



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** December 3, 2020

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Discussion and possible action regarding the adoption, on second reading, of Bill No. 115, a proposed ordinance amending Title 12 of the Carson City Municipal Code ("CCMC") to revise various provisions relating to water, wastewater and storm water utility rates, and to revise provisions relating to the Utility Ratepayer Assistance Program. (Darren Schulz, DSchulz@Carson.org; Andy Hummel, AHummel@Carson.org, and Eddy Quaglieri, EQuaglieri@Carson.org)

Staff Summary: This will be the second reading of a proposed ordinance which, if adopted, will increase the water service charge by 3.0% on January 1, 2021, July 1, 2021, July 1, 2022, July 1, 2023, and July 1, 2024; increase the wastewater service charge by 3.5% on January 1, 2021, July 1, 2021, July 1, 2022, July 1, 2023, and July 1, 2024; restructure storm water rates and increase the storm water service charges on January 1, 2021, January 1, 2022, January 1, 2023, and January 1, 2024; remove water and wastewater connection fees and water, wastewater and storm water user charges from CCMC Title 12 and create a "Rate Schedule"; establish provisions authorizing up to \$10,000 annually in funding from each of the utility funds to the Utility Ratepayer Assistance Program; and make other conforming changes.

Agenda Action: Ordinance - Second Reading **Time Requested:** 15 minutes

Proposed Motion

I move to adopt, on second reading, Bill No. 115, Ordinance No. 2020-_____.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

On February 7, 2019, the Board of Supervisors approved a contract with Farr West Engineering to do a refresh update of the water, wastewater, and storm water rates.

On January 13, 2020, the Utility Finance Oversight Committee (UFOC) was presented with the results and recommendations of the water and wastewater study. The UFOC recommended proceeding to the Board of Supervisors with the results and recommendations.

On March 5, 2020, the Board of Supervisors was presented with the results and recommendations of the study. The Board approved proceeding with the process to implement a 5-year water and wastewater user rate increase to support water and wastewater fund expenses.

On May 20, 2020, the UFOC was presented with the results and recommendations of the storm water study. The UFOC recommended proceeding to the Board of Supervisors with the results and recommendations.

SUMMARY: An ordinance revising various provisions relating to water, wastewater and storm water utility rates.

BILL NO. 115

ORDINANCE No. 2020-____

AN ORDINANCE RELATING TO UTILITIES; AMENDING TITLE 12 OF THE CARSON CITY MUNICIPAL CODE TO REVISE VARIOUS PROVISIONS ESTABLISHING WATER CONNECTION CHARGES AND USE RATES, SEWER CONNECTION CHARGES AND USE RATES AND STORM WATER SERVICE CHARGES; REVISING PROVISIONS RELATING TO THE UTILITY RATEPAYER ASSISTANCE PROGRAM; ESTABLISHING PROVISIONS FOR THE CALCULATION OF REAL PROPERTY AREAS FOR STORM WATER SERVICE CHARGES; ESTABLISHING PROVISIONS FOR ADJUSTMENTS TO STORM WATER SERVICE CHARGES; ESTABLISHING PROVISIONS FOR CREDITS TO STORM WATER SERVICE CHARGES; REVISING PROVISIONS ESTABLISHING A RATE POLICY FOR STORM WATER SERVICE CHARGES; REVISING PROVISIONS GOVERNING PROTESTS TO RATES AND CHARGES; AND PROVIDING OTHER MATTERS PROPERLY RELATED THERETO.

The Board of Supervisors of Carson City do ordain:

SECTION I:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.01 (WATER CONNECTION CHARGES AND USE RATES) is hereby amended by adding thereto a new section (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

12.01.015 – Schedule of rates.

The water rates charged to a customer who receives water service, or the fees charged to any person who uses a service provided by the city and which is described by this chapter, must be calculated in accordance with this chapter and in the manner established by the “Carson City Public Works Utility Rate Schedule” or “Rate Schedule,” as may be amended, which is hereby adopted and incorporated by reference. A copy of the Rate Schedule is available, without charge, from the Department at 3505 Butti Way, Carson City, Nevada 89701, and on the Internet website of the city at <https://www.carson.org/government/departments-g-z/public-works/utility-billing-water-sewer>.

SECTION II:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.01 (WATER CONNECTION CHARGES AND USE RATES), Section 12.01.020 (SCHEDULE OF RATES) is hereby amended (**bold, underlined text** is added, ~~[stricken]~~ text is deleted) as follows:

12.01.020 – ~~[Schedule of rates.]~~ Basis of water rates; water rates.

1. ~~[The schedule of rates for the water facilities and service furnished by the Carson City water system, which rates are based upon]~~ **Rates for services furnished by the city water system must be based on** the costs of financing, constructing, operating, maintaining, repairing and replacing the ~~[system, are set forth in subsection 2 of this section.]~~ **water system.**

2. The monthly rate for water service to a customer with single-family residential service, multifamily residential service, commercial service, industrial/manufacturing service or large commercial service must be computed by adding together:

(a) A base rate, based on the size of the water meter that delivers water to the customer or based on the number of dwelling units for the customer receiving multifamily residential water service, as provided in section 2.0(A) of the Rate Schedule; and

(b) A commodity rate based on a charge per 1,000 gallons that the customer uses in a billing period according to the customer's service classification, as provided in section 2.0(B) of the Rate Schedule.

3. Except as otherwise provided in this section, a customer who is allowed to receive water truck service by obtaining water from a hydrant or a standpipe must obtain a metering device from the Department and must be charged a rate that is computed by adding together:

(a) A monthly rate, as provided in section 2.0(C) of the Rate Schedule; and

(b) A commodity rate based on a charge per 1,000 gallons that the customer uses in a billing period, as provided in section 2.0(C) of the Rate Schedule.

4. Except as otherwise provided in this section, a customer who requests fire flow information must be charged the rate for fire flow testing, as provided in section 2.0(D) of the Rate Schedule.

5. Except as otherwise provided in this section, a customer who requests, or is required to obtain, a waterline hot tap performed by an employee of the city must be charged the rate provided in section 2.0(E) of the Rate Schedule.

6. Subsections 3, 4 and 5 do not apply to any department of the city.

~~[~~ 2. The monthly rate for each service shall be computed as follows, unless otherwise required by this chapter:

Applicability: Applicable to water service to commercial and residential customers as defined in this chapter.

MONTHLY BASE CHARGE

Effective October 1, 2013, and July 1 of each year thereafter through 2017, the following monthly minimum charges by meter size will apply to single family residential, commercial, industrial/manufacturing, and large commercial customers. Multifamily customers are charged on a per unit basis.

