

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
Interim General Manager

FROM: Joseph J. Pomroy, P.E.
Director of Public Works

SUBJECT: Review, discuss and possibly approve the proposed schedule of services for Sewer Ordinance #2 “An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District” **and** Review, discuss and possibly approve the proposed schedule of services for Water Ordinance #4 “An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District” **and** Review, discuss and possibly approve the proposed Fee Schedule – Resolution 1877.

DATE: March 27, 2020

I. RECOMMENDATION

That the Board of Trustees approve Resolution 1877 for the Proposed Sewer Schedule of Service Charges, Water Schedule of Service Charges and Fee Schedule.

II. DISTRICT STRATEGIC PLAN

The Utility Rate Study supports Long Range Principle #2, Finance; The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management. Under Objectives for 2018-20, it specifically states “*Prepare a five-year projection of financial results for each audited fund for operations, capital improvement and debt service as a part of budget deliberations.*”

Review, discuss and possibly approve the proposed -2-
schedule of services for Sewer Ordinance #2 "An
Ordinance Establishing Rates, Rules and Regulations
for Sewer Service by the Incline Village General Improvement
District" and Review, discuss and possibly approve the proposed
schedule of services for Water Ordinance #4 "An Ordinance
Establishing Rates, Rules and Regulations for Water Service
by the Incline Village General Improvement District" and Review,
discuss and possibly approve the proposed Fee Schedule – Resolution 1877

March 27, 2020

III. FINANCIAL IMPACT AND BUDGET

The Public Works Department conducts an annual rate study to calculate the appropriate rates for water and sewer service to meet revenue and expense demands. The rate study includes a five-year projection for revenues and expenses with an eye out for large capital projects outside of the five-year window. This annual effort insures rates are meeting the needs of the District and that adjustments can be made efficiently and effectively. The rate study is based on utility management strategies, industry best practices and District historical rates.

The 2020 Utility Rate study recommendation is to increase water rates by 4.2% and sewer rates by 6.4% for a total utility rate increase of 5.5% for the average residential customer. The utility rates are scheduled for an average 4.2% increase for the next five years to meet the projected revenue requirements for the utility fund.

IV. BACKGROUND

At the February 26, 2020 District Board of Trustees Meeting, Staff presented the Utility Rate Study that included the next five years of operating and capital expenses and the projected revenue needs to provide sufficient and stable revenue during that time period.

The Utility Rate Study from the February 26, 2020 Board of Trustees Meeting is posted on the IVGID website and the reader can review that document and listen to the presentation on LiveStream. At the February 26, 2020 Board of Trustees meeting the Board authorized April 14, 2019 as the date for the public hearing and directed staff to publish the Ordinance 2 and Ordinance 4 amendments and prepare the new utility rates for viewing by the public prior to the Hearing. The deadlines for posting and advertising were met in accordance with the NRS.

The final version of the Sewer Schedule of Service Charges, Water Schedule of Service Charges and Fee Schedule follows this memo. Exhibit A, B and C have been removed from Ordinance 2 and Ordinance 4 and have been placed into a single Schedule of Service Charges and Fee Schedule for water rates, sewer rates, connection fees and miscellaneous fees and charges. The Ordinances are being prepared in this manner so they can be more readily adopted into the IVGID Code at a future date.

Review, discuss and possibly approve the proposed -3- schedule of services for Sewer Ordinance #2 "An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District" and Review, discuss and possibly approve the proposed schedule of services for Water Ordinance #4 "An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District" and Review, discuss and possibly approve the proposed Fee Schedule – Resolution 1877

March 27, 2020

V. BID RESULTS

Not applicable.

VI. ALTERNATIVES

Not adopt the Sewer Schedule of Service Charges, Water Schedule of Service Charges and Fee Schedule and not increase sewer rates. This will have a long term negative impact on the assets and financial health of the District. Water and sewer systems have regulatory oversight so the District must meet operation and infrastructure standards regardless of available funds.

VII. COMMENTS

The Public Hearing for the Sewer Schedule of Service Charges, Water Schedule of Service Charges and Fee Schedule is scheduled to be conducted on April 14, 2020.

