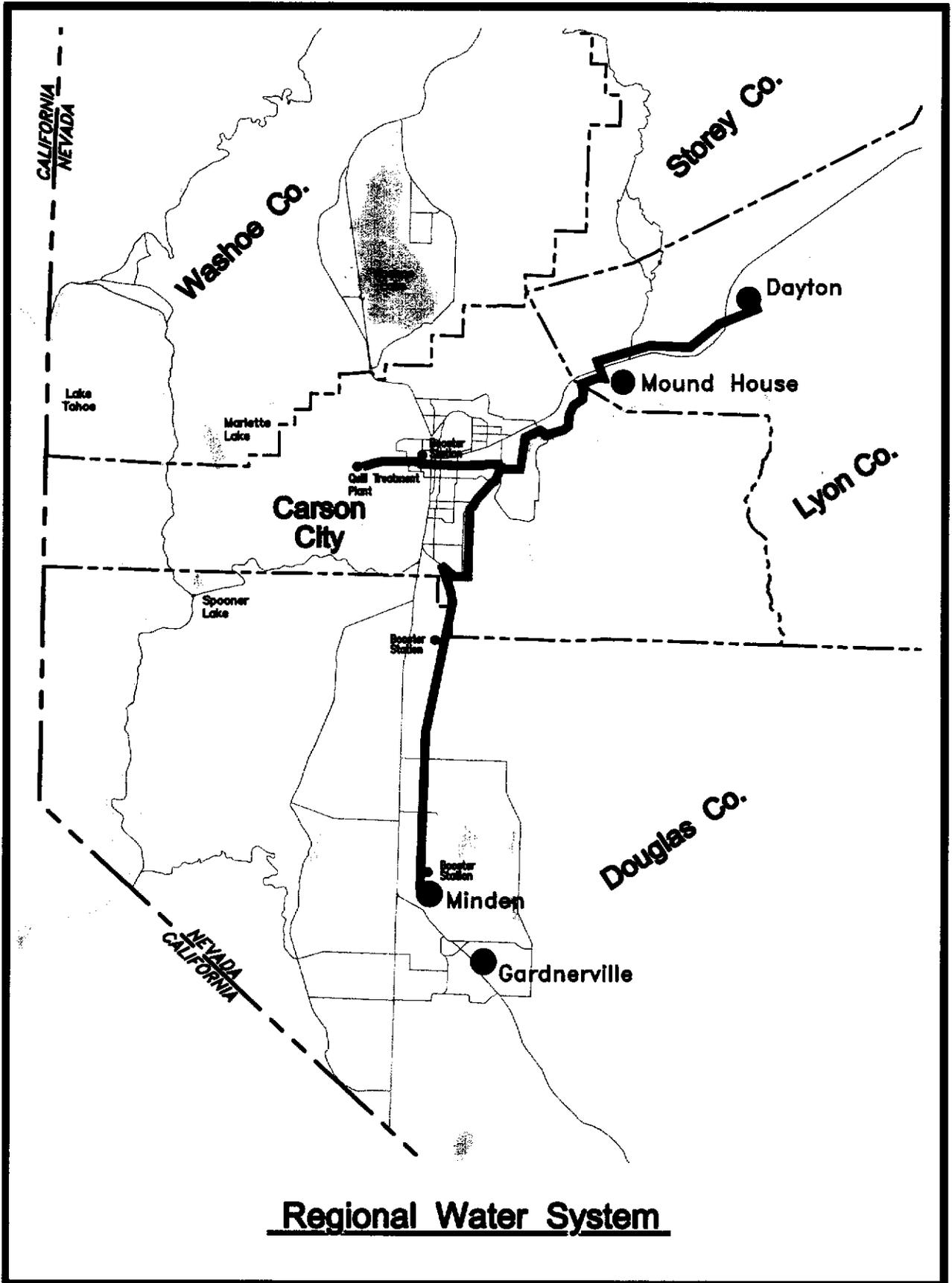
"North Douglas County and Carson City Regional Water Line Intertie Project".

The regional water system project 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.