Meter Size	Effective 10/1/13	Effective 7/1/14	Effective 7/1/15	Effective 7/1/16	Effective 7/1/17
5/8"	\$21.29	\$22.68	\$24.15	\$25.72	\$27.39
1"	32.40	34.51	36.75	39.14	41.68
1½"	48.37	51.51	54.86	58.43	62.22
2"	60.17	64.09	68.25	72.69	77.41
3"	87.95	93.66	99.75	106.24	113.14
4"	115.72	123.24	131.25	139.78	148.87
6"	171.27	182.40	194.25	206.88	220.33
10"	425.85	453.53	483.01	514.41	547.84
Includes:	4,000 gallons	3,000 gallons	2,000 gallons	1,000 gallons	0 gallons
Multifamily (per unit)	\$7.54	\$8.03	\$8.55	\$9.11	\$9.70

MONTHLY COMMODITY CHARGE

A. *Single family residential:*

	Effective 10/1/13		Effective 7/1/14		Effective 7/1/15		Effective 7/1/16		Effective 7/1/17	
Volume Charge per 1,000 gallons	0—4	—	0—3	—	0—2	—	0—1	—		
	5—5	\$1.05	4—5	\$1.26	3—5	\$1.44	2—5	\$1.61	0—5	\$1.76
	6—30	\$2.36	6—30	\$2.57	6—30	\$2.75	6—30	\$2.92	6—30	\$3.07
	Over 30	\$4.20	Over 30	\$4.41	Over 30	\$4.59	Over 30	\$4.76	Over 30	\$4.91

~~B. Multifamily residential:~~

	Effective 10/1/13		Effective 7/1/14		Effective 7/1/15		Effective 7/1/16		Effective 7/1/17
Volume Charge per 1,000 gallons	0—4	—	0—3	—	0—2	—	0—1	—	\$1.99
	5—19	\$0.91	4—19	\$1.20	3—19	\$1.48	2—19	\$1.74	
	20— 49	\$1.77	20— 49	\$1.85	20— 49	\$1.91	20— 49	\$1.96	
	Over 49	\$3.05	Over 49	\$2.81	Over 49	\$2.55	Over 49	\$2.28	

~~C. Commercial:~~

	Effective 10/1/13		Effective 7/1/14		Effective 7/1/15		Effective 7/1/16		Effective 7/1/17
Volume Charge per 1,000 gallons	0—4	—	0—3	—	0—2	—	0—1	—	\$3.53
	5—19	\$2.39	4—19	\$2.71	3—19	\$3.01	2—19	\$3.28	
	20— 49	\$2.79	20— 49	\$3.00	20— 49	\$3.19	20— 49	\$3.37	
	Over 49	\$4.05	Over 49	\$3.94	Over 49	\$3.82	Over 49	\$3.69	

~~D. Industrial/manufacturing:~~

	Effective 10/1/13	Effective 7/1/14	Effective 7/1/15	Effective 7/1/16	Effective 7/1/17
Volume Charge per 1,000 gallons	\$3.85	\$3.82	\$3.78	\$3.74	\$3.71

~~E. Large Commercial:~~

	Effective 10/1/13	Effective 7/1/14	Effective 7/1/15	Effective 7/1/16	Effective 7/1/17
Volume Charge per 1,000 gallons	\$3.85	\$3.82	\$3.78	\$3.74	\$3.71

~~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 \$27.30 (eff. 10/01/11) 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:	\$79.80
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WATERLINE HOT TAP FEES

Applicability: Applicable to water maintenance hot tap services for the tapping of water mains ranging in size from 4 inches to 12 inches.

<u>Waterline hot tap fees shall be:</u>	
<u>Each hot tap, including tap machine, one hour of work and related equipment</u>	<u>\$724.50</u>
<u>Man hours Additional:</u>	
<u>2 Man crew — per hour</u>	<u>\$105.00</u>
<u>Standby — 2 Man crew — Per hour</u>	<u>\$105.00</u>
<u>Equipment hours Additional:</u>	
<u>Per piece of equipment</u>	<u>\$27.30</u>
<u>Mileage, round trip, to service out-of-city customers — Per mile</u>	<u>The charge will be based on the IRS standard mileage rate for business miles driven</u>
<u>Return trip — Minimum fee per trip (not including mileage and equipment)</u>	<u>\$210.00</u>

SECTION III:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.01 (WATER CONNECTION CHARGES AND USE RATES), Section 12.01.030 (SCHEDULE OF WATER CONNECTION CHARGES, LATERAL AND METER BOX SETS, AND METER SET FEES) is hereby amended (**bold, underlined text** is added, ~~[stricken]~~ text is deleted) as follows:

12.01.030 – [Schedule of water connection charges, lateral and meter box sets, and meter set fees.]
Water connection charges; lateral and meter box sets; meter set fees; private fire protection service exemption.

1. A person who makes a connection to the city water system must pay:

(a) Except as otherwise provided in this section, for a connection to the city water system using a water meter less than 1 1/2 inch, a connection fee based on the size of the water meter that delivers water to the customer, as provided in section 2.0(F) of the Rate Schedule.

(b) Except as otherwise provided in this section, for a connection to the city water system using a water meter 1 1/2 inch or larger, a connection fee calculated by multiplying the person's estimated maximum daily water use in gallons per minute or "GPM," as determined by the director, against the per GPM charge, as provided in section 2.0(F) of the Rate Schedule.

(c) Except as otherwise provided in this section, for a connection to a multifamily residential service or for a development with a residential master metered building intended to receive multifamily residential service, a connection fee calculated by multiplying the number of dwelling units in the master metered building by the per unit fee, as provided in section 2.0(F) of the Rate Schedule.

2. The connection charges required by subsection 1 do not apply to the installation of private fire protection service if no other service is provided from, and no other connections are made to, the water line providing the private fire protection service.

3. Except as otherwise provided in this chapter, any fee required to be paid by a person for connection to the city water system must be remitted in full before a building permit for construction may be issued.

4. A person may obtain services for the installation of a service lateral, meter box set or water meter for the purpose of connecting to the city water system by:

(a) Requesting such services from the city; or

(b) Retaining such services from a person qualified and duly licensed in the State of Nevada and the city to perform the services.

5. If a person requests that the city install a service lateral to:

(a) One customer, the person must pay a fee based on the diameter of the service lateral, as provided in section 2.0(G)(1) of the Rate Schedule.

(b) Two customers using a dual pit setter connected to an adjacent and acceptable main waterline by a 1-inch water line, the person must pay the fee provided in section 2.0(G)(2) of the Rate Schedule, and must also pay the additional fee provided in section 2.0(G)(2) of the Rate Schedule for each 5/8 inch water meter installed in the dual pit setter.