VIII. BUSINESS IMPACT

This item is a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, but it does not impose a direct and significant economic burden on a business, or directly restrict the formation, operation or expansion of a business, and therefore does not require a Business Impact Statement.



Resolution No. 1877

**A RESOLUTION ADOPTING SEWER – SCHEDULE OF SERVICE CHARGES,
WATER – SCHEDULE OF SERVICE CHARGES, AND FEE SCHEDULE
Incline Village General Improvement District**

WHEREAS, on the 14th day of April, 2020, a public hearing was held by the Board of Trustees of the Incline Village General Improvement District to consider the adoption of “Sewer – Schedule of Service Charges”; “Water – Schedule of Service Charges”; and “Fee Schedule” and

WHEREAS, notice of said hearing was published as required by NRS 318.199; and

WHEREAS, testimony was presented as to the necessity for the adoption of the proposed amendments; and

WHEREAS, all interested parties were allowed at the public hearing and prior thereto, to present in writing or orally, information, views, and arguments; and

WHEREAS, the Board of Trustees, after considering all of the testimony, information, views and arguments, have determined that adoption of the proposed schedules is in the best interests of the District and is required.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT, that it hereby adopts , these three schedules effective immediately.

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 14th day of April, 2020 by the following vote:

AYES, and in favor thereof,
NOES:
ABSENT:

Kendra Wong
Secretary



**GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT ~ ONE TEAM**

EXHIBIT A

**SEWER – SCHEDULE OF SERVICE
CHARGES**

**WATER – SCHEDULE OF SERVICE
CHARGES**

FEE SCHEDULE



SEWER - SCHEDULE OF SERVICE CHARGES

As Proposed for Adoption on 4/14/20, for Rates Effective 5/19/20

Residential & 3/4" Service Rates (CAF = 1)	
Sewer Base x CAF x Users	\$21.00
Sewer Capital Improv x CAF x Users	\$33.50
Sewer Admin Fee per Account	\$4.15
3/4" Base Monthly Invoice	\$58.65
Sewer Use*	\$3.35/1000 gallons
3/4" Sewer Connection**	\$3,410
3/4" Sewer Retroactive Capital Improv**	\$2,050

1" Service Rates (CAF = 1.67)	
Sewer Base x CAF x Users	\$35.07
Sewer Capital Improv x CAF x Users	\$55.95
Sewer Admin Fee per Account	\$4.15
1" Base Monthly Invoice	\$95.17
Sewer Use*	\$3.35/1000 gallons
1" Sewer Connection**	\$5,690
1" Sewer Retroactive Capital Improv**	\$3,420

1.5" Service Rates (CAF = 3.33)	
Sewer Base x CAF x Users	\$69.93
Sewer Capital Improv x CAF x Users	\$111.56
Sewer Admin Fee per Account	\$4.15
1.5" Base Monthly Invoice	\$185.64
Sewer Use*	\$3.35/1000 gallons
1.5" Sewer Connection**	\$11,350
1.5" Sewer Retroactive Capital Improv**	\$6,820

2" Service Rates (CAF = 5.33)	
Sewer Base x CAF x Users	\$111.93
Sewer Capital Improv x CAF x Users	\$178.56
Sewer Admin Fee per Account	\$4.15
2" Base Monthly Invoice	\$294.64
Sewer Use*	\$3.35/1000 gallons
2" Sewer Connection**	\$18,160
2" Sewer Retroactive Capital Improv**	\$10,910

3" Service Rates (CAF = 10)	
Sewer Base x CAF x Users	\$210.00
Sewer Capital Improv x CAF x Users	\$335.00
Sewer Admin Fee per Account	\$4.15
3" Base Monthly Invoice	\$549.15
Sewer Use*	\$3.35/1000 gallons
3" Sewer Connection**	\$34,080
3" Sewer Retroactive Capital Improv**	\$20,470

4" Service Rates (CAF = 16.67)	
Sewer Base x CAF x Users	\$350.07
Sewer Capital Improv x CAF x Users	\$558.45
Sewer Admin Fee per Account	\$4.15
4" Base Monthly Invoice	\$912.67
Sewer Use*	\$3.35/1000 gallons
4" Sewer Connection**	\$56,810
4" Sewer Retroactive Capital Improv**	\$34,120

