

**City of Carson City
Agenda Report**

Date Submitted: April 28, 2015

Agenda Date Requested: May 7, 2015
Time Requested: 30 Minutes

To: Mayor and Supervisors

From: Public Works Department

Subject Title: For Possible Action: To direct staff to initiate the process of changing connection fees for water and sewer pursuant to recommendations from the Utility Financial Oversight Committee and FCS Group.

Staff Summary: On February 18, 2015 the Utility Financial Oversight Committee reviewed a presentation from FCS Group and had discussion with staff and the public regarding connection fees for water and sewer utilities. The Committee reviewed three (3) scenarios using different customer base definitions for water, updated sewer equivalent residential customer definitions for sewer, and made recommendations to the Board of Supervisors. (Darren Schulz)

Type of Action Requested: (check one)

- Resolution Ordinance
 Formal Action/Motion Other (Information only)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to direct staff to initiate the process of changing connection fees for water and sewer pursuant to recommendations from the Utility Financial Oversight Committee and FCS Group.

Explanation for Recommended Board Action: The City imposes capital connection charges on new development or redevelopment as a condition of connecting to the water and sewer systems or when increasing capacity of an existing connection. The purpose of the connection charge is to mitigate the impact of growth on the utility system and to compensate for investments already made to provide available capacity to service future growth. There are no statutory guidelines in Nevada for the calculation of connection charges so the rate consultant used a conservative approach based on west coast legal interpretations to recommend charges for Carson City. The Utility Financial Oversight Committee made the following recommendations to the connection fees as related to the water and sewer utility.

For the water utility, this includes updating:

- The Water Equivalent Residential Customer (WERC) definition to 425 gallons per day,
- The numbers of WERC's for each customer class,
- The proposed charge per WERC using a hybrid approach:
 - Using AWWA meter capacity equivalent ratios for all customers through 1" meters, except multifamily dwellings.
 - Multifamily, through 1" meter, shall be charged 30% of the 5/8" meter size times the number of units,
 - Using maximum day flow for customers with 1 ½" meters and larger,
- All proposed charges shall be phased in evenly over 5 years, beginning July 1, 2016.

For the sewer utility, this includes updating:

- The Sewer Equivalent Residential Customer (SERC) definition to 200 gallons per day,
- The number of SERC's for each customer class,
- The proposed charge per SERC to \$4,493,
- All proposed charges shall be phased in evenly over 5 years, beginning July 1, 2016.

In addition, FCS Group recommended that once rates are fully implemented, the fees should be adjusted annually for inflation based on the Engineering News Record's "Construction Cost Index".

Applicable Statute, Code, Policy, Rule or Regulation: N/A

Fiscal Impact: Increasing connection charges would positively benefit the water and sewer utility funds.

Explanation of Impact: N/A

Funding Source: N/A

Alternatives: N/A

Supporting Material:

- FCS Group connection charge presentation with supplemental slides
- February 18, 2015 Utility Financial Oversight Committee minutes

Prepared By: David Bruketta – Utility Manager

Reviewed By:




 (Public Works Director)

Date: 4/28/15




 (City Manager)

Date: 4/28/15



 (District Attorney)

Date: 4/28/15



 (Finance Director)

Date: 4/28/15

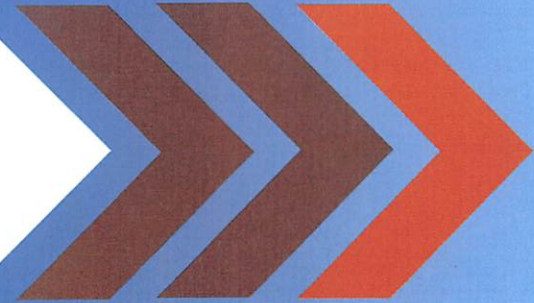
Board Action Taken:

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

 (Vote Recorded By)



Carson City, Nevada



Water and Sewer Connection Charges

May 7, 2015



Agenda

- ◆ **Water utility**

- Recommended action
- Proposed schedule
- Phase-in strategy

- ◆ **Sewer utility**

- Recommended action
- Proposed schedule
- Phase-in strategy



Recommended Action: Water

- ◆ **Adopt the hybrid schedule of connection charges.**
 - Meter capacity equivalents for all customers through 1” meters, except multifamily
 - Multifamily through 1” meters charged 30% of smallest meter size charge per dwelling unit
 - Customers with a 1 ½” meter or larger charged on maximum day gallons per minute

- ◆ **Adopt a phase-in strategy:**
 - 5-year phase in
 - 3-year phase in

- ◆ **Once rates are fully implemented, adjust the fees annually for inflation based on the Engineering News Record’s “Construction Cost Index”**



Water Proposed Schedule

| Meter Size | Meter Equivalency Factors [a] | Proposed Charge |
|---|-------------------------------------|--------------------|
| Customers up through 1" meters: | | |
| 5/8-inch | 1.00 | \$ 3,440 |
| 1-inch | 2.50 | \$ 8,600 |
| Multifamily per unit [b]: | | \$ 1,032 |
| Customers 1 1/2" meters or larger: | | |
| Charge per maximum day GPM [c] | | \$ 6,219 |

[a] AWWA meter capacity equivalent ratios

[b] Alternative multifamily option: 30% of 5/8" meter charge per unit

[c] Estimated water use in maximum day gallons per minute



Water Phase-In Strategy

- ◆ **Committee recommendation: Begin implementation 7/1/16, 5-year phase-in**

| Meter Size | Year 1 7/1/2015 | Year 2 7/1/2016 | Year 3 7/1/2017 | Year 4 7/1/2018 | Year 5 7/1/2019 | Year 6 7/1/2020 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Customers up through 1" meters: | | | | | | |
| 5/8-inch | \$ 454 | \$ 1,051 | \$ 1,648 | \$ 2,246 | \$ 2,843 | \$ 3,440 |
| 1-inch | \$ 454 | \$ 2,083 | \$ 3,712 | \$ 5,342 | \$ 6,971 | \$ 8,600 |
| Multifamily per unit [b]: | \$ 227 | \$ 388 | \$ 549 | \$ 710 | \$ 871 | \$ 1,032 |
| Customers 1 1/2" meters or larger: | | | | | | |
| Charge per maximum day GPM [c] | Existing Rate | \$ 1,244 | \$ 2,488 | \$ 3,731 | \$ 4,975.26 | \$ 6,219 |

[a] AWWA meter capacity equivalent ratios

[b] Alternative multifamily option: 30% of 5/8" meter charge per unit

[c] Estimated water use in maximum day gallons per minute

Note: Year 1 (FY 2015/16) maintains existing rates; 5 year phase in begins in year 2



Recommended Action: Sewer

- ◆ **Adopt the schedule of sewer connection charges with updated SERC factors.**
 - SERC value updated from 250 gpd to 200 gpd
 - SERC factors updated by customer class

- ◆ **Adopt a phase-in strategy:**
 - 5-year phase in
 - 3-year phase in

- ◆ **Once rates are fully implemented, adjust the fees annually for inflation based on the Engineering News Record’s “Construction Cost Index”**

SERC = Sewer Equivalent Residential Customer



Sewer Proposed Schedule

| Customer Class | Existing SERC [a] | Existing Charge | Proposed SERC [b] | Proposed Charge |
|------------------------------|-------------------|-----------------|-------------------|-----------------|
| Single Family Residence | 1.00 | \$ 577 | 1.00 | \$ 4,493 |
| Duplex (each living unit) | 1.00 | 577 | 0.75 | 3,370 |
| Apartment (each living unit) | 0.50 | 289 | 0.65 | 2,920 |
| Mobile Home Individual lot | 1.00 | 577 | 1.00 | 4,493 |
| Mobile Home Park (each pad) | 0.50 | 289 | 0.65 | 2,920 |
| All others, per SERC | 1.00 | 577 | 1.00 | 4,493 |