6. Installation of a service lateral pursuant to subsection 5 will include all piping, connectors, trenching, backfill and resurfacing necessary to install the service lateral and to make a 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 appropriate service lateral, or a

dual pit setter if requested, and furnish and install a radio frequency water meter of the size ordered by the person requesting the service, or two water meters if requested for a dual pit setter.

7. If a person elects to have a person other than a city employee install a service lateral to connect to the city water system, the city will not provide any services related to the progress or completion of the service lateral other than the furnishing and installing of a required water meter upon the request of the person. The customer must pay the applicable meter and meter set fee for the furnishing and installing of the required water meter by the city, as provided in section 2.0(G)(3) of the Rate Schedule.

8. Any connection to the city water system made by a person other than a city employee must be performed at the standard of care and by using the materials required by the most recent Carson City Code of Standard Specifications for Public Works Construction, which can be obtained free of charge upon request from the Carson City Community Development Department or from the city Internet website at: <https://www.carson.org/government/departments-a-f/community-development/development-engineering-division/details-for-public-works-construction>.

9. The applicable meter and meter set fees described in this section apply towards one onsite visit by a city employee for the purpose of setting a meter. If one or more additional onsite visits are required as the result of a failure by a customer to complete all requirements of the permit for installation of the water service, the customer will be assessed a fee for each additional onsite visit, as provided in section 2.0(G)(4) of the Rate Schedule. The fee for an additional onsite visit may be waived by the director if the customer provides sufficient proof of an extenuating circumstance excusing the failure of the customer.

10. Except as otherwise provided in this chapter, any fee required to be paid by a person for service provided by the city to install a service lateral, meter box set or water meter must be remitted in full before the city will perform the service.

~~1. The water connection charges are as follows:~~

Meter Size	Effective 7/1/2016	Effective 7/1/2017	Effective 7/1/2018	Effective 7/1/2019	Effective 7/1/2020
Meters up to 1":					
5/8"	\$1,051.00	\$1,648.00	\$2,246.00	\$2,843.00	\$3,440.00
1"	\$2,083.00	\$3,712.00	\$5,342.00	\$6,971.00	\$8,600.00
Meters 1½" or larger:					
—Charge per maximum day					
—GPM:	\$1,244.00	\$2,488.00	\$3,731.00	\$4,975.00	\$6,219.00
Multifamily					

—Multifamily per unit:	\$388.00	\$549.00	\$710.00	\$871.00	\$1,032.00
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On 7/1/2021, the connection charges will be increased annually based on the Engineering News Record's Construction Cost, with a cap of three percent (3%) per year.

All developments, other than multifamily residential, will be charged based on meter size. Multifamily residential developments will be charged based on the number of proposed units. Customers using meters 1½" or larger will be charged based on an estimated maximum day water use in gallons per minute which will be determined by the Public Works Director or his or her designee, based on water usage information provided to the City through the completion and submittal of water usage information data or from previously supplied data generated by the review of similar uses 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.

~~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 "	\$1,522.50
1"	\$1,785.00
1½"	\$2,835.00
2"	\$3,675.00
3"	\$5,880.00
4"	\$9,754.45
6"	\$14,280.00

~~CITY INSTALLED DUAL PIT SETTER~~

Applicability: The city will install water service to supply 2 separate customers through a dual pit setter connected to an adjacent and acceptable main waterline by a 1-inch service lateral. This

service will include all connectors, trenching, backfill and resurfacing necessary to accomplish the installation to supply the 2 adjoining customers, parcels or developments. The fee for this installation is \$1,627.50. Each 5/8 inch water meter furnished and installed in the dual pit setter will cost an additional \$409.50.

CUSTOMER INSTALLED SERVICE

Applicability: All connections to the city water system by persons other than city will be performed by persons properly licensed by the State of Nevada and Carson City to accomplish the type of work contemplated, and all work performed and all materials placed will be in accordance with the Carson City Code of Standard Specifications for Public Works Construction. Prior to placement of a customer installed service, the applicable meter and meter set fee under the following schedule must be remitted. Under this fee schedule, no other work will be performed and no materials other than the prescribed water meter if requested by the customer, will be furnished by Carson City.

Meter Size	Contractor Installed Service
5/8"	\$409.50
1"	\$493.50
1½"	\$661.50
2"	\$819.00
3"	\$2,341.50
4"	\$3,990.00
6"	\$7,350.00

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 \$85.00; \$89.25 (eff. 10/01/11) 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.]

SECTION IV:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.03 (SEWER CONNECTION CHARGES AND USE RATES) is hereby amended by adding thereto a new section (**bold, underlined text** is added, ~~{stricken}~~ text is deleted) as follows:

12.03.015 – Schedule of rates.

The rates charged to a customer for the use of the city sanitary sewer system, and the fees charged to any person who uses a service provided by the city and which is described by this chapter, must be calculated in accordance with this chapter and in the manner established by the “Carson City Public Works Utility Rate Schedule” or “Rate Schedule,” as may be amended, which is hereby adopted and incorporated by reference. A copy of the Rate Schedule is available, without charge, from the Department at 3505 Butti Way, Carson City, Nevada 89701, and on the Internet website of the city at <https://www.carson.org/government/departments-g-z/public-works/utility-billing-water-sewer>.

SECTION V:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.03 (SEWER CONNECTION CHARGES AND USE RATES) is hereby amended by adding thereto a new section (**bold, underlined text** is added, ~~{stricken}~~ text is deleted) as follows:

12.03.018 – Commercial service categorizations.

1. The director, in his or her sole discretion, must categorize all commercial service as high strength commercial service or low strength commercial service when service to a customer with commercial service begins.

2. A customer with mixed-use commercial service must be charged for high strength commercial service unless the director determines that the portion of the mixed-use commercial service qualifying as high strength commercial service is a negligible portion of the wastewater generated by the customer.

3. The director shall reassess the categorization of commercial service provided to a customer if there is any change in an existing building permit that has been issued or a new building permit is issued to the customer with commercial service.

4. A customer may protest the categorization of commercial service pursuant to CCMC 12.03.060. A protest made under this subsection must include a measurement of BOD and TSS in the wastewater of the customer. A customer who files a protest must pay the cost of services for the measurement of BOD and TSS in the wastewater.

SECTION VI:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.03 (SEWER CONNECTION CHARGES AND USE RATES), Section 12.03.010 (DEFINITIONS) is hereby amended (**bold, underlined text** is added, ~~[stricken]~~ text is deleted) as follows:

12.03.010 – Definitions.

