

**M E M O R A N D U M**

**TO:** Board of Trustees

**THROUGH:** Bobby Magee  
District General Manager

**FROM:** Heidi White  
District Clerk

**SUBJECT:** PUBLIC HEARING

Required Public Hearing on the Recommended Amendments to the Sewer and Water Rate Fee Schedule

**DATE:** July 10, 2024

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On July 10, 2024, the Board of Trustees will hold a public hearings on the above subject matter. Following is an outline for the public hearing:

1. Board Chair Schmitz will ask the Board for a motion and a second to officially open the public hearing.
2. Board Chair Schmitz will call for the question and the Board will take a vote to open the public hearing.
3. Once the public hearing is open, the Board Chair will state that the District is holding a public hearing as required by the Nevada Revised Statutes.
4. Board Chair Schmitz will then ask either the Director of Public Works Kate Nelson or District General Manager Bobby Magee, for the record, if the District complied with the required notice.
5. Following confirmation, the Director of Public Works Kate Nelson will then provide an overview of the item and all of its components.
6. Board Chair Schmitz will state the comments made during the public hearing are governed by the Chair, and Board. Chair Schmitz should state the rules she wants to use.
7. Board Chair Schmitz will then ask for public comment on the rates as included in the Board packet.
8. The duration of the public hearing is at the Board's discretion.
9. After all public comments have been made, a Board member will need to make a motion to close the public hearing, which will need a second, and then Board Chairman Dent will call for the question and a vote will be taken on this motion.

**MEMORANDUM**

**TO:** Board of Trustees

**THROUGH:** Bobby Magee, District General Manager

**FROM:** Kate Nelson, Director of Public Works

**SUBJECT:** Discuss and adopt Resolution No. 1908: A resolution approving the amendments to the Sewer and Water rates, as well as adjustments to the Fee Schedule.

**RELATED FY 2023 STRATEGIC PLAN**

**BUDGET INITIATIVE(S):**

**LONG RANGE PRINCIPLE #3 - FINANCE**

The District will ensure fiscal responsibility and sustainability of service capacities through prudent fiscal management and maintaining effective financial policies for internal controls, operating budgets, fund balances, capital improvement and debt management.

**RELATED DISTRICT POLICIES, PRACTICES, RESOLUTIONS OR ORDINANCES**

Ordinance No. 2 – Sewer Ordinance  
Ordinance No. 4 – Water Ordinance

**DATE:** July 10, 2024

**I. RECOMMENDATION**

That the Board of Trustees discuss and adopt Resolution No. 1908 for the proposed amendments to the Sewer and Water Rates, as well as Adjustments to the Fee Schedule.

**II. BACKGROUND**

The District provides water and sewer utility services through its Utility Fund (Fund 200). These utility operations are supported through target annual revenues each year, collected from utility customers based on Board approved rate schedules.

In 2023, a comprehensive five-year rate study was conducted by HDR Engineering, Inc., leading to the adoption of rates for FY 2023/24 (year 1 of the rate study) by the Board of Trustees at the June 14, 2023 (Item G.3 moved to G.4). Subsequently, at the January 10, 2024, Board meeting (Item G.4), the

Board requested staff to bring back the previously adopted rate study's rate chart for approval of the proposed year 2 rates. Then, at the April 24th Board meeting (Item H.2), the Board requested staff to bring forth other rate alternatives. At the June 26th board meeting (Item G.7 moved to G.9), alternative rate options were presented, and following discussion, three out of the four attending Board members expressed their preference for Alternative 2. Today, we present Alternative 2 for adoption.

In addition to the FY 2024/25 rate amendments, staff proposes introducing an additional fixed fee for Household Hazardous Waste (HHW) disposal. Originally introduced at \$1.23, this fee has been adjusted to \$1.34 due to the postponement of the public hearing for the adoption of rates by one month. The adjustment reflects the spreading of costs for the HHW storage shed over 11 months of fiscal year 2024/2025 instead of 12. This approach allows the District to efficiently manage the financial impact of replacing the HHW storage container, ensuring stable funding for the HHW program.