[a] One existing SERC is equal to 250 gallons per day

[b] One proposed SERC is equal to 200 gallons per day

SERC = Sewer Equivalent Residential Customer; gpd = gallons per day



Sewer Phase-In Strategy

- ◆ **Committee recommendation: Begin implementation 7/1/16, 5-year phase-in**

| Customer Class | Year 1 7/1/2015 | Year 2 7/1/2016 | Year 3 7/1/2017 | Year 4 7/1/2018 | Year 5 7/1/2019 | Year 6 7/1/2020 |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Single Family Residence | \$ 577 | \$ 1,360 | \$ 2,143 | \$ 2,926 | \$ 3,710 | \$ 4,493 |
| Duplex (each living unit) | 577 | 1,136 | 1,694 | 2,253 | 2,811 | 3,370 |
| Apartment (each living unit) | 289 | 815 | 1,341 | 1,868 | 2,394 | 2,920 |
| Mobile Home Individual lot | 577 | 1,360 | 2,143 | 2,926 | 3,710 | 4,493 |
| Mobile Home Park (each pad) | 289 | 815 | 1,341 | 1,868 | 2,394 | 2,920 |
| All others, per SERC | 577 | 1,360 | 2,143 | 2,926 | 3,710 | 4,493 |

SERC = Sewer Equivalent Residential Customer

Note: Year 1 (FY 2015/16) maintains existing rates; 5 year phase in begins in year 2

Contact FCS GROUP:
425.867.1802
www.fcsgroup.com



Supplemental Slides



Summary of Committee Meeting (Feb. 18)

◆ **Water:**

- Three scenarios using different customer base definitions:
 - Water equivalent residential customers (WERC)
 - Meter equivalency factors
 - Estimated water use (maximum day gallons per minute)

- Committee recommendation is a hybrid approach
 - Meter equivalency factors for customers with meters up through 1"
 - Charge per dwelling unit for multifamily through 1" meters
 - Estimated water use in gallons per minute approach for customers with meters 1 ½" or greater



Summary of Committee Meeting (Feb. 18)

- ◆ **Sewer:**
 - Updated sewer equivalent residential customer (SERC) definitions
 - Committee recommendation is to adopt updated definitions & charges

- ◆ **Direction to develop 5-year phase-in strategy beginning 7/1/16**

Average Cost – Integrated Approach

$$\text{Connection Charge} = \frac{\text{Existing System Cost} + \text{Future Project Costs}}{\text{Existing Customer Base} + \text{Future Growth Served}}$$



Key Considerations: Numerator *Allocable Capital Cost*

- ◆ **Existing facilities costs: recovers an equitable share of the current system**
 - Inclusion of interest
 - Deduction of net debt outstanding
 - Deduction of contributed capital

- ◆ **Future facilities costs: recovers a fair share of future capital costs to serve new customers**
 - Deduction of contributed capital
 - Deduction of repair & replacement projects
 - Planning period of capital program



Key Considerations: Denominator

Applicable Customer Base

- ◆ **Planning period consistent with numerator**
 - Existing customer base represents the number of customers served by the current plant-in-service
 - Future growth represents the number of customers that can be served after completion of the capital program



Key Considerations: Denominator

Applicable Customer Base

- ◆ **Defining system capacity in units**
 - Usage-based equivalent residential units (ERUs)
 - WERC / SERC
 - Meter equivalents
 - Demand-based ERUs

- ◆ **Committee recommendations:**
 - Water: combination of meter equivalents & demand-based ERUs
 - Sewer: update usage-based equivalents (SERC)

ERU = Equivalent Residential Unit; WERC = Water Equivalent Residential Customer; SERC = Sewer Equivalent Residential Customer

Water Utility Draft Results



Committee Recommendation: Water

- ◆ **Hybrid approach:**

- Meter capacity equivalents for all customers through 1" meters, except multifamily
- Multifamily through 1" meters charged 30% of smallest meter size charge per dwelling unit
- Customers with a 1 ½" meter or larger charged on maximum day gallons per minute



Water Customer Base

| Customer Base Calculations | | | |
|--------------------------------|----------|--------|---------------|
| System Parameter | Existing | Future | Growth Factor |
| Average Day Demand (mgd) | 9.80 | 11.71 | 119.46% |
| Max Day Demand (mgd) [a] | 20.09 | 24.00 | 119.46% |
| Meter Capacity Equivalents [b] | 25,222 | 30,131 | 119.46% |
| Maximum Day GPM | 13,951 | 16,667 | 119.46% |

[a] Max day to average day demand ratio = 2.05 per Master Plan

[b] Based on AWWA Meter Capacity Ratios

mgd = million gallons per day; GPM = gallons per minute; AWWA = American Water Works Association

