



# CARSON CITY NEVADA

## Consolidated Municipality and State Capital PUBLIC WORKS

On March 5, 2020, the Carson City Board of Supervisors initiated the process of increasing the user rates for Water and Wastewater services. Enclosed for your review is a copy of the Water and Wastewater Rate Studies that were presented to the Board of Supervisors on March 5, 2020, by Farr West Engineering. The Board of Supervisors directed staff to proceed with a proposed 5-year rate increase for the water and wastewater funds beginning on July 1, 2020; due to the Covid-19 pandemic the initial increase has been delayed until January 1, 2021. The following table summarizes the proposed percentage rate increase.

Fund	Effective Date of Percentage Increase				
	January 1, 2021	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024
Water	3.0%	3.0%	3.0%	3.0%	3.0%
Wastewater	3.5%	3.5%	3.5%	3.5%	3.5%

On August 6, 2020 the Carson City Board of Supervisors initiated the process of increasing the user rates for Stormwater service. Enclosed for your review is a copy of the Stormwater Rate Study that was presented to the Board of Supervisors on August 6, 2020, by Farr West Engineering. The Board of Supervisors directed staff to proceed with a proposed new user rate structure based on amount of impervious area of all non-Single Family Residential parcels and a 4-year user rate increase for the stormwater fund. The following tables summarize the proposed stormwater user rate structure and implementation time frame. Please note that there are two proposed structures for the Board of Supervisors to consider. One that has a flat rate for the single family residential properties, and one that has a tiered rate structure based on the residence's square footage. The Grouped Impervious Area Rates for other properties are the same in both proposals.

Option 1: Flat Residential Rate

Customer Class	Effective 1/1/21	Effective 1/1/22	Effective 1/1/23	Effective 1/1/24
Flat Rates (per parcel)				
Single Family Residential	\$6.91	\$8.12	\$9.34	\$9.34
Grouped Impervious Area Properties Rates – all non-Single Family Residential				
Small – less than 0.25 acre	\$30.00	\$30.00	\$30.00	\$30.00
Medium – 0.25 to 0.99 acre	\$45.00	\$60.00	\$60.00	\$60.00
Large – 1 to 4.99 acres	\$60.00	\$90.00	\$120.00	\$120.00
Very Large – 5 acres and larger	\$60.00	\$120.00	\$180.00	\$240.00

Option 2: Tiered Residential Rate

Customer Class	Effective 1/1/21	Effective 1/1/22	Effective 1/1/23	Effective 1/1/24
Single Family Residential by residence square footage				
Single Story less than 1600; Multi-Story less than 2400	\$6.14	\$6.60	\$7.05	\$7.50
Single Story 1600 to 2400; Multi-Story 2400 to 3600	\$7.39	\$9.10	\$10.80	\$12.50
Single Story greater than 2400; Multi-Story greater than 3600	\$8.02	\$10.35	\$12.67	\$15.00
Grouped Impervious Area Properties Rates				
Small – less than 0.25 acre	\$30.00	\$30.00	\$30.00	\$30.00
Medium – 0.25 to 0.99 acre	\$45.00	\$60.00	\$60.00	\$60.00
Large – 1 to 4.99 acres	\$60.00	\$90.00	\$120.00	\$120.00
Very Large – 5 acres and larger	\$60.00	\$120.00	\$180.00	\$240.00

These changes are being implemented in a proposed ordinance and in a proposed rate schedule, drafts of which are enclosed for your review. Please be aware that the ordinance and the rate schedule may be further revised before being presented to the Board of Supervisors.

As required by NRS 237.080, before adopting an ordinance or changing a fee that is paid by businesses, Carson City must make a concerted effort to determine whether the proposed ordinance or fee change will impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business. Please review the attached draft ordinance and submit to the City any comments that you may have and any data or arguments you may have as to whether the diesel tax and the proposed ordinance will impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business. Please provide any comments, data, or arguments to the City in writing by October 26, 2020, by email to Andy Hummel, Wastewater Utility Manager, at [ahummel@carson.org](mailto:ahummel@carson.org), or to Eddy Quaglieri, Water Utility Manager, at [equaglieri@carson.org](mailto:equaglieri@carson.org), or by mail to the Carson City Public Works Department, 3505 Butti Way, Carson City, Nevada 89701. All comments, data, and arguments will be included in the presentation to the Carson City Board of Supervisors for their consideration of the required Business Impact Statement.



## STAFF REPORT

**Report To:** Board of Supervisors                      **Meeting Date:** March 5, 2020

**Staff Contact:** Darren Schulz, Public Works Director

**Agenda Title:** For Possible Action: Discussion and possible action regarding initiation of the process to change water and wastewater rates for the water and wastewater utilities, including increasing water rates by approximately 3% per year, and increasing wastewater rates by approximately 3.5% per year, beginning in FY 2021 and continuing through FY 2025. (Darren Schulz, DSchulz@Carson.org; Andy Hummel, AHummel@Carson.org; and Eddy Quaglieri, EQuaglieri@Carson.org)

**Staff Summary:** On February 7, 2019, the Board of Supervisors approved a contract with Farr West Engineering to prepare a water and wastewater rate refresh study of the water and wastewater rates. The objective of the study was to review the financial position of the respective funds; incorporate current and projected operating, maintenance, and capital improvement plan costs; and to determine revenue requirements to meet the projected expense requirements. Farr West Engineering will present the results and recommendations of the study. Upon approval from the Board of Supervisors, staff would initiate the process to change water and wastewater rates, which includes the preparation of a business impact statement and revisions to the Carson City Municipal Code to effectuate the rates.

**Agenda Action:** Formal Action / Motion                      **Time Requested:** 30 minutes

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### Proposed Motion

I move to direct staff to initiate the process of changing water and wastewater rates.

### Board's Strategic Goal

Sustainable Infrastructure

### Previous Action

On February 7, 2019, the Board of Supervisors approved a contract with Farr West Engineering to prepare a refresh update of the water and wastewater rates. On January 13, 2020, the Utility Finance Oversight Committee was presented with the results and recommendations of the study. The Committee recommended proceeding to the Board of Supervisors with the results and recommendations.

### Background/Issues & Analysis

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 was awarded a contract to update the rate models created in the 2013 rate study effort. Farr West Engineering is an expert in conducting utility rate studies and provides these services to multiple clients in the region. The update study 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 recommends increasing water rates by 3% per year, and increasing wastewater rates by 3.5% per year, beginning in FY 2021 and continuing through FY 2025.

**Applicable Statute, Code, Policy, Rule or Regulation**

N/A

**Financial Information**

Is there a fiscal impact? Yes

If yes, account name/number: Water Fund - 5203502

Wastewater Fund - 5103201

Is it currently budgeted? No

Explanation of Fiscal Impact: The fiscal impact will depend on how the Board would like to proceed.

**Alternatives**

The Board may direct staff to proceed with other options.

**Attachments:**

FINAL REVISED PRESENTATION.pdf

**Board Action Taken:**

Motion: Approve to  
direct Staff

- 1) BB
- 2) JB

Aye/Nay

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(Vote Recorded By)