The Board requested Staff look into the possibility of having those who use the service be charged as an option for funding the HHW storage container as opposed to spreading the cost of the new container community wide. There are approximately 450 available appointments during the collection season. To recover the costs within one year, the amount would \$266.67 per appointment. Staff does not believe this service would be utilized if people had to pay that amount for a service that is historically paid for with revenues generated from their solid waste bills. Unfortunately, the revenues received from the Waste Management contract are not enough to pay for a new storage container and continue with supporting operations. The current container is structurally unsound and there is no internal fire suppression that is required when storing flammable materials. To safely operate the HHW program, a new storage container is required. The goal of the HHW program is to protect IVGID's source water, sewer pump stations, and the wastewater treatment plant by providing a service to the community for an easily accessible method of disposal of HHW. The HHW program plays a critical role in the District's commitment to responsible waste management practices, safeguarding environmental safety and community health.

Following is the current fee schedule and the proposed fee additions and adjustments:

<b>Current Fee Schedule</b>		<b>Proposed Change</b>
Sewage Drop-off at Treatment Plant	\$85 per 1,000 gal	\$90 per 1,000 gal
Backflow Inspections - up to 1 hr labor	\$75 per device Repairs at cost + 15%	No change

Plan Check Fees	\$100/hour	No change in hourly rate. Will now include a non-refundable 2-hour minimum.
Inspection Fees	\$100/hour	No change
Upgraded Meter, Register or Transponder	Billed at cost	Cost + 15%
Service Calls - 1/2 hour minimum with equipment billed at cost	\$45/per half hour	\$50 per half hour (Business Hours) \$100 per half hour (Outside Business Hours)
Tampering with Equipment	\$100 minimum Repairs at cost	\$110 minimum Repairs at cost + 15%
Water Waste Penalty	\$100	\$250/day
Hydrant Meter Rental Charges	\$1,150/deposit \$45/month	\$1,500 deposit + \$50/month
1" Meter Rental Charges	\$225/deposit \$20/month	\$230 deposit + \$25/month
3/4" Meter Rental Charges	\$110/deposit \$15/month	\$140 deposit + \$20/month
Bulk Water for Construction	\$2.02/per 1,000 gal	\$2.22/per 1,000 gal
Violation of air-gap on truck fill-up	\$500	No change
Returned Check Fee	\$25	No change
Posting Service Charge	\$20	No change
Waste Management Bad Debt Fee	Not charged previously	\$25
Compliance Appointment No-Show Fee	Not charged previously	\$20
Mainline Tapping, if performed by IVGID	Cost plus 15%	No change

Staff proposes the following additional fees to be included in the fee schedule:

- **Waste Management Bad Debt Fee: \$25.00**

Fee for customers for whom the District incurs bad debt for their Waste Management past due account over 120 days, as stipulated in the Waste Management franchise contract. This fee aims to cover the administrative costs associated with paying off the debt to Waste Management for the customer and subsequently collecting payment from that customer.

- **Compliance Appointment No-Show Fee: \$20.00**

Fee for customers who fail to attend compliance appointments (i.e. Backflow, plan checks, inspections). This fee aims to cover administrative costs incurred due to scheduling and preparing for appointments that are not honored without sufficient notice. The appointment system is now sending out a reminder email 24-hours in advance to help eliminate no shows.

**Schedule**

The timeline for the proposed rate and fee schedule adoption is as follows:

<b>Utility Rate Study Schedule</b>	<b>Date</b>
Set Date of Public Hearing to Adopt New Utility Rates and Fee Schedule	April 24, 2024
Publish Notice of Public Hearing in Newspaper	June 10, 2024
Conduct Public Hearing and Adopt New Utility Rates and Fee Schedule – <i>Rescheduled from 6/12/2024</i>	July 10, 2024
New Utility Rates and Fee Schedule Become Effective – Pending Approval	July 19, 2024

**III. BID RESULTS**

There are no bid results associated with this Memorandum.

