



TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: John Enloe, John Erwin, and Scott Estes
DATE: September 6, 2014
SUBJECT: **Introduction and first reading of adoption of new Rate Schedules FRMWC – Former Washoe County Customer Rates**

RECOMMENDATION

Staff recommends the Board move to refer for a second reading the proposed adoption of a new rate schedule FRMWC which establishes customer rates to be charged by TMWA to former Washoe County customers following completion of the pending merger with Washoe County.

Possible Motion: “I move to refer the proposed adoption of a new rate schedule FRMWC for a second reading and possible adoption.”

INTRODUCTION

In preparation for the merger of Washoe County Community Services Department Water Utility (“WCWU”) and the South Truckee Meadows General Improvement District (“STMGID”), staff is recommending changes to TMWA’s existing rules and rates, by:

Agenda Item 6.c.i. Amending:

1. Table of Contents
2. Introduction to the Rules
3. Rule 1 Definitions
4. Rule 5 Water System Facilities
5. Rule 7 Dedication of Water Resources and Will-Serve Commitments
6. Rule 9 Service Area Boundaries – Retail
7. Rate Schedule Large Volume Service (LVS)
8. Rate Schedule Firm Standby Partial Requirements (FSPR)

Agenda Item 6.c.i Repealing:

Rule 10 Service Area Boundaries - Wholesale

Agenda Item 6.c.ii Amending:

1. Rate Schedule Water System Facility Charges (WSF)

Agenda Item 6.c.iii Adopting:

1. Rule 10 Mt Rose-Galena Fan Domestic Well Mitigation Program

Agenda Item 6.c.iv Adopting:

1. Rate Schedule FRMSGID – Former South Truckee Meadows General Improvement District Rates and Charges

Agenda Item 6.c.v Adopting:

1. Rate Schedule FRMWC – Former Washoe County Water Utility Rates and Charges

This Agenda item involves only Agenda Item 6.c.v -- the proposed adoption of a new customer rate schedule applicable to what will be former Washoe County customers, referred to as rate schedule FRMWC.

The proposed amendments are subject to successful merger. Staff proposes that these changes be adopted now, but that they not become effective until the closing of the Merger, anticipated to occur December 31, 2014. Board review, pursuant to the tentative calendar presented below will lead to final approval of the revisions on October 15, 2014, with the revisions becoming effective with the actual close of merger, assumed to be January 1, 2015.

DISCUSSION

Pursuant to the terms of the January 29, 2010 Interlocal Agreement Governing the Merger of the Washoe County Department of Water Resources and TMWA (“Merger”), TMWA and the County expressed an intention that, among other things, the Merger have little near-term rate consequences for customers of either entity. In furtherance of that intention, TMWA has agreed to adopt and apply County customer rates for the delivery of water service to what will be former Washoe County customers following the Merger. The proposed schedule FRMWC includes rates for all active, billing service sizes and is identical to the rates these Washoe County customers are currently charged.

Under current Washoe County ordinances, Washoe County customers are subject to an automatic annual inflationary rate adjustment based on the Consumer Price Index. TMWA staff is proposing eliminating that automatic annual rate adjustment. Staff proposes that Washoe Customer rates are subject to adjustments from time to time in an amount equal to the percentage increase or decrease of customer charges, usage charges and/or usage tiers, as applicable, adopted by the TMWA Board on equivalent TMWA customer rates.

Unlike the STMGID ILA, the Washoe County ILA does not specifically address right of way tolls. The City of Reno and City of Sparks currently impose by ordinance a 5% right of way toll on TMWA water customers. Those ordinances only apply to TMWA customers living within the jurisdiction of Reno or Sparks; they do not apply to Washoe County customers living within those same jurisdictions. Washoe County has not adopted a right of way toll at this time, so no right of way toll applies to customers living in unincorporated Washoe County. Following the Merger, those former Washoe County customers living in Reno or Sparks will be obligated to pay the Right of Way toll.

Given the intention of the ILA to have little near-term rate consequences, and given the availability of Washoe County treasury to mitigate any adverse rate impacts on TMWA customers, staff is proposing a temporary right of way toll offset for former Washoe County customers to minimize near term rate impacts. Under the proposed offset, TMWA would provide a credit to offset the right of way toll due under ordinance, which credit would sunset over a five year period.

Public notices were filed on August 28, 2014. The proposed revisions were presented to the TMWA Standing Advisory Committee for review and comment on September 2, 2014. The SAC did not have comments at that time, but requested the proposed revisions be brought back to the SAC at its October meeting in the event the TMWA Board had revisions or direction for the SAC. Additional public workshops were held on September 9, 2014, and a verbal update will be provided to the Board on any public comments provided at that workshop. The proposed rate has been provided to Washoe County staff for review and comments received were incorporated into the proposed language.

SCHEDULE FRMWC

Truckee Meadows Water Authority

RATE SCHEDULES

FRMWC - FORMER WASHOE COUNTY WATER UTILITY RATES AND CHARGES

APPLICABILITY

Rates contained in this Rate Schedule FRMWC are applicable solely to the delivery of water service to Premises receiving water service from, and located within the former retail service area of the Washoe County Community Services Department Water Utility as of December 31, 2014, subject to the Special Conditions set forth below in this rate schedule.