6" Service Rates (CAF = 33.33)	
Sewer Base x CAF x Users	\$699.93
Sewer Capital Improv x CAF x Users	\$1,116.56
Sewer Admin Fee per Account	\$4.15
6" Base Monthly Invoice	\$1,820.64
Sewer Use*	\$3.35/1000 gallons
6" Sewer Connection**	\$113,580
6" Sewer Retroactive Capital Improv**	\$68,220

8" Service Rates (CAF = 53.33)	
Sewer Base x CAF x Users	\$1,119.93
Sewer Capital Improv x CAF x Users	\$1,786.56
Sewer Admin Fee per Account	\$4.15
8" Base Monthly Invoice	\$2,910.64
Sewer Use*	\$3.35/1000 gallons
8" Sewer Connection**	\$181,730
8" Sewer Retroactive Capital Improv**	\$109,150

10" Service Rates (CAF = 76.65)	
Sewer Base x CAF x Users	\$1,609.65
Sewer Capital Improv x CAF x Users	\$2,567.78
Sewer Admin Fee per Account	\$4.15
10" Base Monthly Invoice	\$4,181.58
Sewer Use*	\$3.35/1000 gallons
10" Sewer Connection**	\$261,200
10" Sewer Retroactive Capital Improv**	\$156,880

* **Residential Variable Sewer Costs:** Variable sewer costs for residential customers are based on monthly water use as follows: During the non-irrigation months (December through April), the variable sewer cost is calculated using the metered water use value. During irrigation billing months (May through November), the variable sewer cost shall be the lesser of the metered water use value or the non-irrigation months' average metered water use. The non-irrigation months' average shall not be set at a value less than 3,000 gallons.

** Sewer Connection and Sewer Retroactive Capital Improvement Charges are based on water service size for billing purposes.



WATER - SCHEDULE OF SERVICE CHARGES

As Proposed for Adoption on 4/14/20, for Rates Effective 5/19/20

Residential & 3/4" Service Rates (CAF = 1)	
Water Base x CAF x Users	\$12.45
Water Capital Improv x CAF x Users	\$15.75
Water Admin Fee per Account	\$4.15
Defensible Space x Users	\$1.05
3/4" Base Monthly Invoice	\$33.40
Water Use	\$1.62/1000 gallons
Water Tier 1 - Use above 20,000 gal	\$1.00/1000 gallons
Water Tier 2 - Use above 60,000 gal	\$1.40/1000 gallons
3/4" Water Connection	\$1,700
3/4" Water Retroactive Capital Improv	\$1,940

1" Service Rates (CAF = 1.67)	
Water Base x CAF x Users	\$20.79
Water Capital Improv x CAF x Users	\$26.30
Water Admin Fee per Account	\$4.15
Defensible Space x Users	\$1.05
1" Base Monthly Invoice	\$52.29
Water Use	\$1.62/1000 gallons
Water Tier 1 - Use above 33,400 gal	\$1.00/1000 gallons
Water Tier 2 - Use above 100,200 gal	\$1.40/1000 gallons
1" Water Connection	\$2,840
1" Water Retroactive Capital Improv	\$3,240

1.5" Service Rates (CAF = 3.33)	
Water Base x CAF x Users	\$41.46
Water Capital Improv x CAF x Users	\$52.45
Water Admin Fee per Account	\$4.15
Defensible Space x Users	\$1.05
1.5" Base Monthly Invoice	\$99.11
Water Use	\$1.62/1000 gallons
Water Tier 1 - Use above 66,600 gal	\$1.00/1000 gallons
Water Tier 2 - Use above 199,800 gal	\$1.40/1000 gallons
1.5" Water Connection	\$5,660
1.5" Water Retroactive Capital Improv	\$6,460

2" Service Rates (CAF = 5.33)	
Water Base x CAF x Users	\$66.36
Water Capital Improv x CAF x Users	\$83.95
Water Admin Fee per Account	\$4.15
Defensible Space x Users	\$1.05
2" Base Monthly Invoice	\$155.51
Water Use	\$1.62/1000 gallons
Water Tier 1 - Use above 106,600 gal	\$1.00/1000 gallons
Water Tier 2 - Use above 319,800 gal	\$1.40/1000 gallons
2" Water Connection	\$9,050
2" Water Retroactive Capital Improv	\$10,350