**IV. FINANCIAL IMPACT AND BUDGET**

The water and sewer utility rates are recommended to increase to provide a combined revenue of approximately \$16.8 million (FY 2024/25) which is collected from the District’s water and sewer customer via monthly utility bills. Although the public works department generates revenue from various sources, it is important to note that the revenue mentioned here is solely derived from rates.

**V. ALTERNATIVES**

No alternatives are presented.

**VI. COMMENTS**

The applicable Nevada Revised Statute for this Memorandum is NRS 318.199

Rates, tolls and charges for sewerage or water services or products: Schedules; public hearings; adoption of resolution; action to set aside resolution.

**VII. BUSINESS IMPACT/BENEFIT**

This item is not a “rule” within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

**VIII. ATTACHMENTS**

- 1. Resolution 1908
- 2. Schedule of Service Charges Resolution No. 1908

**IX. DECISION POINTS NEEDED FROM THE BOARD OF TRUSTEES**



**Resolution No. 1908**

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

**WHEREAS**, on the 10th day of July, 2024, 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 attached schedules is in the best interests of the District in order to provide water and sewer service.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**, that it hereby adopts the Fee Schedule effective immediately and the Water and Sewer Schedule of Charges to be effective next full billing cycle.

\* \* \* \* \*

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 10th day of July, 2024 by the following vote:

AYES, and in favor thereof,  
NOES:  
ABSENT:

\_\_\_\_\_  
Michaela Tonking  
Secretary



## SEWER - SCHEDULE OF SERVICE CHARGES

Rate Alternative 2 - As Proposed for Adoption on 7/10/2024, Resolution No. 1908

*No changes to Sewer Connection and Sewer Retroactive Capital Improvement Fees*

Residential & 3/4" Service Rates (CAF = 1)	
Sewer Base x CAF x Users	\$36.50
Sewer Capital Improv x CAF x Users	\$31.45
Sewer Admin Fee per Account	\$4.66
<b>3/4" Base Monthly Invoice</b>	<b>\$72.61</b>
3/4" Sewer Connection**	\$3,620
3/4" Sewer Retroactive Capital Improv**	\$2,170

1.5" Service Rates (CAF = 3.33)	
Sewer Base x CAF x Users	\$121.55
Sewer Capital Improv x CAF x Users	\$104.73
Sewer Admin Fee per Account	\$4.66
<b>1.5" Base Monthly Invoice</b>	<b>\$230.93</b>
1.5" Sewer Connection**	\$12,050
1.5" Sewer Retroactive Capital Improv**	\$7,240

3" Service Rates (CAF = 10)	
Sewer Base x CAF x Users	\$365.00
Sewer Capital Improv x CAF x Users	\$314.50
Sewer Admin Fee per Account	\$4.66
<b>3" Base Monthly Invoice</b>	<b>\$684.16</b>
3" Sewer Connection**	\$36,180
3" Sewer Retroactive Capital Improv**	\$21,730

6" Service Rates (CAF = 33.33)	
Sewer Base x CAF x Users	\$1,216.55
Sewer Capital Improv x CAF x Users	\$1,048.23
Sewer Admin Fee per Account	\$4.66
<b>6" Base Monthly Invoice</b>	<b>\$2,269.43</b>
6" Sewer Connection**	\$120,570
6" Sewer Retroactive Capital Improv**	\$72,420

10" Service Rates (CAF = 76.67)	
Sewer Base x CAF x Users	\$2,798.46
Sewer Capital Improv x CAF x Users	\$2,411.27
Sewer Admin Fee per Account	\$4.66
<b>10" Base Monthly Invoice</b>	<b>\$5,214.39</b>
10" Sewer Connection**	\$277,290
10" Sewer Retroactive Capital Improv**	\$166,550

Sewer Use Rates	
<b>Residential Customer Type*</b>	
Sewer Use	\$5.37/1000 gallons
<b>Commerical Customer Type</b>	
Sewer Use Commercial	\$6.35/1000 gallons

