



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** March 16, 2023

Staff Contact: Darren Schulz, Public Works Director

Agenda Title: For Possible Action: Discussion and possible action regarding a resolution (1) waiving residential sewer connection fees and related permit and inspection fees for all properties that connect to newly extended sewer main lines within a specified period of time in a designated area of southeast Carson City (“Area”); (2) requiring recorded notice that municipal sewer connection is available for Area properties; and (3) establishing a maximum period of time for Area properties to connect to municipal sewer. (Andy Hummel, AHummel@carson.org; Randall Rice, RRice@carson.org).

Staff Summary: Carson City Municipal Code (“CCMC”) 12.03.030(3) authorizes the Board of Supervisors (“Board”) to set conditions, by resolution, for waiving sewer connection fees for specific areas when a waiver would benefit public health. The proposed resolution waives up to one Sewer Equivalent Residential Customer value in sewer connection fees for Area properties as well as related permit and inspection fees. This waiver is proposed to be available for a limited period of time (“Incentive Period”), commencing after the City provides property owners notice that sewer main has been extended and connection at their property is available (“Notice of Availability”). The proposed resolution allows the Board to set the Incentive Period’s duration, and also (1) notes existing law providing that septic permits are invalid, and generally cannot be re-issued or modified, after municipal sewer service is available; (2) provides for recorded notice concerning the resolution; and (3) establishes a policy to compel connection if not done within a time period to be established by the Board.

Agenda Action: Resolution **Time Requested:** 20 Minutes

Proposed Motion

I move to adopt Resolution No. 2023-R- _____, with an Incentive Period of _____ months and requiring connection to be made no later than _____ months after Notice of Availability.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

November 2004 - The Board approved Resolution No. 2004-R-36 waiving residential sewer connection fees and mandating sewer connection for all properties within the designated areas of New Empire and Southeast Carson City due to contamination of groundwater.

June 1997 – The Board approved Resolution No. 1995-R-31 providing for the waiver of sewer connection fees in the mandatory sewer connection areas.

April 1995 – The Board approved an ordinance amending CCMC 12.03.030 to provide for the waiver of sewer connection fees under certain conditions.

April 1995 – The Board approved an ordinance amending CCMC chapter 12.05 to provide procedures for septic permit application, design, inspections and feed, as well as establishing conditions under which owners of septic systems must connect to the municipal sewer system.

March 1994 – The Board approved a resolution waiving residential sewer connection fees and mandating sewer connection for all properties within the designated areas of New Empire and Southeast Carson City due to contamination of groundwater.

March 1994 – The Board approved an ordinance amending CCMC 12.03.030 to provide for the waiver of sewer connection fees under certain conditions.

March 1994 – The Board approved an action to direct utilities staff regarding proposed ordinance changes involving septic system design and criteria, septic abatement and connection policy regarding high density septic systems.

Background/Issues & Analysis

The use of high-density individual septic disposal systems (ISDS), in southeast Carson City has resulted in nitrate levels exceeding federal drinking water standards. A mitigation program was developed to construct City sewer throughout the affected areas and to require properties to abandon their septic systems and connect to City sewer. The program comprises 12 phases with 9 of the 12 phases completed to date (Phases 1 through 8 and 11).

An updated study was completed in Spring of 2022 by Farr West Engineering (“FWE”) which confirmed continued nitrate contamination in groundwater in southeast Carson City. The study included a review of alternatives for mitigating groundwater contamination through removal of individual septic disposal systems. To better define the alternatives, FWE combined phases 9 and 10 and then subdivided the combined area into four zones: Zones A, B, C and D.

The Public Works Department is proposing to design Zones A and B concurrently, and it anticipates having funding to construct Zone A while identifying funding sources to construct Zone B in the future.

A public meeting was held on November 14, 2022, to present the findings of the FWE study and obtain feedback on the process and the resolution. Feedback received was largely focused on the difficulty of connecting properties in phases 9 and 10, generally the area in the vicinity of Gentry Lane, due to steep and undulating topography. The 24-month Incentive Period for prior phases, as established in Resolution No. 1995-R-31 and 2004-R-36, was another concern, with several residents asking that the Incentive Period for the current phases be extended to allow more time to save or arrange for financing. There were also concerns raised about any mandatory connection requirement and how or if that would be enforced.

To address the concerns raised, the proposed resolution has been prepared for consideration. Previous resolutions/phases established a 24-month Incentive Period and a 36-month mandatory deadline for connection; a longer waiver time period may be considered and proposed by the Board. However, regardless of whatever Incentive Period and mandatory connection deadline the Board might impose, existing law (including CCMC 12.05.020) establishes that once municipal sewer service is available adjacent to a property, the permit to operate the septic system will no longer be valid and no new or amended permits to repair, replace or modify the septic system can be issued.