~~[For the purposes of this chapter, the following terms have the meanings ascribed to them in this section unless the context requires otherwise:]~~ **As used in this chapter, unless the context otherwise requires:**

1. “Biochemical oxygen ~~[demand” (BODs)]~~ **demand” or “BODs”** means the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in ~~[five (5)]~~ **5** days at ~~[twenty (20)]~~ **20** degrees centigrade, expressed in milligrams per liter.

2. “Building permit” means the written authorization issued by ~~[Carson City allowing]~~ **the city which authorizes** the initiation of construction of structures or the connection of any building, mobilehome structure or vehicle with the ~~[Carson City]~~ **city** sewer system.

3. ~~["Commercial, commercial enterprise"]~~ **“Commercial” or “commercial enterprise”** means any establishment or business operating for profit, whether or not a profit is in fact realized, except as modified by this section.

4. **“Commercial service” means service provided to a customer who is engaged in selling, warehousing or distributing a commodity in relation to a business activity or a profession, or in relation to an economic or social activity, including, without limitation, the operation of an office, store, club, motel, hotel, boardinghouse, church or septage hauler, or for a governmental activity or for services provided to a builder or developer during the construction phase of any structure, and for other purposes that are not within the scope of another classification of service. The term includes high strength commercial service and low strength commercial service.**

5. **“Connection charge” or “hook-up fee”** means the charge levied for pro rata share of the physical sewer system.

6. **“Department” means the Carson City Public Works Department.**

7. **“Director” means the director of the Department, or his or her designee.**

~~[5.]~~ 8. **“Fixture unit weight”** means the value ascribed to certain plumbing devices as defined by the current edition of the Uniform Plumbing Code as adopted by ~~[Carson City.]~~ **the city.**

~~[6. “Hook up fee.” See “connection charge.”]~~

~~[7. “Commercial service” means the service to customers engaged in selling, warehousing, or distributing a commodity, in some business activity, or in a profession, or in some form of economic or social activity (office, stores, clubs, motels, hotels, boardinghouses, churches, septage haulers, etc.) or for governmental activities or for service provided to a builder or developer during~~

the construction phase of any structure(s), and for the purposes that do not come under another classification of service. Mixed use structures including one or more commercial uses listed above will be charged according to the highest strength of the property.

— All commercial strength categorizations will be determined by the public works director. Any changes in the building permits will result in reassessment. Challenges to the determined strength will be at the customer's cost for measuring strength and pursuant to Section 12.03.060—
Protests to rates and charges.]

[— A.] **9. “High strength [commercial] commercial service” means the service provided to a septage hauler and a commercial customer whose wastewater has a BOD or TSS [with strength] greater than [three hundred] 300 milligrams per [liter (300 mg/l) BOD and SS, including septage haulers.] liter.**

[— B.] **10. “Low strength [commercial] commercial service” means the service provided to a commercial customer whose wastewater has a BOD or TSS [with strength not to] that does not exceed [three hundred] 300 milligrams per [liter (300 mg/l) for biochemical oxygen demand (BOD) and three hundred milligrams per liter for total suspended solids (TSS).] liter.**

11. “Mixed-use commercial service” means service to a customer with commercial service that generates multiple wastewater streams, some which are designated as high strength commercial service and others that are designated as low strength commercial service.

12. “Multifamily residential service” means service to a customer supplied for residential purposes in a master metered building with three or more dwelling units.

[8.] **13. “Quasi-residential” means a commercial enterprise which is basically residential in nature, such as a child care facility, but does not include motels, hotels or boardinghouses, etc.**

[9.] **14. “Residential [service:] Service” service” means service to a customer supplied for residential [purposes.] purposes, and includes single-family residential service and multifamily residential service.**

[— A.] **15. [Single-family residential service: Service] “Single-family residential service” means service to a customer in a single-family dwelling, duplex, mobile [home,] home or quasi-residential uses as defined above.**

[— B. Multifamily residential service: Service to a customer supplied for residential purposes in a master metered building with three or more dwelling units.]

[10.] **16. “Sewer equivalent residential [customer (SERC) is] customer” or “SERC” means the average daily sewer system contribution for a residential unit at a discharge of [two hundred (200)] 200 gallons per day.**

[11.] **17. “Total suspended [solids (TSS)] solids” or “TSS” means the insoluble solid matter suspended in water or wastewater.**

[12.] **18. “Total SERCs” [is a] means the value calculated by dividing the average daily sewer system contribution by the SERC quantity of [two hundred (200)] 200 gallons per day.**

SECTION VII:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.03 (SEWER CONNECTION CHARGES AND USE RATES), Section 12.03.020 (SCHEDULE OF RATES) is hereby amended (**bold, underlined text** is added, ~~[stricken]~~ text is deleted) as follows:

12.03.020 – ~~[Schedule of rates]~~ Rates.

1. The monthly rate for use of the city sanitary sewer system for single-family residential service must be a flat rate, as provided in section 3.0(A) of the Rate Schedule.

2. The monthly rate for use of the city sanitary sewer system for multifamily residential service must be a flat rate multiplied by the number of dwelling units in the master metered building, as provided in section 3.0(A) of the Rate Schedule.

3. The monthly rate for use of the city sanitary sewer system for commercial service must be computed by adding together:

(a) A base rate in accordance with the service classification of the customer, as provided in section 3.0(A) of the Rate Schedule; and

(b) A commodity rate based on a charge per 1,000 gallons of wastewater of the customer in a billing period in accordance with the service classification of the customer, as provided in section 3.0(A) of the Rate Schedule.

~~[1. The following schedule of rates for the sanitary sewer facilities and services furnished by or through, or for the use of, the Carson City sanitary sewer system, which rates are found and declared to be reasonable and just, taking into account and consideration the cost and value of the system and cost of maintaining and operating the system, and the proper and necessary allowances for the depreciation thereof and the amount necessary for the retirement of all bonds and other securities payable from revenues of the system, the accruing interest on all such securities, and reserves therefore are fixed, established, levied, imposed and otherwise prescribed in subsection (2) of this section.~~

~~—— 2. Effective [October 1, 2013,] **January 1, 2021,** and July 1 of each year thereafter through [2017,] **2024,** the monthly rate for each property shall be computed as detailed in Schedule A of this section, unless otherwise required by this chapter.~~

Schedule A

<u>Customer Class</u>	<u>Effective</u> 10/1/13	<u>Effective</u> 7/1/14	<u>Effective</u> 7/1/15	<u>Effective</u> 7/1/16	<u>Effective</u> 7/1/17
<u>Flat Rates (per unit)</u>					
<u>Single Family Residential</u>	\$26.61	\$29.68	\$33.01	\$36.61	\$40.45