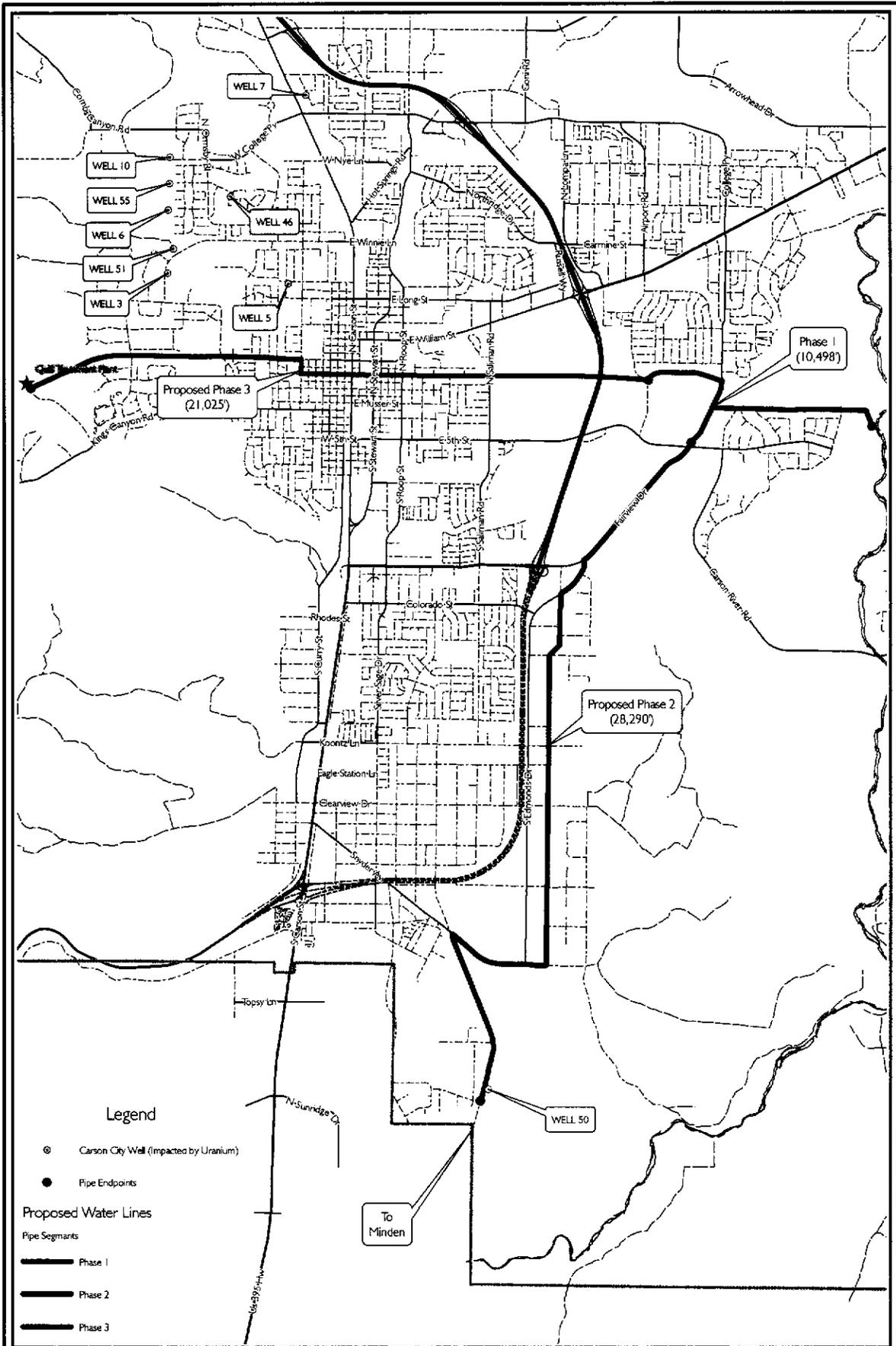
Carson City will acquire capability for up to 4,500 gallons per minute of water delivery from the project which compared to current peak summer demands of 17,000 gallons per minute is quite substantial and will provide for needed reserves for our water system. The City is purchasing 1,250 acre-feet of 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.



Regional Water System



Carson City
 QS Division
 3505 Bull Way
 Carson City, NV 89701
 (775) 887-2255

©2004 CITY, NEVADA
 THIS MAP IS PREPARED FOR THE CITY OF CARSON CITY
 FOR ALL OTHER PURPOSES (OTHER THAN AS NOTED)
 WITHOUT A SURVEY, INCALCULATED AND BEING AS
 TO THE ACCURACY OR COMPLETION OF THE DATA
 DELIVERED HEREON

Carson City Proposed Water Lines

N
 1 Inch = 3,000 Feet



Frequently Asked Questions

Proposed Rate Increase

1. Question: How much will my rates increase?

Answer: Typical residential users using 10,000 gallons per month (ranging from 4,000 in the winter to 21,000 in the summer) will see an increase in their average monthly bill from \$23.32 to \$31.06 or \$7.74 per month.

2. Question: Why is a rate increase required?

Answer: To provide additional revenues that will be used to pay for bonds to finance the construction of a needed regional water line intertie project, along with related improvements.

3. Question: How is the capital money being spent and why is the project required?

Answer: The bulk of the funds will be used for the Carson City Regional Water Line Intertie Project, which will interconnect the following water systems: Town of Minden, North Douglas County, the Indian Hills General Improvement District and Lyon County (Dayton). Minden will supply up to 12,000 gallons per minute of water to the regional water system. Carson City will acquire capability of up to 4,500 gallons per minute. This will provide needed reserves for the City's current peak summer demand of 17,000 gallons per minute. The City is purchasing 1,250 acre-feet of water rights from the Town of Minden for \$10 million. The Minden water rights, together with almost 2,000 acre-feet of water currently owned by the City within the Carson Valley Groundwater Basin will give the City access to 3,250 acre-feet of new water.