The proposed resolution also requires a recorded notice for Area properties with available sewer service, the date of the Notice of Availability and referencing the proposed resolution.

Approval of this resolution will help incentivize timely connection of private properties once the sewer extension projects are complete. This proposed resolution utilizes a similar approach to the previously approved resolutions waiving sewer connection and permitting fees.

Applicable Statute, Code, Policy, Rule or Regulation

NAC 444.784(5); CCMC 12.03.030(3) and 12.05.020

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Wastewater Fund / Residential Connection Fee – 5108082-475060
Wastewater Fund / Sewer Lateral Reimbursement – 5108080-466985

Is it currently budgeted? Yes

Explanation of Fiscal Impact: The current connection fee for an individual connection costs \$4,906.85 per household. There are 47 homes in Zone A which would eliminate roughly \$230,621.95 in revenue to 5108082-475060 using the fiscal year 2022 fee schedule; for the total 113 homes in Phases 9 and 10 roughly \$554,474.05 in revenue would be eliminated if connection fees were waived by the Board. Additionally, permit fees are collected to ensure quality construction is performed and funds inspections; there is a flat permitting fee of \$95 per lateral. Waiving fees for 47 homes would eliminate \$4,465 in revenue to 5108080-466985; for the total 113 homes in Phases 9 and 10 \$10,735 would be eliminated if permit fees were waived by the Board.

Future projects (Phase 12 or Zones B, C or D) may be constructed if additional funding is made available. Waiving of connection and permit fees is consistent with what was done previously on past phases.

Historically, connection fees are budgeted very low, as there is no guarantee on the number of connections fees collected from year to year.

Alternatives

Do not adopt the resolution and/or provide alternative direction.

Attachments:

[SE Sewer Connection Fee Resolution_DRAFT_DLS_RR_at \(Clean\)_at \(Clean\).docx](#)

[Prop Ex A - SE Carson Sewer Extension Phasing Plan.pdf](#)

Board Action Taken:

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

(Vote Recorded By)

RESOLUTION NO.: 2023-R-_____

A RESOLUTION WAIVING CERTAIN FEES FOR HOMEOWNERS THAT TIMELY CONNECT TO A NEW SEWER MAIN EXTENSION IN DESIGNATED AREAS WITHIN SOUTHEAST CARSON CITY DUE TO GROUNDWATER CONTAMINATION, REQUIRING RECORDED NOTICE OF AVAILABLE SEWER CONNECTION AND ESTABLISHING A MAXIMUM PERIOD OF TIME FOR CONNECTION.

WHEREAS, CCMC 12.03.030 provides that the Board of Supervisors ("Board") may, by resolution, establish the conditions to waive sewer connection fees in certain geographical areas for the good of the public health; and

WHEREAS, Carson City Resolution No. 1995-R-31 established one such area, then described as bounded by parcels adjacent to the south side of Clear Creek and Snyder Avenues to the south, eastside of Highway 395 to the west, south of Kingsley Lane to the north, and BLM property east of Gentry Lane (hereinafter "Southeast Carson City"); and

WHEREAS, Carson City Resolution No. 1995-R-31 also found that, according to studies by Carson City and State Agencies, Southeast Carson City was a threat to public health due to groundwater contamination resulting from the concentration of septic systems in that area and authorized a waiver of sewer connection fees for certain property owners connecting to municipal sewer within 24 months of such service becoming available; and

WHEREAS, Carson City Resolution No. 2004-R-36 similarly waived sewer connection fees for certain property owners in Southeast Carson City connecting to municipal sewer within 24 months of such service becoming available; and

WHEREAS, Carson City constructed municipal sewer main extensions in conjunction with Carson City Resolution Nos. 1995-R-31 and 2004-R-36, and developed a twelve-phase mitigation program to extend municipal sewer throughout Southeast Carson City; and

WHEREAS, a phasing plan map for municipal sewer main extensions in Southeast Carson City is attached to this Resolution as Exhibit A; and

WHEREAS, Carson City has already completed nine of the twelve phases planned for municipal sewer main extensions in Southeast Carson City; and

WHEREAS, studies completed by Carson City and Farr West Engineering continue to show groundwater contamination in Southeast Carson City in the form of elevated nitrate accumulation from the concentration of septic systems in that area; and

WHEREAS, that increased nitrate accumulation has resulted in the contamination of groundwater according to standards established by the Safe Drinking Water Act; and

WHEREAS, phases 9, 10, and 12 of the municipal sewer main extensions for Southeast Carson City ("Project Area") shown in Exhibit A are not yet complete; and