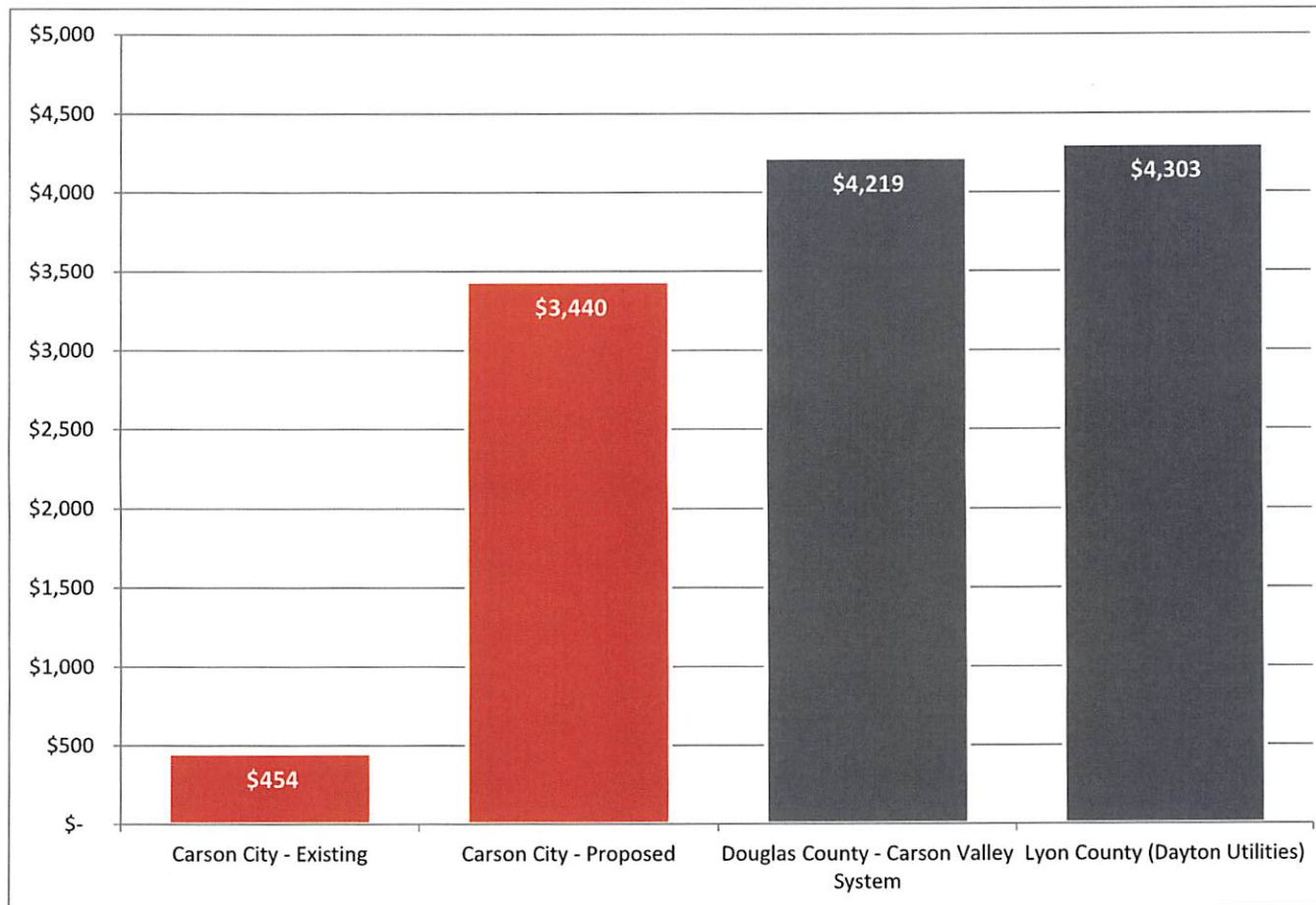


Water Calculation Summary

| Water Connection Charge Calculation | | |
|---|----------------------------|-----------------------|
| Connection Charge Components | Meter Capacity Equivalents | Maximum Day GPM |
| Existing Cost Basis | | |
| Utility Capital Assets | \$ 134,554,918 | \$ 134,554,918 |
| plus: Construction Work in Progress | 2,827,601 | 2,827,601 |
| less: Contributed Capital | (25,802,750) | (25,802,750) |
| plus: Interest on Non-Contributed Plant | 40,385,456 | 40,385,456 |
| Net Assets | \$ 151,965,225 | \$ 151,965,225 |
| less: Net Debt Principal Outstanding | | |
| Existing Cash Balances | \$ 4,364,927 | \$ 4,364,927 |
| less: Debt Principal Outstanding | (60,851,971) | (60,851,971) |
| Net Debt Principal Outstanding | (56,487,044) | (56,487,044) |
| Total Existing Cost Basis | \$ 95,478,181 | \$ 95,478,181 |
| Future Cost Basis | | |
| Total Future Projects | \$ 16,740,000 | \$ 16,740,000 |
| less: Identified Repair & Replacement Projects | (8,567,000) | (8,567,000) |
| less: Contributed Future Upgrade & Expansion Assets | - | - |
| Total Future Cost Basis | \$ 8,173,000 | \$ 8,173,000 |
| Total Cost Basis | \$ 103,651,181 | \$ 103,651,181 |
| Customer Base | | |
| Existing | 25,222 | 13,951 |
| Future (Incremental) | 4,909 | 2,715 |
| Total Customer Base | 30,131 | 16,667 |
| Calculated Connection Charge per Equivalent | \$ 3,440 | \$ 6,219 |



Comparison of Residential Water Connection Charges



Note: All other surveyed jurisdictions charge water rights fees in addition to connection charges



Water Proposed Schedule

| Meter Size | Meter Equivalency Factors [a] | Proposed Charge |
|---|-------------------------------------|--------------------|
| Customers up through 1" meters: | | |
| 5/8-inch | 1.00 | \$ 3,440 |
| 1-inch | 2.50 | \$ 8,600 |
| Multifamily per unit [b]: | | \$ 1,032 |
| Customers 1 1/2" meters or larger: | | |
| Charge per maximum day GPM [c] | | \$ 6,219 |

[a] AWWA meter capacity equivalent ratios

[b] Alternative multifamily option: 30% of 5/8" meter charge per unit

[c] Estimated water use in maximum day gallons per minute



Phase-In Strategy

- ◆ **Committee recommendation: Begin implementation 7/1/16, 5-year phase-in**

| Meter Size | Year 1 7/1/2015 | Year 2 7/1/2016 | Year 3 7/1/2017 | Year 4 7/1/2018 | Year 5 7/1/2019 | Year 6 7/1/2020 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Customers up through 1" meters: | | | | | | |
| 5/8-inch | \$ 454 | \$ 1,051 | \$ 1,648 | \$ 2,246 | \$ 2,843 | \$ 3,440 |
| 1-inch | \$ 454 | \$ 2,083 | \$ 3,712 | \$ 5,342 | \$ 6,971 | \$ 8,600 |
| Multifamily per unit [b]: | \$ 227 | \$ 388 | \$ 549 | \$ 710 | \$ 871 | \$ 1,032 |
| Customers 1 1/2" meters or larger: | | | | | | |
| Charge per maximum day GPM [c] | Existing Rate | \$ 1,244 | \$ 2,488 | \$ 3,731 | \$ 4,975.26 | \$ 6,219 |

[a] AWWA meter capacity equivalent ratios

[b] Alternative multifamily size option: 30% of 5/8" meter charge per unit

[c] Estimated water use in maximum day gallons per minute

Note: Year 1 (FY 2015/16) maintains existing rates; 5 year phase in begins in year 2

Sewer Utility Draft Results



Committee Recommendations: Sewer

- ◆ **Update the schedule of connection charges with usage-based equivalents:**
 - SERC value updated from 250 gpd to 200 gpd
 - SERC factors updated by customer class

| Customer Class | Existing SERC [a] | Existing Charge | Proposed SERC [b] | Proposed Charge |
|------------------------------|-------------------|-----------------|-------------------|-----------------|
| Single Family Residence | 1.00 | \$ 577 | 1.00 | \$ 4,493 |
| Duplex (each living unit) | 1.00 | 577 | 0.75 | 3,370 |
| Apartment (each living unit) | 0.50 | 289 | 0.65 | 2,920 |
| Mobile Home Individual lot | 1.00 | 577 | 1.00 | 4,493 |
| Mobile Home Park (each pad) | 0.50 | 289 | 0.65 | 2,920 |
| All others, per SERC | 1.00 | 577 | 1.00 | 4,493 |

[a] One existing SERC is equal to 250 gallons per day

[b] One proposed SERC is equal to 200 gallons per day

SERC = Sewer Equivalent Residential Customer; gpd = gallons per day



Sewer Customer Base

| Total Customer Base Calculations | |
|--------------------------------------|----------|
| System Parameter | Capacity |
| Average Day Demand (mgd) | 6.90 |
| Proposed: Usage Based ERUs (200 gpd) | 34,500 |