<u>Multifamily Residential</u>	\$15.15	\$17.53	\$20.29	\$23.48	\$27.18
<u>Metered Rates</u>					
<u>Low-Strength Commercial</u>					
<u>Base Charge</u>	\$14.75	\$21.17	\$27.60	\$34.03	\$40.45
<u>Volume Charge (per 1,000 gallons)</u>	\$3.92	\$4.41	\$5.03	\$5.82	\$6.78
<u>High-Strength Commercial</u>					
<u>Base Charge</u>	\$14.75	\$21.17	\$27.60	\$34.03	\$40.45
<u>Volume Charge (per 1,000 gallons)</u>	\$5.26	\$6.44	\$7.91	\$9.73	\$11.98

SECTION VIII:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.03 (SEWER CONNECTION CHARGES AND USE RATES), Section 12.03.030 (SCHEDULE OF SEWER CONNECTION AND HOOK-UP CHARGES) is hereby amended (**bold, underlined text** added, ~~stricken~~ text is deleted) as follows:

12.03.030 – ~~[Schedule of sewer]~~ **Sewer** connection and hook-up ~~[charges]~~ **charges.**

1. Sewer connection charges must be based on the SERC of an existing structure or proposed development, as provided in section 3.0(B)(1) of the Rate Schedule. If a structure or development is not identified in that provision of the Rate Schedule, the total SERC of the structure or proposed development must be calculated by the city engineer, or his or her designee, based on water usage information provided to the city or based on a review of similar or like structures or developments. After the SERC is determined, the sewer connection charge must be calculated by multiplying the SERC value by the charge per SERC, as provided in section 3.0(B)(2) of the Rate Schedule.

~~[1. The sewer connection charges shall be as follows:~~

	SERC
Single-family residence	1.0
Duplex (each living unit)	0.75

Apartment (each living unit)	0.65
Mobile home— Individual lot	1.0
Mobile park— (Each pad)	0.65

For the purpose of determining sewer connection charges, the sewer equivalent residential customer value, or portion thereof, shall be based on the schedule below per one (1) SERC.

	Effective 7/1/2016	Effective 7/1/2017	Effective 7/1/2018	Effective 7/1/2019	Effective 7/1/2020
Charge per SERC:	\$1,360	\$2,143	\$2,926	\$3,710	\$4,493

On 7/1/2021, the connection charges will be increased annually based on the Engineering News Record's Construction Cost, with a cap of three percent (3%) per year.

For all other sewer connections not specified above, the connection charge will be based on the "total SERCs" of the proposed development. (Example: One thousand (1,000) gallons per day divided by two hundred (200) gallons per day per SERC equals five (5) SERCs; five (5) SERCs times one thousand three hundred sixty dollars (\$1,360.00) from 7/1/16 through 6/30/17 equals six thousand eight hundred dollars (\$6,800.00). The City Engineer or his designee will assign a total SERC 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. If a physical connection to the city system is required, ~~[then the total hook-up fee shall]~~ **the sewer connection charge must** be collected ~~[prior to issuance of any]~~ **before a** building permit for ~~[construction.]~~ **construction may be issued.**

3. The board may, by resolution, establish conditions for specific geographical areas ~~[conditions]~~ for the waiver of the sewer connection fee created by this section where public health would be benefitted thereby. If an application for a waiver meets the requirements set forth in the resolution, the waiver may be approved by the ~~[director of the department.]~~ **director.**

SECTION IV:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.035 (UTILITY RATEPAYER ASSISTANCE PROGRAM), Section 12.35.040 (ACCOUNT FOR RATEPAYER ASSISTANCE) is hereby amended (**bold, underlined text** is added, ~~[stricken]~~ text is deleted) as follows:

12.035.040 - Account for ratepayer assistance.

1. There is hereby created the account for ratepayer assistance within the grant fund, which must be used only for the purpose set forth in this chapter.

2. The account ~~{must}~~ **may** be funded by charitable ~~{contributions.}~~ **or non-charitable donations, grants, contributions from the water, wastewater or stormwater utility funds, or any other source of funding to the extent authorized by law. Any manner of funding by the city, other than the funding required by subsection 4, must be approved by the board.**

3. To facilitate ~~{such contributions.}~~ **donations, grants or contributions,** the director or his or her designee must include on each city utility account invoice that is issued to a residential ratepayer a statement that a monetary donation of any denomination may be made in addition to the utility payment that is regularly due for purposes of funding the account. The statement:

(a) Must be clear and conspicuous and specifically indicate that any donation amount may be made together with the utility payment for credit to the account, or separately in person by remitting payment directly to the Carson City Treasurer; and

(b) May include suggested donation amounts.

4. Except as otherwise provided in this subsection, the director shall, on April 1 of each year, direct or cause to be directed an amount of contributions to be made into the account from the water, wastewater or stormwater utility funds to increase the balance of the account to a total of \$30,000, if the balance is below that amount. Contributions from each utility fund must not exceed \$10,000 and may only be made if the balance of the utility fund from which the contribution is made meets the financial goal for minimum operating reserves, as adopted by the city. If the account has a balance that does not require the maximum contribution from each utility fund at the time the director is required to direct or cause to be directed an amount of contributions to be made, the director may, in his or her discretion, direct or cause to be directed contributions to the account from each utility fund in different amounts, as deemed reasonable by the director.

~~{3.}~~ **5.** All ~~{donation}~~ amounts received must be remitted to the account by the Carson City Treasurer in accordance with regular accounting procedures.

~~{4.}~~ **6.** All money from the account must be withdrawn on a first-come, first-served basis for residential ratepayers whose applications for assistance have been approved in accordance with the provisions of this chapter. Each month, the Carson City Treasurer shall credit any remaining money in the account to the applicable city utility account invoices in ascending order of priority based on the report required to be provided by the third-party administrator pursuant to CCMC ~~{Section}~~ 12.035.080.

~~{5.}~~ **7.** ~~{The account must not be supplemented by any other fund of the city.}~~ The interest earned on the money in the account, if any, must be credited to the account after deducting any applicable charges.

~~{6.}~~ **8.** The creation of the account shall not be construed to create a continuing obligation of the city to provide residential ratepayer assistance, and does not establish any right or entitlement of a residential ratepayer to any money from the account.

SECTION X:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.17 (STORM WATER SERVICE CHARGES), is hereby amended by adding thereto a new section (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

12.17.022 – Schedule of rates.