3" Service Rates (CAF = 10)	
Water Base x CAF x Users	\$124.50
Water Capital Improv x CAF x Users	\$157.50
Water Admin Fee per Account	\$4.15
Defensible Space x Users	\$1.05
3" Base Monthly Invoice	\$287.20
Water Use	\$1.62/1000 gallons
Water Tier 1 - Use above 200,000 gal	\$1.00/1000 gallons
Water Tier 2 - Use above 600,000 gal	\$1.40/1000 gallons
3" Water Connection	\$16,990
3" Water Retroactive Capital Improv	\$19,410

4" Service Rates (CAF = 16.67)	
Water Base x CAF x Users	\$207.54
Water Capital Improv x CAF x Users	\$262.55
Water Admin Fee per Account	\$4.15
Defensible Space x Users	\$1.05
4" Base Monthly Invoice	\$475.29
Water Use	\$1.62/1000 gallons
Water Tier 1 - Use above 333,400 gal	\$1.00/1000 gallons
Water Tier 2 - Use above 1,000,200 gal	\$1.40/1000 gallons
4" Water Connection	\$28,310
4" Water Retroactive Capital Improv	\$32,360

6" Service Rates (CAF = 33.33)	
Water Base x CAF x Users	\$414.96
Water Capital Improv x CAF x Users	\$524.95
Water Admin Fee per Account	\$4.15
Defensible Space x Users	\$1.05
6" Base Monthly Invoice	\$945.11
Water Use	\$1.62/1000 gallons
Water Tier 1 - Use above 666,600 gal	\$1.00/1000 gallons
Water Tier 2 - Use above 1,999,800 gal	\$1.40/1000 gallons
6" Water Connection	\$56,610
6" Water Retroactive Capital Improv	\$64,700

8" Service Rates (CAF = 53.33)	
Water Base x CAF x Users	\$663.96
Water Capital Improv x CAF x Users	\$839.95
Water Admin Fee per Account	\$4.15
Defensible Space x Users	\$1.05
8" Base Monthly Invoice	\$1,509.11
Water Use	\$1.62/1000 gallons
Water Tier 1 - Use above 1,066,600 gal	\$1.00/1000 gallons
Water Tier 2 - Use above 3,199,800 gal	\$1.40/1000 gallons
8" Water Connection	\$90,580
8" Water Retroactive Capital Improv	\$103,520

10" Service Rates (CAF = 76.65)	
Water Base x CAF x Users	\$954.29
Water Capital Improv x CAF x Users	\$1,207.24
Water Admin Fee per Account	\$4.15
Defensible Space x Users	\$1.05
10" Base Monthly Invoice	\$2,166.73
Water Use	\$1.62/1000 gallons
Water Tier 1 - Use above 1,533,000 gal	\$1.00/1000 gallons
Water Tier 2 - Use above 4,599,000 gal	\$1.40/1000 gallons
10" Water Connection	\$130,190
10" Water Retroactive Capital Improv	\$148,790



FEE SCHEDULE

As Proposed for Adoption on 4/14/20, for Rates Effective 5/19/20

Fee Schedule	
Sewage Drop-off at Treatment Plant	\$75/per 1,000 gal
Backflow Inspections - up to 1 hr labor	\$65/per device
	Repairs at cost
Plan Check Fees	\$90/hour
Inspection Fees	\$90/hour
Upgraded Meter, Register or Transponder	Billed at cost
Service Calls - 1/2 hour minimum with equipment billed at cost	\$40/per half hour
Tampering with Equipment	\$100 minimum
	Repairs at cost
Water Waste Penalty	\$100
Hydrant Meter Rental Charges	\$1,000/deposit \$40/month
1.5" Meter Rental Charges	\$100/deposit \$20/month
3/4" Meter Rental Charges	\$100/deposit \$15/month
Bulk Water for Construction	\$1.62/per 1,000 gal
Violation of air-gap on truck fill-up	\$500
Returned Check Fee	\$25
Posting Service Charge	\$20
Mainline Tapping, if performed by IVGID	Cost plus 15%