mgd = million gallons per day; gpd = gallons per day

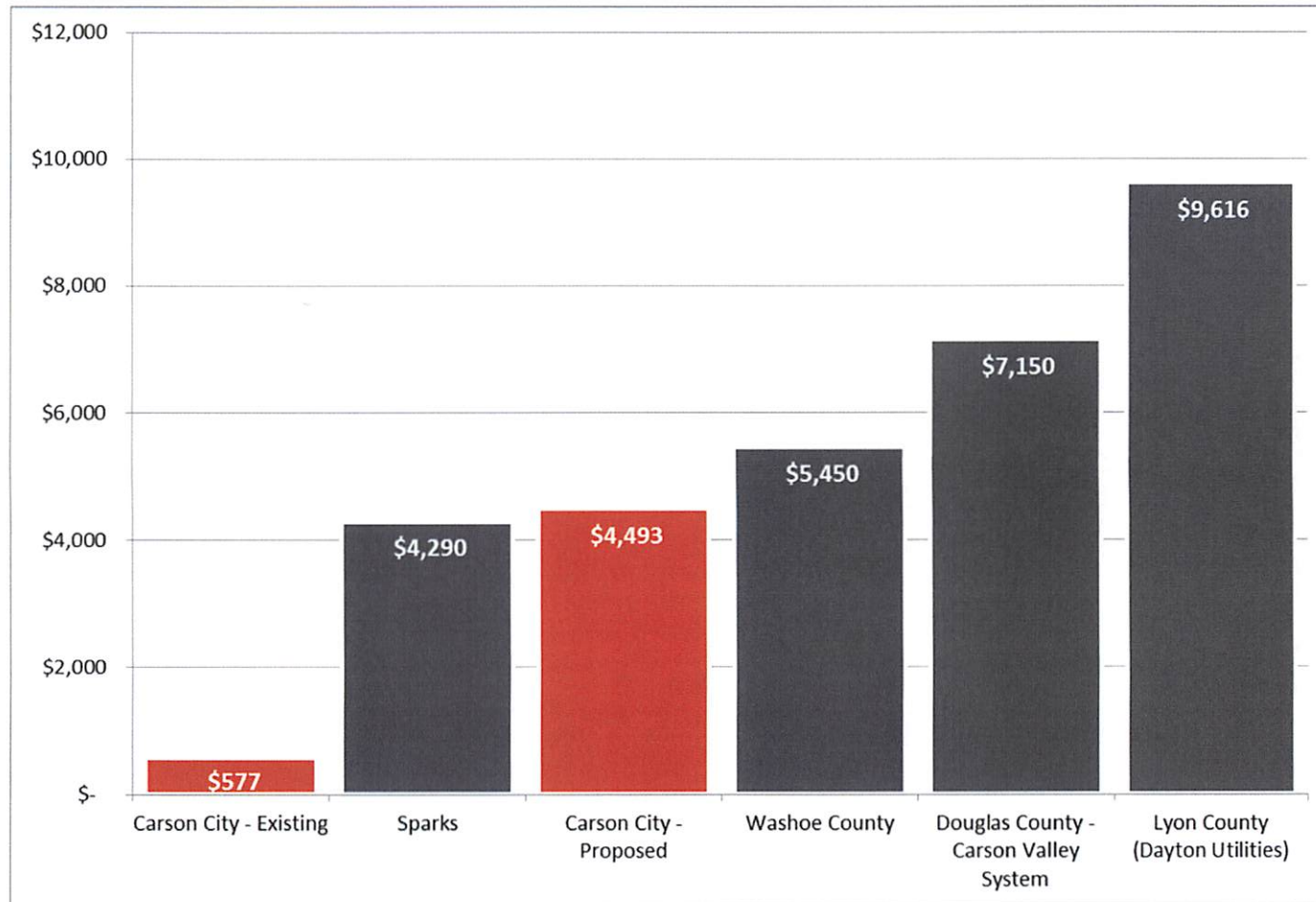


Sewer Calculation Summary

| Sewer Connection Charge Calculation | |
|---|-----------------------|
| Connection Charge Components | Results |
| Existing Cost Basis | |
| Utility Capital Assets | \$ 122,670,868 |
| plus: Construction Work in Progress | 1,238,412 |
| less: Contributed Capital | (19,951,899) |
| plus: Interest on Non-Contributed Plant | 60,288,050 |
| Net Assets | \$ 164,245,431 |
| less: Net Debt Principal Outstanding | |
| Existing Cash Balances | \$ 1,163,270 |
| less: Debt Principal Outstanding | (13,196,234) |
| Net Debt Principal Outstanding | (12,032,964) |
| Total Existing Cost Basis | \$ 152,212,467 |
| Future Cost Basis | |
| Total Future Projects | \$ 48,152,680 |
| less: Identified Repair & Replacement Projects | (45,367,000) |
| less: Contributed Future Upgrade & Expansion Assets | - |
| Total Future Cost Basis | \$ 2,785,680 |
| Total Cost Basis | \$ 154,998,147 |
| Customer Base | |
| Existing | 29,563 |
| Future (Incremental) | 4,937 |
| Total Customer Base | 34,500 |
| Calculated Connection Charge per Equivalent | \$ 4,493 |



Comparison of Residential Sewer Connection Charges





Phase-In Strategy

- ◆ **Committee recommendation: Begin implementation 7/1/16, 5-year phase-in**

| Customer Class | Year 1 7/1/2015 | Year 2 7/1/2016 | Year 3 7/1/2017 | Year 4 7/1/2018 | Year 5 7/1/2019 | Year 6 7/1/2020 |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Single Family Residence | \$ 577 | \$ 1,360 | \$ 2,143 | \$ 2,926 | \$ 3,710 | \$ 4,493 |
| Duplex (each living unit) | 577 | 1,136 | 1,694 | 2,253 | 2,811 | 3,370 |
| Apartment (each living unit) | 289 | 815 | 1,341 | 1,868 | 2,394 | 2,920 |
| Mobile Home Individual lot | 577 | 1,360 | 2,143 | 2,926 | 3,710 | 4,493 |
| Mobile Home Park (each pad) | 289 | 815 | 1,341 | 1,868 | 2,394 | 2,920 |
| All others, per SERC | 577 | 1,360 | 2,143 | 2,926 | 3,710 | 4,493 |

SERC = Sewer Equivalent Residential Customer

Note: Year 1 (FY 2015/16) maintains existing rates; 5 year phase in begins in year 2

Recommendations



Implementation of Charges

- ◆ **Represents the maximum allowable charge within the scenario**
- ◆ **The City may implement any charge up to this amount**
- ◆ **Connection charge calculation is in current dollars**
- ◆ **Future years can be updated by:**
 - Recalculating the connection charge annually
 - Building in a provision for inflation to the connection charge
 - Adjusting the current dollar charge annually for inflation based on the Engineering News Record's "Construction Cost Index" (recommended)

*Note: inflation not incorporated during phase-in strategies; to begin after charge is fully phased-in



Committee Recommendation: Water

- ◆ **Hybrid approach:**

- Meter capacity equivalents for all customers through 1” meters, except multifamily
- Multifamily through 1” meters charged 30% of smallest meter size charge per dwelling unit
- Customers with a 1 ½” meter or larger charged on maximum day gallons per minute



Recommended Action: Water

- ◆ **Adopt the hybrid schedule of connection charges as presented.**
- ◆ **Adopt a phase-in strategy:**
 - 5-year phase in
 - 3-year phase in
- ◆ **Once rates are fully implemented, the fees shall be adjusted annually for inflation based on the Engineering News Record's "Construction Cost Index"**



Committee Recommendations: Sewer

- ◆ **Update the schedule of connection charges with usage-based equivalents:**
 - SERC value updated from 250 gpd to 200 gpd
 - SERC factors updated by customer class

| Customer Class | Existing SERC [a] | Existing Charge | Proposed SERC [b] | Proposed Charge |
|------------------------------|-------------------|-----------------|-------------------|-----------------|
| Single Family Residence | 1.00 | \$ 577 | 1.00 | \$ 4,493 |
| Duplex (each living unit) | 1.00 | 577 | 0.75 | 3,370 |
| Apartment (each living unit) | 0.50 | 289 | 0.65 | 2,920 |
| Mobile Home Individual lot | 1.00 | 577 | 1.00 | 4,493 |
| Mobile Home Park (each pad) | 0.50 | 289 | 0.65 | 2,920 |
| All others, per SERC | 1.00 | 577 | 1.00 | 4,493 |