1" Service Rates (CAF = 1.67)	
Sewer Base x CAF x Users	\$60.96
Sewer Capital Improv x CAF x Users	\$52.52
Sewer Admin Fee per Account	\$4.66
<b>1" Base Monthly Invoice</b>	<b>\$118.14</b>
1" Sewer Connection**	\$6,040
1" Sewer Retroactive Capital Improv**	\$3,630

2" Service Rates (CAF = 5.33)	
Sewer Base x CAF x Users	\$194.55
Sewer Capital Improv x CAF x Users	\$167.63
Sewer Admin Fee per Account	\$4.66
<b>2" Base Monthly Invoice</b>	<b>\$366.83</b>
2" Sewer Connection**	\$19,280
2" Sewer Retroactive Capital Improv**	\$11,580

4" Service Rates (CAF = 16.67)	
Sewer Base x CAF x Users	\$608.46
Sewer Capital Improv x CAF x Users	\$524.27
Sewer Admin Fee per Account	\$4.66
<b>4" Base Monthly Invoice</b>	<b>\$1,137.39</b>
4" Sewer Connection**	\$60,310
4" Sewer Retroactive Capital Improv**	\$36,220

8" Service Rates (CAF = 53.33)	
Sewer Base x CAF x Users	\$1,946.55
Sewer Capital Improv x CAF x Users	\$1,677.23
Sewer Admin Fee per Account	\$4.66
<b>8" Base Monthly Invoice</b>	<b>\$3,628.43</b>
8" Sewer Connection**	\$192,930
8" Sewer Retroactive Capital Improv**	\$115,880

\* **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

Rate Alternative 2 - As Proposed for Adoption on 7/10/2024, Resolution No. 1908

*No changes to Water Connection and Water Retroactive Capital Improvement Fees*

Residential & 3/4" Service Rates (CAF = 1)	
Water Base x CAF x Users	\$20.10
Water Capital Improv x CAF x Users	\$20.92
Water Admin Fee per Account	\$4.66
Defensible Space x Users	\$1.05
Household Hazardous Waste x Users***	\$1.34
<b>3/4" Base Monthly Invoice</b>	<b>\$48.07</b>
3/4" Water Connection	\$1,800
3/4" Water Retroactive Capital Improv	\$2,060

1" Service Rates (CAF = 1.67)	
Water Base x CAF x Users	\$33.57
Water Capital Improv x CAF x Users	\$34.93
Water Admin Fee per Account	\$4.66
Defensible Space x Users	\$1.05
Household Hazardous Waste x Users***	\$1.34
<b>1" Base Monthly Invoice</b>	<b>\$75.55</b>
1" Water Connection	\$3,010
1" Water Retroactive Capital Improv	\$3,440

1.5" Service Rates (CAF = 3.33)	
Water Base x CAF x Users	\$66.93
Water Capital Improv x CAF x Users	\$69.66
Water Admin Fee per Account	\$4.66
Defensible Space x Users	\$1.05
Household Hazardous Waste x Users***	\$1.34
<b>1.5" Base Monthly Invoice</b>	<b>\$143.65</b>
1.5" Water Connection	\$6,000
1.5" Water Retroactive Capital Improv	\$6,860

2" Service Rates (CAF = 5.33)	
Water Base x CAF x Users	\$107.13
Water Capital Improv x CAF x Users	\$111.50
Water Admin Fee per Account	\$4.66
Defensible Space x Users	\$1.05
Household Hazardous Waste x Users***	\$1.34
<b>2" Base Monthly Invoice</b>	<b>\$225.69</b>
2" Water Connection	\$9,610
2" Water Retroactive Capital Improv	\$10,980

3" Service Rates (CAF = 10)	
Water Base x CAF x Users	\$201.00
Water Capital Improv x CAF x Users	\$209.19
Water Admin Fee per Account	\$4.66
Defensible Space x Users	\$1.05
Household Hazardous Waste x Users***	\$1.34
<b>3" Base Monthly Invoice</b>	<b>\$417.24</b>
3" Water Connection	\$18,030
3" Water Retroactive Capital Improv	\$20,610