The storm water service charge that is charged to the owner of a property must be calculated in accordance with this chapter and in the manner established by the “Carson City Public Works Utility Rate Schedule” or “Rate Schedule,” as may be amended, which is hereby adopted and incorporated by reference. A copy of the Rate Schedule is available, without charge, from the Department at 3505 Butti Way, Carson City, Nevada 89701, and on the Internet website of the city at <https://www.carson.org/government/departments-g-z/public-works/utility-billing-water-sewer>.

SECTION XI:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.17 (STORM WATER SERVICE CHARGES), is hereby amended by adding thereto a new section (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

12.17.025 – Calculation of area.

1. The square footage of a residence on a single-family property must be based on the records of the Carson City Assessor that establish the square footage of the structures on the property, if any.

2. The impervious area of a multi-family, commercial, manufacturing or public property must be calculated by determining the acreage of the impervious surfaces visible on the property using the Carson City Geographic Information System database.

SECTION XII:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.17 (STORM WATER SERVICE CHARGES), is hereby amended by adding thereto a new section (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

12.17.032 – Adjustments.

1. The owner of contiguous developed single-family, multi-family, commercial, manufacturing or public properties upon which a service charge has been levied may file a protest in accordance with CCMC 12.17.060 to request that the properties be deemed as a single property for billing purposes.

2. The owner of a developed property upon which a service charge has been levied and is primarily used as a single-family residence under the provisions of Title 18 of CCMC, but is deemed a multi-family, commercial, manufacturing or public property by the provisions of this chapter, may file a protest in accordance with CCMC 12.17.060 to request that the property be deemed as a single-family property for billing purposes.

3. In addition to the requirements set forth in CCMC 12.17.060, a protest that is filed in accordance with this section must:

(a) Cite to subsection 1 or subsection 2 as the provision under which the protest is submitted;

(b) Identify the property to which the protest relates; and

(c) Provide sufficient documentation acceptable to the director verifying the ownership or use of the property to which the protest relates.

4. If a protest that is filed pursuant to subsection 1 is granted by the director, the square footage of all structures on contiguous single-family properties, or the impervious area for all other properties, must be added together for the purpose of calculating the monthly stormwater rate required by this chapter.

5. If a protest that is filed pursuant to subsection 2 is granted by the director, the property must be deemed as a single-family residential property for the purpose of calculating the service charge required by this chapter.

SECTION XIII:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.17 (STORM WATER SERVICE CHARGES), is hereby amended by adding thereto a new section (**bold, underlined text** is added, [~~stricken~~] text is deleted) as follows:

12.17.037 – Credits.

1. The owner of a developed multi-family, commercial, manufacturing or public property upon which a service charge has been levied may file a protest in accordance with CCMC 12.17.060 to obtain a billing credit if:

(a) The property contains an on-site stormwater conveyance or detention facility;
and

(b) The account of the owner is in good standing with the city.

2. In addition to the requirements set forth in CCMC 12.17.060, a protest that is filed in accordance with this section must include a report, on a form prescribed by the Department, which documents any inspection, maintenance, repair or change of an on-site stormwater conveyance or detention facility.

3. If a protest that is filed pursuant to this section is granted by the director, the account of the owner must be credited an amount that is equal to the service charge for one month that would have otherwise been levied upon the property as required by this chapter.

4. A protest that is made pursuant to this section may only be filed once annually.

SECTION XIV:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), 12.17 (STORM WATER SERVICE CHARGES), Section 12.17.010 (DEFINITIONS) is hereby amended (**bold, underlined text** is added, ~~stricken~~ text is deleted) as follows:

12.17.010 - Definitions.

As used in this chapter, unless the context requires otherwise, the words and terms defined in this section have the meanings ascribed to them as follows:

1. "Commercial Property" means any developed real property that is located on a particular parcel, the majority of which is zoned within a use district designated as Residential Office, General Office, Neighborhood Business, Retail Commercial, General Commercial, Tourist ~~Commercial or~~ **Commercial**, Downtown Mixed-Use, **Agricultural or Conservation Reserve**, as those districts are described in title 18 of CCMC.

2. "Customer" means any person or property that is or will be served by or does or will benefit from a utility's acquisition, management, maintenance, extension, and improvement of the stormwater management programs, systems, and facilities and regulation of public and private stormwater systems, facilities, and activities related thereto.

3. "Department" means the Carson City Public Works Department.

~~3.~~ **4.** "Developed" means a condition of real property that has been altered from its natural state by the addition to or construction on such property other manmade physical improvements such that the hydrology of the property or portion thereof is affected.

~~4.~~ **5.** "Director" means the ~~Director of the Carson City Public Works Department.~~ **director of the Department, or his or her designee.**

6. "Impervious area" means the acreage of impervious surfaces on a property.

7. "Impervious surface" means a surface that prevents the infiltration of water into the ground, including, without limitation, roofs, patios, paved parking areas, paved driveway areas, private streets and private sidewalks.

~~5.~~ **8.** "Manufacturing Property" means any developed real property that is located on a particular parcel, the majority of which is zoned within a use district designated as Limited

Industrial, General [Industrial] **Industrial, General Industrial Airport** or Airport Industrial Park, as those districts are described in Title 18 of CCMC.

~~{6.-}~~ **9.** “Multi-Family Property” means any developed real property that is located on a particular parcel, the majority of which is zoned within a use district designated as Multi-Family Duplex, Mobile Home Park or Multi-Family Apartments, as those districts are described in Title 18 of CCMC.

~~{7.-}~~ **10.** “Public Property” means any developed real property that is **located on a particular parcel, the majority of which is zoned within a use district designated as** ~~{zoned the use district described as Public}~~ **Public, Public Neighborhood, Public Community or Public Regional, as those districts are described** in Title 18 of CCMC. **The term does not include property occupied by the city.**

~~{8.-}~~ **11.** “Service charge” means the monthly rate for storm water service levied by ~~{Carson City}~~ **the city** upon all developed real property located within the boundaries of ~~{Carson City}~~ **the city** as authorized by ~~{Section 12.17.050}~~ this chapter.

~~{9.-}~~ **12.** “Single-Family Property” means any developed real property that is located on a particular parcel, the majority of which is zoned Single-Family—5 Acre, Single-Family—2 Acre, **Single-Family—1 Acre, Single-Family—21,000 square feet**, Single-Family—12,000 square feet, Single-Family—6,000 square feet, **Mobilehome—6,000 square feet, Mobilehome—12,000 square feet or Mobilehome—1 Acre**, as those districts are described in Title 18 of CCMC.

~~{10.-}~~ **13.** “System” means the entire system of storm drainage facilities owned by ~~{Carson City}~~ **the city** or over which ~~{Carson City}~~ **the city** has control or right of use for the movement and retention of storm and surface waters, including both naturally occurring and manmade facilities.