[a] One existing SERC is equal to 250 gallons per day

[b] One proposed SERC is equal to 200 gallons per day

SERC = Sewer Equivalent Residential Customer; gpd = gallons per day



Recommended Action: Sewer

- ◆ **Adopt the schedule of sewer connection charges with updated SERC factors as presented.**
- ◆ **Adopt a phase-in strategy:**
 - 5-year phase in
 - 3-year phase in
- ◆ **Once rates are fully implemented, adjust the fees shall be annually for inflation based on the Engineering News Record's "Construction Cost Index"**

SERC = Sewer Equivalent Residential Customer

Water Utility



Water Scenario Definitions

- ◆ **Cost basis is the same in all scenarios; only customer base differs**
- ◆ **Meter Capacity Equivalents**
 - Uses AWWA meter equivalency factors to increase charge by meter size
- ◆ **Usage Based ERUs (Updated WERC)**
 - 1.0 WERC per residential, quasi-residential, or senior discount unit
 - 0.5 WERC per duplex unit
 - 0.3 WERC per multifamily unit
 - All other classes based on usage equal to 425 gallons per day (calculated from the FY 2013/14 customer statistics)
- ◆ **Maximum Day GPM**
 - Estimates maximum day water use upon connection
 - Recommended only for non-single family residential meter sizes of 1 ½" and larger

ERU = Equivalent Residential Unit; WERC = Water Equivalent Residential Customer; GPM = Gallons per Minute



Water Calculation Summary

| Water Connection Charge Calculation | | | |
|---|----------------------------|----------------------------|-----------------------|
| Connection Charge Components | Meter Capacity Equivalents | Usage Based ERUs (425 gpd) | Maximum Day GPM |
| Existing Cost Basis | | | |
| Utility Capital Assets | \$ 134,554,918 | \$ 134,554,918 | \$ 134,554,918 |
| plus: Construction Work in Progress | 2,827,601 | 2,827,601 | 2,827,601 |
| less: Contributed Capital | (25,802,750) | (25,802,750) | (25,802,750) |
| plus: Interest on Non-Contributed Plant | 40,385,456 | 40,385,456 | 40,385,456 |
| Net Assets | \$ 151,965,225 | \$ 151,965,225 | \$ 151,965,225 |
| less: Net Debt Principal Outstanding | | | |
| Existing Cash Balances | \$ 4,364,927 | \$ 4,364,927 | \$ 4,364,927 |
| less: Debt Principal Outstanding | (60,851,971) | (60,851,971) | (60,851,971) |
| Net Debt Principal Outstanding | (56,487,044) | (56,487,044) | (56,487,044) |
| Total Existing Cost Basis | \$ 95,478,181 | \$ 95,478,181 | \$ 95,478,181 |
| Future Cost Basis | | | |
| Total Future Projects | \$ 16,740,000 | \$ 16,740,000 | \$ 16,740,000 |
| less: Identified Repair & Replacement Projects | (8,567,000) | (8,567,000) | (8,567,000) |
| less: Contributed Future Upgrade & Expansion Assets | - | - | - |
| Total Future Cost Basis | \$ 8,173,000 | \$ 8,173,000 | \$ 8,173,000 |
| Total Cost Basis | \$ 103,651,181 | \$ 103,651,181 | \$ 103,651,181 |
| Customer Base | | | |
| Existing | 25,222 | 23,059 | 13,951 |
| Future (Incremental) | 4,909 | 4,488 | 2,715 |
| Total Customer Base | 30,131 | 27,547 | 16,667 |
| Calculated Connection Charge per Equivalent | \$ 3,440 | \$ 3,763 | \$ 6,219 |



Meter Capacity Equivalents

| Meter Size | Meter Equivalency Factors [a] | Proposed Charge |
|---------------------------|-------------------------------|-----------------|
| 5/8-inch | 1.00 | \$ 3,440 |
| 1-inch | 2.50 | 8,600 |
| 1 1/2-inch | 5.00 | 17,200 |
| 2-inch | 8.00 | 27,520 |
| 3-inch | 16.00 | 55,040 |
| 4-inch | 25.00 | 86,000 |
| 6-inch | 50.00 | 172,001 |
| 8-inch | 80.00 | 275,201 |
| 10-inch | 115.00 | 395,601 |
| Multifamily per unit [b]: | | \$ 1,032 |

[a] AWWA meter capacity equivalent ratios

[b] Alternative multifamily option: 30% of 5/8" meter charge per unit



Usage Based ERUs (Updated WERC)

| Customer Class | Existing WERC [a] | Existing Charge | Proposed WERC [b] | Proposed Charge |
|------------------------------|-------------------|-----------------|-------------------|-----------------|
| Single Family Residence | 1.00 | \$ 454 | 1.00 | \$ 3,763 |
| Duplex (each living unit) | 1.00 | 454 | 0.50 | 1,881 |
| Apartment (each living unit) | 0.50 | 227 | 0.30 | 1,129 |
| Mobile Home Individual lot | 1.00 | 454 | 1.00 | 3,763 |
| Mobile Home Park (each pad) | 0.50 | 227 | 0.30 | 1,129 |
| All others, per WERC | 1.00 | 454 | 1.00 | 3,763 |

[a] One existing WERC is equal to 550 gallons per day

[b] One proposed WERC is equal to 425 gallons per day

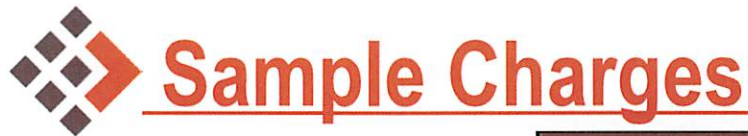
WERC = Water Equivalent Residential Customer; ERU = Equivalent Residential Unit



Maximum Day GPM Calculation

- ◆ **\$6,219 per maximum day GPM applied to estimated maximum day use**
- ◆ **Option to charge for non-single family residential meter sizes 1 1/2" and larger**