WHEREAS, Carson City intends to commence construction work to extend municipal sewer main within the Project Area (“Project”) soon; and

WHEREAS, NAC 444.784(5), CCMC 12.05.015, and CCMC 12.05.020 establish that septic permits are deemed temporary and, in the interest of public health, are invalidated once a municipal sewer main is extended and immediately adjacent to the septic permittee’s property; and

WHEREAS, in addition, a homeowner’s failure or refusal to connect to the City’s sewer system after a sewer main extension is constructed could cause the homeowner and the City to be in violation of State and Federal environmental regulations, constitutes a violation of the Carson City Municipal Code, and results in continued groundwater contamination; and

WHEREAS, at present, property owners connecting to Carson City’s sewer system must pay a connection fee based on the Sewer Equivalent Residential Customer (“SERC”) value, a permit fee and a lateral inspection fee, and these fees can collectively represent a significant expense that some property owners are unable or unwilling to pay, which impedes the City’s ability to address groundwater contamination; and

WHEREAS, portions of the Project Area (namely, within phases 9 and 10, the properties immediately adjacent to: Gentry Lane, between Snyder Avenue and Clearview Drive; Heidi Circle; and Ethel Way) are topographically constrained such that connecting to any newly-extended municipal sewer main will likely be more difficult, as compared to previously completed phases; and

WHEREAS, incentivizing homeowners in Southeast Carson City to abandon their septic systems and connect to the City’s sewer system is necessary to remediate nitrate contamination of the City’s groundwater, which is a resource relied upon by all residents of Carson City.

NOW, THEREFORE, the Board hereby resolves that:

(1) It is in the best interests of Carson City to continue addressing nitrate contamination in the Project Area through the Project, and by incentivizing property owners to timely abandon their septic systems and connect to Carson City’s sewer system.

(2) The Carson City Public Works Department will dispatch a notice to each property owner in the Project Area when municipal sewer service becomes available for each owner’s property (“Notice of Availability”).

(3) For any property owner in the Project Area that connects to Carson City’s sewer system within _____ months from dispatch of the Notice to Availability (“Incentive Period”), the Carson City Public Works Director is authorized by this Resolution, along with CCMC 12.03.030(3), to waive the following fees and costs:

(a) A maximum of one SERC value per parcel applied against the sewer connection fee imposed by CCMC 12.03.030(1), with SERC value established at the time of connection; and

(b) Any Carson City-imposed permit fees or inspections fees that are typically imposed on property owners constructing a sewer lateral on their property to connect to Carson City's sewer system.

(4) This Resolution is not intended, and shall not be construed, to give property owners in the Project Area a minimum of _____ months to abandon septic systems and connect to municipal sewer service. This Resolution establishes that Carson City will provide the financial incentives described above to property owners connecting within the Incentive Period. However, property owners may be required to connect to Carson City's municipal sewer system before the end of the Incentive Period. Irrespective of any connection incentives offered by Carson City, and consistent with CCMC 12.05.020 and 12.05.027, property owners in the Project Area are required to abandon septic systems and connect to the municipal sewer system once that service is available.

(5) Unless CCMC 12.05.020(2)(a) applies, after dispatch of the Notice of Availability for a parcel in the Project Area, no Carson City Office or Department will have authority to issue, authorize, amend, supplement or otherwise modify any permit for the use, repair, upgrade, replacement, alteration, relocation, extension, expansion or other modification of a septic system on that parcel.

(6) After a minimum of ninety days have elapsed from dispatch of the Notice of Availability, the City's Public Works Department, in consultation with the Carson City District Attorney's Office, shall record a notice with the Carson City Clerk-Recorder's Office on each parcel that, at a minimum, references this Resolution and establishes the date of dispatch for the parcel's Notice of Availability.

(7) Unless Carson City or some other State or Federal regulator requires connection sooner, and subject to CCMC 12.05.020(2)(a), it is in the best interests of Carson City to compel property owners to connect to the municipal sewer system by any lawful means no later than _____ months after the Notice of Availability is dispatched.

Upon motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted this ___th day of _____, 2023 by the following vote.