~~{11.-}~~ **14.** “Undeveloped” means a condition of real property that is unaltered by the construction or addition to such property by man of impervious ground cover or physical manmade improvements of any kind which change the hydrology of the property from its natural state.

SECTION XV:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.17 (STORM WATER SERVICE CHARGES), Section 12.17.020 (RATE POLICY) is hereby amended (**bold, underlined text** is added, ~~{stricken}~~ text is deleted) as follows:

12.17.020 – Rate Policy.

It is hereby declared to be the policy of Carson City that the rate structure to be applied in establishing the amount of service charges assessed against each parcel of developed real property located within the boundaries of Carson City must be based ~~{on the use district for which the majority of each such parcel of property is zoned, as those districts are defined by Title 18 of CCMC.}~~ **on:**

1. For a single-family property, the square footage of any structure located on the property; and

2. For a multi-family, commercial, manufacturing or public property, the impervious area of the property.

SECTION XVI:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.17 (STORM WATER SERVICE CHARGES), Section 12.17.035 (EXEMPTIONS) is hereby amended (**bold, underlined text** is added, ~~stricken~~ text is deleted) as follows:

12.17.035 - Exemptions.

1. Except as otherwise provided in this chapter, ~~[a permanent exemption will]~~ **an exemption may** not be ~~[granted pursuant to the taxable or nontaxable status or other economic status of any owner of developed real property.]~~ **granted.**

2. An exemption may be granted pursuant to an agreement between ~~[Carson City]~~ **the city** and ~~[another party]~~ **an owner of a developed real property upon which a service charge or other fee has been levied** if the agreement requires the ~~[other party]~~ **owner** to assume responsibilities for the performance of both on-site and off-site management relating to storm water quantity and quality, including, without limitation, the acquisition, design, construction, operation and maintenance of programs and facilities and the implementation of measures that equal or exceed the measures of the system which is operated by ~~[Carson City.]~~ **the city.**

~~[2.]~~ **3.** ~~[An exemption that is granted pursuant to subsection 1]~~ **may be rescinded at any time by Carson City,** **The city may rescind a granted exemption at any time,** and an agreement entered into for the purpose of granting any such exemption must include a provision that expressly reserves this rescission authority.

~~[3.]~~ **4.** As used in this section, “exemption” means the exclusion of any real property from the levying by ~~[Carson City]~~ **the city** of a service charge or any other fee otherwise required by this chapter, or the removal of any such service charge or fee.

SECTION XVII:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.17 (STORM WATER SERVICE CHARGES), Section 12.17.040 (SERVICE CHARGE RATES) is hereby amended (**bold, underlined text** is added, ~~stricken~~ text is deleted) as follows:

12.17.040 - Service charge rates.

The ~~{Carson City Public Works}~~ Department shall levy upon and collect a service charge from all developed real property located within the boundaries of ~~{Carson City in accordance with the following schedule of rates:}~~ **the city, as provided in section 4.0(A) of the Rate Schedule.**

{Zoning Classification of Real Property}	Monthly Rate
Single Family Property	\$5.69
Multi Family Property	\$29.33
Public Property	\$32.03
Manufacturing Property	\$38.19
Commercial Property	\$40.96

SECTION XVIII:

That Title 12 (WATER, SEWERAGE AND DRAINAGE), Chapter 12.17 (STORM WATER SERVICE CHARGES), Section 12.17.060 (PROTESTS TO RATES AND CHARGES) is hereby amended (**bold, underlined text** is added, ~~{stricken}~~ text is deleted) as follows:

12.17.060 – ~~{Protests to rates and charges.}~~ Protests.

1. ~~{If the}~~ **The** owner of any developed real property upon which a service charge or other fee has been levied may ~~{disputes}~~ **file a protest to:**

(a) ~~{the}~~ Dispute a charge or ~~{fee,}~~ fee;

(b) Dispute a calculated impervious area or a calculated square footage;

(c) Seek an adjustment or credit; or

(d) Dispute any other determination made under this chapter.

2. ~~{he or she may file a written protest with the Director. The protest must include a statement clearly explaining the reasons for the protest}~~ **A protest must:**

(a) Be made in writing on a form prescribed by the Department;

(b) Clearly identify the applicable provisions of CCMC upon which the protest is made;

(c) Clearly identify the property owner and the property to which the protest relates;
and

(d) Include any additional information or documentation necessary to support the protest.

3. A protest:

(a) ~~{and}~~ May be ~~{submitted to the Director}~~ filed after an owner becomes aware of a dispute; and

(b) Must be filed not later than ~~[15]~~ **21** days after the date ~~[on which the owner of the property received]~~ **of** the billing statement ~~[indicating the]~~ **containing the disputed** charge or ~~[fee.]~~ **fee, or a charge or fee based on a disputed area or other determination.** ~~[For purposes of this subsection, a billing statement shall be deemed to have been received by the owner of a property three days after the date on which the billing statement is mailed by prepaid United States mail to the owner at the most recent address of record with the Carson City Public Works Department.]~~

~~[2.]~~ **4.** ~~[If a protest is submitted pursuant to subsection 1., the Director must consider the protest and, not later than 15]~~ **The director shall, not later than 14** days after the date on which ~~[the]~~ a protest ~~[was submitted,]~~ **is received,** issue to the owner **who submitted the protest** ~~[of the real property]~~ a written ~~[response that includes a]~~ determination ~~[regarding the accuracy of the disputed service charge or other fee and whether]~~ **granting or denying the protest and a statement of** any corrections or modifications **that** will be made.

~~[3.]~~ **5.** If the owner ~~[of the developed real property]~~ who submitted ~~[a]~~ **the** protest ~~[pursuant to subsection 1.]~~ disagrees with ~~[the determination made by the Director pursuant to subsection 2.,]~~ **a determination of the director,** the owner may appeal the determination to the board. An appeal ~~[that is made pursuant to this section must be filed with the Director]~~ **to the board may be filed by submitting a notice of appeal to the director** not later than ~~[10]~~ **14** days after the date on which the ~~[Director]~~ **director** issues his or her written response. ~~[pursuant to subsection 2.]~~

~~[4.]~~ **6.** The board shall fix a time and place for a hearing ~~[upon receipt of an appeal that is filed pursuant to subsection 3.]~~ **on an appeal that is made pursuant to subsection 5.** The hearing must take place not later than ~~[30]~~ **45** days after the date on which the appeal is ~~[filed,]~~ **received,** and written notice ~~[thereof]~~ **of the hearing** must be provided to the owner ~~[of the property who filed the appeal]~~ not less than ~~[10 calendar]~~ **7** days before the hearing.