GPM = Gallons per Minute



Sample Charges

| Customer | Meter Size | Scenario A: Usage Based ERUs | | | Scenario B: Meter Capacity Equivalents | | Scenario C: Maximum Day GPM | |
|---------------------------------|------------|------------------------------|---------------------|------------------|--|------------------|-------------------------------|------------------|
| | | Average Daily Use (gpd) | # WERCs (@ 425 gpd) | Resulting Charge | MCE Ratio | Resulting Charge | Estimated Max Daily use (gpm) | Resulting Charge |
| Restaurant 1 | 2" | 1,767 | 4.2 | \$ 15,645 | 8.0 | \$ 27,520 | 2.0 | \$ 12,328 |
| Restaurant 2 | 5/8" | 2,195 | 5.2 | \$ 19,435 | 1.0 | \$ 3,440 | 2.9 | \$ 17,970 |
| Restaurant 3 | 1" | 3,710 | 8.7 | \$ 32,849 | 2.5 | \$ 8,600 | 5.5 | \$ 34,483 |
| Restaurant 3 Irrigation | 5/8" | 77 | 0.2 | \$ 682 | 1.0 | \$ 3,440 | 0.2 | \$ 1,043 |
| Large Retail Store 1 | 2" | 660 | 1.6 | \$ 5,844 | 8.0 | \$ 27,520 | 0.6 | \$ 3,971 |
| Large Retail Store 1 Irrigation | 2" | 2,353 | 5.5 | \$ 20,834 | 8.0 | \$ 27,520 | 5.5 | \$ 34,483 |
| Large Retail Store 2 | 2" | 1,060 | 2.5 | \$ 9,385 | 8.0 | \$ 27,520 | 1.6 | \$ 10,028 |
| Large Retail Store 2 Irrigation | 2" | 912 | 2.1 | \$ 8,075 | 8.0 | \$ 27,520 | 3.2 | \$ 20,063 |
| Large Retail Store 3 | 1-1/2" | 6,742 | 15.9 | \$ 59,694 | 5.0 | \$ 17,200 | 8.3 | \$ 51,404 |
| Large Retail Store 3 Irrigation | 2" | 2,238 | 5.3 | \$ 19,816 | 8.0 | \$ 27,520 | 3.5 | \$ 21,941 |
| Industrial 1 | 3" | 15,584 | 36.7 | \$ 137,983 | 16.0 | \$ 55,040 | 24.9 | \$ 154,639 |
| Industrial 1 Irrigation | 1-1/2" | 6,126 | 14.4 | \$ 54,240 | 5.0 | \$ 17,200 | 11.1 | \$ 68,960 |
| Industrial 2 | 2" | 342 | 0.8 | \$ 3,028 | 8.0 | \$ 27,520 | 0.5 | \$ 2,928 |
| Industrial 2 Irrigation | 1" | 1,230 | 2.9 | \$ 10,891 | 2.5 | \$ 8,600 | 2.8 | \$ 17,135 |
| Grocery Store 1 | 2" | 5,490 | 12.9 | \$ 48,609 | 8.0 | \$ 27,520 | 7.4 | \$ 46,183 |
| Grocery Store 1 Irrigation | 2" | 904 | 2.1 | \$ 8,004 | 8.0 | \$ 27,520 | 2.6 | \$ 15,884 |
| Hotel 1 | 3" | 5,088 | 12.0 | \$ 45,050 | 16.0 | \$ 55,040 | 8.9 | \$ 55,168 |
| Hotel 1 Irrigation | 1" | 2,874 | 6.8 | \$ 25,447 | 2.5 | \$ 8,600 | 10.9 | \$ 67,496 |
| Hotel 2 | 6" | 6,433 | 15.1 | \$ 56,959 | 50.0 | \$ 172,000 | 9.5 | \$ 59,139 |
| Hotel 2 Irrigation | 1-1/2" | 3,164 | 7.4 | \$ 28,014 | 5.0 | \$ 17,200 | 6.8 | \$ 42,211 |

gpd = gallons per day

gpm = gallons per minute

MCE = meter capacity equivalent



Sample Charges

| Customer | Meter Size | Units | Scenario A: Usage Based ERUs | | Scenario B: Meter Capacity Equivalents | | | Scenario C: Maximum Day GPM | |
|--------------------|------------|-------|------------------------------|------------------|--|------------------|---------------------------|-------------------------------|------------------|
| | | | # WERCs (0.3 WERC/unit) | Resulting Charge | MCE Ratio | Resulting Charge | Multifamily Charge Option | Estimated Max Daily use (gpm) | Resulting Charge |
| Apartments 1 | 1-1/2" | 88 | 26.4 | \$ 99,343 | 5.0 | \$ 17,200 | \$ 90,816 | 24.9 | \$ 154,847 |
| Apartments 2 | 1-1/2" | 36 | 10.8 | \$ 40,640 | 5.0 | \$ 17,200 | \$ 37,152 | 11.8 | \$ 73,352 |
| Apartments 3 | 5/8" | 8 | 2.4 | \$ 9,031 | 1.0 | \$ 3,440 | \$ 8,256 | 1.9 | \$ 12,121 |
| Mobile Home Park 1 | 1-1/2" | 54 | 16.2 | \$ 60,961 | 5.0 | \$ 17,200 | \$ 55,728 | 18.4 | \$ 114,514 |

gpd = gallons per day

gpm = gallons per minute

MCE = meter capacity equivalent



Phase-In Strategies

◆ Alternative 1: Begin implementation 7/1/15, 3-year phase-in

| Meter Size | Year 1 7/1/2015 | Year 2 7/1/2016 | Year 3 7/1/2017 | Year 4 7/1/2018 | Year 5 7/1/2019 | Year 6 7/1/2020 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Customers up through 1" meters: | | | | | | |
| 5/8-inch | \$ 1,449 | \$ 2,113 | \$ 3,440 | \$ 3,543 | \$ 3,650 | \$ 3,759 |
| 1-inch | \$ 3,169 | \$ 4,980 | \$ 8,600 | \$ 8,858 | \$ 9,124 | \$ 9,397 |
| Multifamily per unit [b]: | \$ 495 | \$ 674 | \$ 1,032 | \$ 1,063 | \$ 1,095 | \$ 1,128 |
| Customers 1 1/2" meters or larger: | | | | | | |
| Charge per maximum day GPM [c] | \$ 2,073 | \$ 4,146 | \$ 6,219 | \$ 6,406 | \$ 6,598 | \$ 6,796 |
| | | | inflation factor: | 3.0% | 3.0% | 3.0% |

[a] AWWA meter capacity equivalent ratios

[b] Alternative multifamily option: 30% of 5/8" meter charge per unit

[c] Estimated water use in maximum day gallons per minute

◆ Alternative 2: Implement 7/1/15, no phase-in

| Meter Size | Year 1 7/1/2015 | Year 2 7/1/2016 | Year 3 7/1/2017 | Year 4 7/1/2018 | Year 5 7/1/2019 | Year 6 7/1/2020 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Customers up through 1" meters: | | | | | | |
| 5/8-inch | \$ 3,440 | \$ 3,543 | \$ 3,650 | \$ 3,759 | \$ 3,872 | \$ 3,988 |
| 1-inch | \$ 8,600 | \$ 8,858 | \$ 9,124 | \$ 9,397 | \$ 9,679 | \$ 9,970 |
| Multifamily per unit [b]: | \$ 1,032 | \$ 1,063 | \$ 1,095 | \$ 1,128 | \$ 1,162 | \$ 1,196 |
| Customers 1 1/2" meters or larger: | | | | | | |
| Charge per maximum day GPM [c] | \$ 6,219 | \$ 6,406 | \$ 6,598 | \$ 6,796 | \$ 7,000 | \$ 7,210 |
| | | | inflation factor: | 3.0% | 3.0% | 3.0% |

[a] AWWA meter capacity equivalent ratios

[b] Alternative multifamily option: 30% of 5/8" meter charge per unit

[c] Estimated water use in maximum day gallons per minute

Sewer Utility



Usage Based ERUs (Revised SERC)

- ◆ **1.0 SERC per residential, quasi-residential, or senior discount unit**
- ◆ **0.75 SERC per duplex unit**
- ◆ **0.65 SERC per multifamily unit**
- ◆ **All other classes based on assumed flow equal to 200 gallons per day
(calculated from the FY 2013/14 customer statistics)**

