

**City of Carson City
Agenda Report**

Date Submitted: April 5, 2013

Agenda Date Requested: April 18, 2013

Time Requested: 2 Hours

To: Mayor and Supervisors

From: Public Works

Subject Title: For Possible Action: Presentation of Rate Analysis by FCS Group, Rate Consultants, regarding Water and Sewer Rate Study and possible direction to staff.
(Andrew Burnham)

Staff Summary: The Water and Sewer Rate Study objective was to evaluate potential changes in customer class cost allocations and design alternative rate structures to meet utility pricing goals assuming a revenue-neutral long range financial forecast for each utility. Connection charges were updated to reflect current and planned system investment. In addition to a revenue neutral baseline analysis, scenarios were developed to project revenue requirements to meet O&M, capital, and fiscal policy needs in the future. The rate consultant will present the results of the study. The Board will give direction to staff and consultants for the development of rate options to be scheduled for future adoption.

Type of Action Requested: (check one)

☐ Resolution

☐ Ordinance

☐ Formal Action/Motion

☒ Other (Direction to Staff)

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: Presentation of Rate Analysis by FCS Group, Rate Consultants, regarding Water and Sewer Rate Study and possible direction to staff.

Explanation for Recommended Board Action: FCS Group is an expert in conducting utility rate studies and currently provides services to many clients in the region including Douglas County, Washoe County, and Sparks. The study includes reviewing and analyzing current rate data, cost of service, and policy objectives to determine who should pay what share of the costs to equitably generate adequate revenues. Review of connection charges will also be included in the study. A rate model will be developed for staff for future planning and analysis and rate adjustments as may be required. The base line of the initial study will be revenue neutral; and future revenue requirements will be reviewed.

Applicable Statute, Code, Policy, Rule or Regulation: NA.

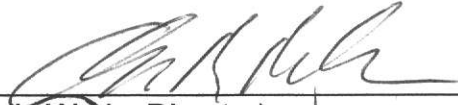
Fiscal Impact: Likely increase in water and sewer rates in the future.

Explanation of Impact: NA

Funding Source: Water and Sewer Fund accounts.

Prepared By: Andrew Burnham, Public Works Director

Reviewed By:



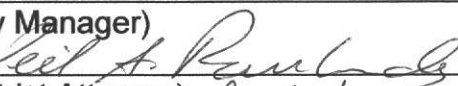
(Public Works Director)

Date: 4-8-13



(City Manager)

Date: 4/8/13



(District Attorney)

Date: 4/9/13



(Finance Director)

Date: 4/9/13

Board Action Taken:

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

(Vote Recorded By)