VOTE:

AYES:

NAYS:

ABSENT:

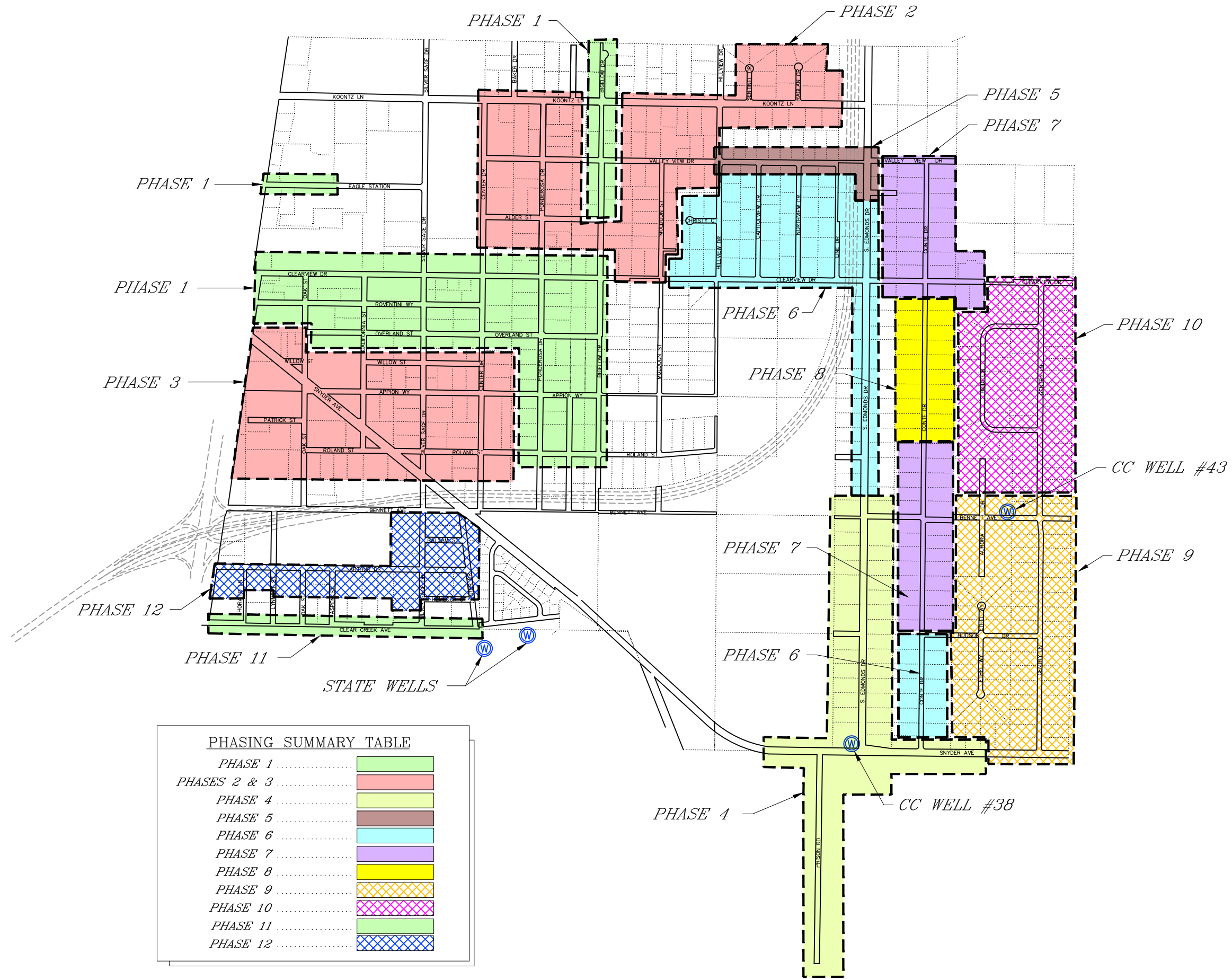
ABSTAIN: _____

Lori Bagwell
Mayor

ATTEST

WILLIAM SCOTT HOEN
Clerk-Recorder

I:\Projects\Carson Sewer Extension\mxd\sew_12\sew_12_phasing.dwg, 1/20/10



PHASING SUMMARY TABLE	
PHASE 1	
PHASES 2 & 3	
PHASE 4	
PHASE 5	
PHASE 6	
PHASE 7	
PHASE 8	
PHASE 9	
PHASE 10	
PHASE 11	
PHASE 12	

DESIGNED BY: DSA
 DRAWN BY: DGR
 CHECKED BY: DSA
 DWG NO.: SE-PHASE AREAS SEP10.DWG
 SCALE (HORIZ): NTS
 SCALE (VERT): NTS
 PLOT DATE: 1/20/10

CARSON CITY
PUBLIC WORKS DEPARTMENT
 3505 BUTTI WAY CARSON CITY, NEVADA 89701
 PH: 775-887-2355 FAX: 775-887-2112

REV.	DATE	DESCRIPTION	BY	APP'D

REV.	DATE	DESCRIPTION	BY	APP'D

S.E. CARSON SEWER EXTENSION
PHASING PLAN
SEPTEMBER 2021

EXHIBIT
1
 OF