SERC = Sewer Equivalent Residential Customer



Phase-In Strategies

◆ **Alternative 1: Begin implementation 7/1/15, 3-year phase-in**

| Customer Class | Year 1 7/1/2015 | Year 2 7/1/2016 | Year 3 7/1/2017 | Year 4 7/1/2018 | Year 5 7/1/2019 | Year 6 7/1/2020 |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Single Family Residence | \$ 1,882 | \$ 3,187 | \$ 4,493 | \$ 4,627 | \$ 4,766 | \$ 4,909 |
| Duplex (each living unit) | 1,508 | 2,439 | 3,370 | 3,471 | 3,575 | 3,682 |
| Apartment (each living unit) | 1,166 | 2,043 | 2,920 | 3,008 | 3,098 | 3,191 |
| Mobile Home Individual lot | 1,882 | 3,187 | 4,493 | 4,627 | 4,766 | 4,909 |
| Mobile Home Park (each pad) | 1,166 | 2,043 | 2,920 | 3,008 | 3,098 | 3,191 |
| All others, per SERC | 1,882 | 3,187 | 4,493 | 4,627 | 4,766 | 4,909 |
| inflation factor: | | | | 3.0% | 3.0% | 3.0% |

◆ **Alternative 2: Implement 7/1/15, no phase-in**

| Customer Class | Year 1 7/1/2015 | Year 2 7/1/2016 | Year 3 7/1/2017 | Year 4 7/1/2018 | Year 5 7/1/2019 | Year 6 7/1/2020 |
|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Single Family Residence | \$ 4,493 | \$ 4,627 | \$ 4,766 | \$ 4,909 | \$ 5,057 | \$ 5,208 |
| Duplex (each living unit) | 3,370 | 3,471 | 3,575 | 3,682 | 3,792 | 3,906 |
| Apartment (each living unit) | 2,920 | 3,008 | 3,098 | 3,191 | 3,287 | 3,385 |
| Mobile Home Individual lot | 4,493 | 4,627 | 4,766 | 4,909 | 5,057 | 5,208 |
| Mobile Home Park (each pad) | 2,920 | 3,008 | 3,098 | 3,191 | 3,287 | 3,385 |
| All others, per SERC | 4,493 | 4,627 | 4,766 | 4,909 | 5,057 | 5,208 |
| inflation factor: | | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |

Note: If phase-in start date shifts later in FY 2015/16, revenues collected would be slightly lower than shown

Contact FCS GROUP:
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www.fcsgroup.com



CARSON CITY UTILITY FINANCIAL OVERSIGHT COMMITTEE
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A regular meeting of the Carson City Utility Financial Oversight Committee was scheduled for 1:00 p.m. on Wednesday, February 18, 2015 in the Community Center Sierra Room, 851 East William Street, Carson City, Nevada.

PRESENT: Chairperson Andrea Engleman
Vice Chair Michael Bennett
Member Randy Bowling
Member Bruce Scott
Member Mike Spell

STAFF: Darren Schulz, Public Works Department Director
Nick Providenti, Finance Department Director
David Bruketta, Utility Manager
Daniel Rotter, Engineering Manager
Sheri Russell, Accounting Manager
Joseph Ward, Deputy District Attorney
Kathleen King, Chief Deputy Clerk

NOTE: A recording of these proceedings, the committee's agenda materials, and any written comments or documentation provided to the Clerk, during the meeting, are part of the public record. These materials are available for review, in the Clerk's Office, during regular business hours.

1 - 2. CALL TO ORDER AND ROLL CALL (12:59:50) - Chairperson Engleman called the meeting to order at 12:59 p.m. Roll was called; a quorum was present. Chairperson Engleman introduced Member Spell and, at her request, he provided background information on his residence in Carson City and his experience as an auditor. Also at Chairperson Engleman's request, staff introduced themselves for the record.

3. PUBLIC COMMENT (1:01:50) - Chairperson Engleman entertained public comment; however, none was forthcoming.

4. POSSIBLE ACTION ON ADOPTION OF AGENDA (1:02:15) - Chairperson Engleman entertained a motion to adopt the agenda. **Member Bennett so moved. Member Scott seconded the motion.** Chairperson Engleman called for a vote on the pending motion. **Motion carried 5-0.**

5. POSSIBLE ACTION ON APPROVAL OF MINUTES - June 3, 2014 (1:02:32) - **Member Scott moved to approve the minutes, as presented. Member Bowling seconded the motion. Motion carried 3-0-2, Members Bennett and Spell abstaining.**

6. POSSIBLE ACTION TO ELECT A COMMITTEE CHAIR AND VICE CHAIR (1:03:40) - Chairperson Engleman introduced this item and, in the absence of a District Attorney's Office representative, requested Mr. Bruketta to handle this item. Mr. Bruketta entertained nominations for chairperson. **Member Scott nominated Ande Engleman for chairperson. Member Bennett seconded the nomination.** Mr. Bruketta called for a vote on the pending nomination. **Nomination carried 5-0.** Chairperson-elect Engleman entertained nominations for vice chair. **Member Bennett nominated Member Scott,** who expressed appreciation, respectfully declined, and suggested one of the other two

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committee members due to his “active involvement in other things.” **Member Bowling nominated Member Bennett as vice chair. Member Spell seconded the nomination.** Chairperson Engleman called for a vote on the pending nomination. **Nomination carried 5-0.** Chairperson-elect Engleman entertained public comment; however, none was forthcoming.

7. REVIEW AND DISCUSSION OF THE COMMITTEE'S RESOLUTION AND FINANCIAL POLICIES (1:06:57) - Chairperson Engleman introduced this item. Mr. Bruketta reviewed the agenda materials in conjunction with displayed slides, and responded to questions of clarification. Chairperson Engleman entertained public comment; however, none was forthcoming.

8. REVIEW AND DISCUSSION OF DOMESTIC WATER SUPPLEMENTATION FOR CALENDAR YEAR 2014 WITH POSSIBLE ACTION TO PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS (1:14:22) - Mr. Bruketta introduced this item and reviewed the agenda materials. He and Mr. Schulz responded to questions of clarification, and discussion ensued. In response to a further question, Chairperson Engleman and Member Scott provided historic information on effluent disposal processes in the community.

Chairperson Engleman entertained public comment. (1:28:02) Mark Turner provided additional background information on the effluent disposal requirements and processes. He responded to corresponding questions of clarification.

Chairperson Engleman entertained additional committee member questions or comments. Member Bowling recalled discussion from the last meeting that “the approval to utilize potable water to supplement was approved for that specific year and the discussion ... and the determination was that specific question would be addressed on its own merits in the upcoming year, which is where we are now.” In reference to earlier comments, Member Bowling did not recall “the discussion going to who was going to be charged, whether it was going to be the water fund or the users” He agreed with Member Scott's comments, “It's up to others besides us to determine who, if any, would pay for that.”

Chairperson Engleman suggested postponing action until the next meeting, and entertained a motion. **Member Scott moved to postpone action until the next meeting at which the more detailed budget will be presented. Member Spell seconded the motion.** Chairperson Engleman entertained discussion on the motion and, when none was forthcoming, called for a vote.

| | |
|-----------------|--|
| RESULT: | Approved [5 - 0] |
| MOVER: | Member Bruce Scott |
| SECOND: | Member Mike Spell |
| AYES: | Members Scott, Spell, Bowling, Vice Chair Bennett, Chair Engleman |
| NAYS: | None |
| ABSENT: | None |
| ABSTAIN: | None |

Chairperson Engleman recessed the meeting at 1:35 p.m., and reconvened at 1:47 p.m.

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9. REVIEW OF A PRESENTATION FROM FCS GROUP REGARDING CONNECTION FEES FOR WATER AND SEWER UTILITIES WITH POSSIBLE ACTION TO PROVIDE RECOMMENDATIONS TO THE BOARD OF SUPERVISORS (1:47:45) - Chairperson Engleman introduced this item, noting that the consultants had not yet arrived. She entertained public comment. (1:48:19) Builders Alliance CEO Aaron West discussed concerns about “the imposition of some pretty substantial fees ... over the course of what could be a very long term when we're really creating some short-term impacts that aren't being realized.” Chairperson Engleman read into the record email correspondence from Thomas R. Metcalf, a copy of which had been provided for the record.