RATES

RFWSW – Residential Unmetered Water Service for Residential and Irrigation Service

Customer Charge per Billing Period

Up to 3/4"	\$ 89.82
1"	\$ 90.18
1 1/2"	\$ 92.12
2"	\$ 93.55
3"	\$ 94.96
4"	\$ 99.18

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

RMWSW – Residential Metered Water Service

Customer Charge per Billing Period

<u>Meter Size</u>	<u>Per Meter</u>
Up to 3/4"	\$ 17.43
1"	\$ 22.42
1 1/2"	\$ 32.07
2"	\$ 42.76
3"	\$ 68.85
4"	\$100.84
6"	\$183.85

Added: 01/01/2015

Truckee Meadows Water Authority

RATE SCHEDULES

FRMWC - FORMER WASHOE COUNTY WATER UTILITY RATES AND CHARGES

Commodity Charge per 1,000 Gallons for each Tier per Billing Period

Meters less than 1 1/2":

Tier 1	0	to	6,999	\$2.62
Tier 2	7,000	to	20,999	\$3.27
Tier 3	21,000	to	40,999	\$3.93
Tier 4	Greater than 41,000			\$5.25

1 1/2" and larger meters:

Tier 1	0	to	28,999	\$2.62
Tier 2	29,000	to	150,999	\$3.27
Tier 3	151,000	to	600,999	\$3.93
Tier 4	Greater than 601,000			\$5.25

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

MMWSW – Multi-Unit Residential Metered Water Service

Customer Charge per Billing Period

<u>Meter Size</u>	<u>Per Meter</u>
Up to 3/4"	\$ 17.43
1"	\$ 22.42
1 1/2"	\$ 32.07
2"	\$ 42.76
3"	\$ 68.85
4"	\$100.84
6"	\$183.85

Commodity Charge per 1,000 Gallons for each Tier per Billing Period

Meters less than 1 1/2":

Tier 1	0	to	28,999	\$2.62
Tier 2	29,000	to	150,999	\$3.27
Tier 3	151,000	to	600,999	\$3.93
Tier 4	Greater than 601,000			\$5.25

Added: 01/01/2015

Truckee Meadows Water Authority

RATE SCHEDULES

FRMWC - FORMER WASHOE COUNTY WATER UTILITY RATES AND CHARGES

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

GMWSW – Commercial Service to Service Property(ies) with a Meter and where no other Rate Schedule is specifically applicable per Billing Period.

Customer Charge per Billing Period

<u>Meter Size</u>	<u>Per Meter</u>
Up to 3/4"	\$ 17.43
1"	\$ 22.42
1 1/2"	\$ 32.07
2"	\$ 42.76
3"	\$ 68.85
4"	\$100.84
6"	\$183.85
8"	\$276.42

Commodity Charge per 1,000 Gallons, All Meter Sizes

On Peak	\$2.94
Off Peak	\$2.52

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

Added: 01/01/2015

Truckee Meadows Water Authority

RATE SCHEDULES

FRMWC - FORMER WASHOE COUNTY WATER UTILITY RATES AND CHARGES

MISW – Metered Irrigation Water Service

Customer Charge per Billing Period

<u>Meter Size</u>	<u>Per Meter</u>
Up to 3/4"	\$ 17.43
1"	\$ 22.42
1 1/2"	\$ 32.07
2"	\$ 42.76
3"	\$ 68.85
4"	\$100.84

Commodity Charge per 1,000 Gallons \$4.35

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

FPSW – Fire Protection Service

Customer Charge per Billing Period

<u>Meter Size</u>	<u>Per Meter</u>
3"	\$ 25.15
4"	\$ 39.50
6"	\$ 72.94
8"	\$119.00
10"	\$175.02
12"	\$253.16

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

Added: 01/01/2015

Truckee Meadows Water Authority

RATE SCHEDULES

FRMWC - FORMER WASHOE COUNTY WATER UTILITY RATES AND CHARGES

MINIMUM CHARGE

The Minimum Charge for delivery of water service under any rate identified in this schedule shall consist of the sum of the Customer and Commodity Charges, late charge, right-of-way toll, and regional water management fee per Billing Period.

To facilitate the implementation of the merger between Authority and Washoe County Community Services Department Water Utility, Authority will apply a credit to the sum of the Customer and Commodity Charges otherwise applicable to service properties within the City of Reno and City of Sparks as follows:

Period	Credit
January 1, 2015 through December 31, 2015:	5% of total bill
January 1, 2016 through December 31, 2016:	5% of total bill
January 1, 2017 through December 31, 2017:	3% of total bill
January 1, 2018 through December 31, 2018:	2% of total bill
January 1, 2019 through December 31, 2019:	1% of total bill
After December 31, 2019:	0% of total bill

SPECIAL CONDITIONS

1. **Conversion to Metered Rates.** Upon any change in the billing Customer of record at an existing RFWSW Service Property or upon request to the Customer at the Service Property, the delivery of water service to the Service Property shall thereafter be subject to the metered rate under Rate Schedule RMWSW.
2. **Installation of Meters.** The Authority will install Meter Facilities as soon as practicable on any Unmetered Service Property subject to the FRMWC Rate, with costs to be borne by the Authority in accordance with Rule 6.
3. **Backflow Charge.** This charge applies to single family residential Customers where the Service Property has a backflow prevention assembly maintained by the Authority. The monthly charge applied per Billing Period for operations, maintenance, service and annual testing associated with the backflow prevention assembly is \$4.50.
4. **Closed Tariff.** Rate Schedule FRMWC is closed and shall not be applicable to any applications for the delivery of water to a new service.

Added: 01/01/2015