4" Service Rates (CAF = 16.67)	
Water Base x CAF x Users	\$335.07
Water Capital Improv x CAF x Users	\$348.72
Water Admin Fee per Account	\$4.66
Defensible Space x Users	\$1.05
Household Hazardous Waste x Users***	\$1.34
<b>4" Base Monthly Invoice</b>	<b>\$690.84</b>
4" Water Connection	\$30,060
4" Water Retroactive Capital Improv	\$34,350

6" Service Rates (CAF = 33.33)	
Water Base x CAF x Users	\$669.93
Water Capital Improv x CAF x Users	\$697.22
Water Admin Fee per Account	\$4.66
Defensible Space x Users	\$1.05
Household Hazardous Waste x Users***	\$1.34
<b>6" Base Monthly Invoice</b>	<b>\$1,374.20</b>
6" Water Connection	\$60,100
6" Water Retroactive Capital Improv	\$68,690

8" Service Rates (CAF = 53.33)	
Water Base x CAF x Users	\$1,071.93
Water Capital Improv x CAF x Users	\$1,115.60
Water Admin Fee per Account	\$4.66
Defensible Space x Users	\$1.05
Household Hazardous Waste x Users***	\$1.34
<b>8" Base Monthly Invoice</b>	<b>\$2,194.58</b>
8" Water Connection	\$96,160
8" Water Retroactive Capital Improv	\$109,900

10" Service Rates (CAF = 76.67)	
Water Base x CAF x Users	\$1,541.07
Water Capital Improv x CAF x Users	\$1,603.84
Water Admin Fee per Account	\$4.66
Defensible Space x Users	\$1.05
Household Hazardous Waste x Users***	\$1.34
<b>10" Base Monthly Invoice</b>	<b>\$3,151.96</b>
10" Water Connection	\$138,220
10" Water Retroactive Capital Improv	\$157,960

Water Use Rates	
<b>Residential and Commercial Customer Types</b>	
Water Use	\$2.22/1000 gallons
Excess Water Tier 1 > 20K x CAF x Users	\$3.55/1000 gallons
Excess Water Tier 2 > 60K x CAF x Users	\$4.14/1000 gallons
<b>Irrigation Customer Type</b>	
Water Use	\$3.15/1000 gallons
Excess Water Tier 1 > 20K x CAF x Users	\$5.04/1000 gallons
Excess Water Tier 2 > 60K x CAF x Users	\$5.87/1000 gallons

\*\*\* The fixed fee applies only to the fiscal year 2025.



## FEE SCHEDULE

Rate Alternative 2 - As Proposed for Adoption on 7/10/2024, Resolution No. 1908

Fee Schedule	
Sewage Drop-off at Treatment Plant	\$90 per 1,000 gal
Backflow Inspections - up to 1 hr labor	\$75 per device Repairs at cost + 15%
Plan Check Fees <i>Non-refundable minimum of 2 hours</i>	\$100/hour
Inspection Fees	\$100/hour
Upgraded Meter, Register or Transponder	Cost + 15%
Service Calls <i>1/2 hour minimum with equipment billed at cost</i>	\$50 per half hour (Business Hours) \$100 per half hour (Outside Business Hours)
Tampering with Equipment	\$110 minimum Repairs at cost + 15%
Water Waste Penalty	\$250/day
Hydrant Meter Rental Charges	\$1,500 deposit + \$50/month
1" Meter Rental Charges	\$230 deposit + \$25/month
3/4" Meter Rental Charges	\$140 deposit + \$20/month
Bulk Water for Construction	\$2.22 per 1,000 gal
Violation of air-gap on truck fill-up	\$500
Returned Check Fee	\$25
Posting Service Charge	\$20
Waste Management Bad Debt Fee	\$25
Compliance Appointment No-Show Fee	\$20
Mainline Tapping, if performed by IVGID	Cost + 15%