4. Question: How will the improvements benefit Carson City?

Answer: The project will allow the City to forgo having to construct a \$40 million Uranium Treatment Plant (along with \$1.4 million in annual operating costs), since the new water brought into the water system will allow the City to meet federal standards.

The new water provided by the project will allow for a more efficient operation of the water system, since more expensively produced water will not need to be utilized, unless needed to meet peak requirements. The City estimates that this

will save several hundred thousand dollars per year and will help offset the increased capital costs of the project.

5. Question: Can the rate increase be delayed?

Answer: The City realizes that we are in trying economic times and has postponed the rate increase as long as possible. The capital improvements need to be funded at this time in order for the City to participate in the regional project. The bonds, which will fund the capital projects, can't be issued until the rate increase is in place.

6. Question: Can a smaller increase be implemented?

Answer: The proposed rate increases are required to meet bond required coverage ratios.

7. Question: What are other impacts of the new rate structure?

Answer: There are several impacts:

A. Fewer usage tiers. Currently, there are 5 residential tiers, starting at the first gallon of water usage. The proposed structure will provide for the first 5,000 gallons to be included in the monthly service charge followed by 3 tiers. On the commercial side, the number of tiers is reduced from 5 to 3, with the first 6,000 gallons included in the monthly service charge.

B. Produce more predictable revenues for the City by shifting the rate structure towards a more fixed revenue base for the City. Currently the City gets 29% of its revenue from fixed monthly charges. This will change to 38% after the implementation of the fee changes.

C. Conservation Tier. To provide an incentive to reduce peak water usage, the highest residential rate tier will be increased from the current \$3 per 1,000 gallons to \$4.75 per 1,000 gallons once monthly usage exceeds 50,000 gallons per month. This will help the City keep costs down since it will reduce the amount of resources (water rights, pump stations, etc.) to meet the peak demand. It is estimated that the conservation tier will only impact about 10% of the highest residential users.

8. Question: Why is a residential conservation tier necessary?

Answer: The City must have in place the sufficient water treatment infrastructure (water rights, water treatment plant, pipes, etc.) to deliver water to meet peak usages. The peak usage is driven by residential use in the summer. The higher priced conservation tier is intended to motivate users to limit their peak summer usage. The conservation tier will only become effective once usage exceeds 50,000 gallons per month, and it

estimated to impact only the top 10% of residential water users. Accordingly, if someone uses 51,000 gallons in a month, they will only pay the conservation tier rate on 1,000 gallons.

9. Question: Why are the residential rates different than the commercial rates?

Answer: The rates have been structured to produce the same ratio of residential and commercial revenues as before the proposed rate change. Rates for commercial users reflect the fact that they do not have the severe seasonal swings. Residential use increases 5 to 7 times in the summer, while commercial may double in some cases. If the residential water rate structure was to be applied to the commercial tier, it would result in higher increases for the smaller tiers and smaller increases for the larger tiers.

10. Question: When will the changes become effective?

Answer: July 1, 2010

General Questions

11. Question: Where does the Water system get its money?

Answer: The water system operates as an enterprise fund, which is similar to a non-profit business within the City organization. The department is self-supporting from water sales and related fees and charges. Tax money is not used to support the water system.

The following are from the City's Website

12. Question: Where does Carson City's water come from, and how does drought affect our system?

Answer: Carson City utilizes water from four groundwater basins within the Carson City area and surface waters from Ash Canyon and Kings Canyon Creek, Carson River and the Marlette/Hobart system. Carson City also has an active recharge program located in the Vicee Canyon area. When excess surface water is available the City utilizes infiltration basins to bank this water in the groundwater table for times of drought.

13. Question: How much water does Carson City have, how much is it currently using, and what population can it support?

Answer: Carson City currently owns 16,928.07 Ac-Ft of water, of which 16,155.07

are "usable" water rights. With the city's current population of 57,000, the city uses approximately 12,844 Ac-Ft per year. At a population of 70,000, the city will use approximately 16,000 Ac-Ft. Public Works has recommended a water utility plan for a population of 75,000, which requires the Water Division to acquire an additional 1,000 Ac-Ft. The Water Division also has 3,200 Ac-Ft of water rights, which cannot be assigned to new development, but can only be used for emergency purposes and system safety factors, such as in times of severe drought.

14. Question: How does the Water Division plan its expansion and water rights acquisition program?

Answer: Each year the Deputy Public Works Director prepares a Water Assessment Report for the Planning Commission and Board of Supervisors, outlining the City's water rights and production needs for a five year time frame. This report budgets for the City's current water usage, assigns water to all available buildable parcels and lots, and estimates future commercial/industrial developments' water usage.

15. Question: If all growth stopped in Carson City, could I water my lawn every day?

Answer: No, because Carson City implemented a three days a week water schedule to manage the city's water and help residents enjoy paying a lower water rate than other areas in the Western States. Presently, Carson City's winter water usage is 6.5 million gallons per day—increasing to 27 million gallons per day in the summer, largely due to outside irrigation during peak periods. By increasing the peak demand, more capital investment would be required, thus increasing residents' water rates.