~~[5.]~~ **7.** At the ~~[time fixed for]~~ hearing, the board may **take action to affirm,** remove or adjust any disputed ~~[charge or fee]~~ **charge, fee, calculation of area, adjustment, exemption, credit or other determination made under this chapter.** ~~[chapter, if the board is satisfied with the reasons and basis of the protest. Any action of the board must be entered into the minutes of the hearing.]~~

~~[6.]~~ **8.** For the purposes of this ~~[section,]~~ **chapter,** the delinquency of a service charge or any other **delinquency or collection fee or penalty** is tolled upon the filing of a written protest and does not **accrue or** run until ~~[such time]~~ **14 days** after the process set forth in this section ~~[has been]~~ **is** exhausted. ~~[Not less than 15 days after the date on which a hearing is held pursuant to subsection 5., any late penalty authorized by this chapter may accrue and attach to a delinquent charge or fee.]~~

SECTION XIX:

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

SECTION XX:

This ordinance shall be in force and effect from and after the first day of the month of January of the year 2021.

PROPOSED on _____, 2020.

PROPOSED by Supervisor _____.

PASSED on _____, 2020.

VOTE: AYES: SUPERVISORS: _____

 NAYS: SUPERVISORS: _____

 ABSENT: SUPERVISORS: _____

BRAD BONKOWSKI
Acting Mayor / Mayor Pro Tempore

ATTEST:

AUBREY ROWLATT
Carson City Clerk-Recorder

On August 6, 2020, the Board of Supervisors was presented with the results and recommendations of the storm water study. The Board approved proceeding with the process to implement a revised rate structure and 4-year storm water user rate increase to support storm water fund expenses.

On September 24, 2020, certified mailers were sent to the Carson City Area Chamber of Commerce and the Nevada Builders Alliance.

Background/Issues & Analysis

Water and Wastewater:

Carson City undertook a comprehensive rate study in 2013 for the water and wastewater utilities which resulted in significant changes to the rate structures, customer class allocations and a 5-year rate increase program. This previous rate increase program concluded with final increases occurring July 1, 2017.

In 2019, Farr West Engineering conducted an update study, which includes reviewing and analyzing current rate and customer class data, operational and maintenance costs, projected Capital Improvement Plan (CIP) expenditures, projected rate of increases for the various cost and growth categories, and current policy objectives to update the City's current rate model and provide rate recommendations for the upcoming 5-year period. Farr West Engineering recommended increasing water rates by 3% per year, and increasing wastewater rates by 3.5% per year, beginning in Fiscal Year (FY) 2021 and continuing through FY 2025. The Board of Supervisors previously directed staff to proceed with the recommended rate increases, and to remove the rates from the CCMC and place them in a Rate Schedule that is more easily found and understood by the public.

Storm water:

Storm water rates are currently applied against each parcel of developed real property based on the zoning classification of the property. In 2017, an initial increase of 30 percent was implemented, with direction given to perform a study to review the rate structure and program needs. Farr West Engineering conducted a study to review and analyze current rate and customer class data, operational and maintenance costs, projected CIP expenditures, projected rate of increases for the various rate structure methodologies proposed, and current policy objectives to update the City's current rate structure.

The current storm water rates generate approximately \$1.8 million in annual revenue to support minimal operating and maintenance, debt service, and minimal capital improvements. An additional revenue need of \$1.4 million was identified to support operating and maintenance and capital improvements city-wide. Several alternative rate structures were developed by Farr West Engineering to address inequities in the current rate structure, each with different administrative and rate impacts. These rate structures were reviewed and evaluated by the UFOC through an interactive process.

The rate structures evaluated included maintaining the current structure and raising the rates; modifying the existing rate structure by adding parcel size categories; setting a custom rate for each parcel based on impervious area of the parcel; and establishing grouped impervious area rates into which parcels would be placed.

The UFOC recommended the following:

1. Implement a new rate structure based on grouped impervious area of parcels
2. Phase in the new storm water rates over a 4-year period
3. Implement a storm water credit system to provide a credit for submitting an inspection report of a customer's on-site storm water facilities
4. Index storm water rates to the CPI beginning July 1, 2024 after phase-in
5. Provide up to \$10,000 of funding annually to the Utility Rate Payer Assistance Program

6. Conduct rate refreshes every 5 years to ensure rates are meeting the operating and capital needs of the storm water utility

The Ordinance:

On March 5 and August 6, 2020, respectively, the Board of Supervisors directed staff to proceed with the water and wastewater rate changes, and the storm water rate and rate structure change. On November 5, 2020, the Board of Supervisors directed that the rate changes include a tiered residential storm water rate based on the the square footage of the residence, and that the rates be moved into the Rate Schedule so that the rates are easier to access and understand. This proposed ordinance and the Rate Schedule in the accompanying agenda item are the culmination of the water, wastewater, and storm water studies and rate adjustment process.

This proposed ordinance:

- increases the water service charge by 3.0% on January 1, 2021, July 1, 2021, July 1, 2022, July 1, 2023, and July 1, 2024;
- increases the wastewater service charge by 3.5% on January 1, 2021, July 1, 2021, July 1, 2022, July 1, 2023, and July 1, 2024;
- Restructures storm water rates and increases the storm water service charges on January 1, 2021, January 1, 2022, January 1, 2023, and January 1, 2024;
- Removes water and wastewater connection fees and water, wastewater and storm water user charges from CCMC Title 12 and creates the Rate Schedule;
- Establishes provisions providing up to \$10,000 annually in funding from each of the utility funds to the Utility Ratepayer Assistance Program; and
- makes non-substantive changes to provide technical, grammatical and structural corrections for clarity.

If adopted, this ordinance and the Rate Schedule will implement changes to the water, wastewater, and storm water rates starting in January 2021.

Applicable Statute, Code, Policy, Rule or Regulation

NRS Chapter 244; Article 2 of the Carson City Charter; Title 12 of the Carson City Municipal Code.

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Water Fund - Charges for Services Revenue / 5208580

Wastewater Fund - Charges for Services Revenue / 5108080

Stormwater Fund - Charges for Services Revenue / 5057580

Is it currently budgeted? No

Explanation of Fiscal Impact: The Schedule of Rates would increase water charges by 3.0% and wastewater by 3.5% on January 1, 2021, July 1, 2021, July 1, 2022, July 1, 2023, and July 1, 2024. Once phased in, water revenue is estimated to be increased by \$2,629,019 annually and wastewater revenue is estimated to be increased by \$2,861,279 annually. The restructuring and increase of storm water rates is estimated to increase annual funding by \$1,345,365 once fully implemented.

Alternatives

Do not adopt the ordinance as proposed and provide other direction to staff.

Attachments:

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)