(1:53:57) Mark Turner inquired as to the purpose of the water and sewer connection fees. “If I am providing the infrastructure as we continue to develop our property, ... why am I charged to connect to what I've paid to put into the ground?” In reference to Mr. West's and Mr. Metcalf's comments, Mr. Turner expressed the belief, “We're doing quite well in Carson City, for the first time, ... in attracting industry and new residents to this town.” He described the situation as “the second inning of a nine-inning ball game of being able to diversify our economic portfolio in Carson City in a manner that is extremely necessary and at a time and place when it's extremely necessary.” He agreed with earlier comments that “we do have a competitive advantage here ... for industrial and commercial users ... to look at the jurisdictions that are available to them, Lyon County, Douglas County, Reno / Sparks, their decision to locate is heavily dependent on economics.” He expressed opposition to taking “that recruitment tool away from Carson City at this point. We're not there. We're not ready. We have become an item on people's radar but people have not planted the stake here yet.” He expressed the opinion that the connection fees do not generate sufficient revenue “to justify the sacrifice of the recruiting tool.” He requested the committee to carefully consider that “the value of the subscriber far exceeds the connection fee. Having a long-term payer into the ... Carson City Water and Sewer System is far more valuable than a one-time connection fee. ... the developers are bringing subscribers, rate payers and tax payers, in and these are inducements to the development community to get people to land here.” He responded to questions of clarification.

Mr. Bruketta introduced FCS Group Project Consultant Krista Shirley, who narrated the PowerPoint presentation which was included in the agenda materials and displayed in the meeting room. Ms. Shirley, Mr. Schulz, and Mr. Rotter responded to questions of clarification, and extensive discussion ensued. FCS Group Principal Karyn Johnson provided clarification of the difference between connection charges and impact fees.

Chairperson Engleman entertained public comment. (2:40:08) Builders Alliance CEO Aaron West expressed a willingness to pay a fee “necessary ... for these facilities to keep up with the projected growth ...” He suggested considering “the potential impacts to the system over the next five to ten years and ... the existing capacity ... in those systems.” In response to a question, he suggested considering a “number that we can get our brain around from a numbers perspective and ... something that we can phase in ...”

(2:44:40) Mark Turner suggested giving consideration to postponing implementation until such time as “it appears to us that we may begin to start to need them.” He pointed out the lack of affordable housing construction in Carson City, and agreed with considering a phased approach to implementing the connection fees.

Chairperson Engleman entertained additional public comment and, when none was forthcoming, additional committee member discussion. In response to a question, Mr. Bruketta reviewed the recommendation to

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implement the connection fees in a phased approach. He explained the purpose for connection fees, and discussion took place regarding the phased implementation recommendation. In response to a comment, Mr. Schulz reviewed requested direction from the committee.

Member Scott expressed confidence in the FCS Group recommendations, and discussed the importance of having "a road map for everybody. You can't plan projects a year or two ahead if you don't know what your costs are going to be." He expressed support for "a fairly extended but defined ... time table for looking at these connection fee adjustments." He acknowledged the value of new customers, and suggested "some other, ... lesser adjustment but recognition that ..., at this point, the rate payers on the monthly bill are subsidizing the connection fees that aren't being paid."

Chairperson Engleman entertained additional public comment. (2:55:58) Builders Alliance Board of Directors Member Jeff Kale discussed utility bill increases relative to proposed connection fee increases. He further discussed the effect to potential commercial businesses and consumer residential. Ms. Shirley responded to questions of clarification regarding equivalent residential charge figures from the PowerPoint presentation. Mr. Schulz responded to questions of clarification regarding meter sizes relative to estimated use, and discussion followed.

(3:06:02) Builders Alliance CEO Aaron West expressed appreciation for the discussion relative to phasing implementation. He discussed concern that "there's no financial support for the number that was provided for the sewer side." In response to a comment, Mr. Bruketta explained "there's an element of existing capacity and, any time that we don't bring in those full rates to support that, when that ... existing capacity needs repair and rehabilitation, there's a cost associated with that. And these existing charges, which are well-founded in the science, ... will help in the future costs of repair and rehabilitation of the existing plant." Following discussion, Ms. Johnson reiterated the explanation to differentiate between connection fees and impact fees.

Following additional discussion, Chairperson Engleman entertained a motion. **Vice Chairperson Bennett moved to accept option 1, the hybrid approach, with an implementation period over five years starting one year after the Board of Supervisors accepts, with one-fifth of that total increase taking place each year until a total connection charge of \$3,763 is reached. Member Scott seconded with clarification that connection is based on the water equivalent residential charge. Vice Chairperson Bennett so amended his motion.** Chairperson Engleman entertained discussion on the motion. At Mr. Providenti's request, Mr. Bruketta suggested starting on July 1, 2016, the start of the new fiscal year. Mr. Rotter pointed out a necessary correction to the connection charge figure. **Vice Chairperson Bennett further amended his motion to indicate the start date of July 1, 2016 and the connection fee figure of \$3,440. Member Scott continued his second.** Chairperson Engleman entertained additional discussion and, when none was forthcoming, called for a vote on the pending motion.

| | |
|-----------------|--|
| RESULT: | Approved [5 - 0] |
| MOVER: | Vice Chair Michael Bennett |
| SECOND: | Member Bruce Scott |
| AYES: | Vice Chair Bennett, Members Scott, Spell, Bowling, Chair Engleman |
| NAYS: | None |
| ABSENT: | None |
| ABSTAIN: | None |

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Chairperson Engleman entertained a motion relative to sewer connection charges. Following a brief discussion, **Member Scott moved to recommend to the Board of Supervisors the implementation of a change in the sewer connection fees, based on the table, moving to a proposed charge of \$4,493 per connection for single family residents or equivalent over a five year period, beginning with the implementation on July 1, 2016, and that we acknowledge the recalculation of the standard equivalent residential charge from 250 gallons per day to 200 gallons per day. Vice Chairperson Bennett seconded the motion.** Chairperson Engleman entertained discussion on the motion and, when none was forthcoming, called for a vote.

| | |
|-----------------|---|
| RESULT: | Approved [5 - 0] |
| MOVER: | Member Bruce Scott |
| SECOND: | Vice Chairperson Michael Bennett |
| AYES: | Member Scott, Vice Chair Bennett, Members Spell, Bowling, Chair Engleman |
| NAYS: | None |
| ABSENT: | None |
| ABSTAIN: | None |

Member Scott expressed appreciation for the citizens' participation. Chairperson Engleman entertained additional public comment; however, none was forthcoming.

10. FUTURE AGENDA ITEMS (3:39:48) - Discussion took place regarding the tentative agenda for the March 2015 committee meeting. Chairperson Engleman entertained requests for future agenda items; however, none were forthcoming. (3:40:40) In response to a question, Mr. Bruketta advised of the next meeting date and time.

11. PUBLIC COMMENT (3:40:27) - Chairperson Engleman entertained public comment; however, none was forthcoming.

12. ACTION TO ADJOURN (3:41:20) - Member Bowling moved to adjourn the meeting at 3:41 p.m. Member Scott seconded the motion. Motion carried 5-0.

The Minutes of the February 18, 2015 Carson City Utility Financial Oversight Committee are so approved this 24th day of March, 2015.

ANDREA ENGLEMAN, Chair