



## STAFF REPORT

**TO:** Board of Directors  
**THRU:** Mark Foree, General Manager  
**FROM:** John Erwin  
**DATE:** October 6, 2014  
**SUBJECT:** **Public Hearing, Second Reading and Possible Adoption of Resolution No. 214:  
A Resolution to Adopt a New Rate Schedule FRMSGID – Former STMGID  
Customer Rates and Charges**

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### RECOMMENDATION

Staff submits for Second Reading and adoption by resolution a new Rate Schedule -- Former STMGID Rates and Charges (FRMSGID) which establishes customer rates and charges to be charged by TMWA to former STMGID customers following completion of the pending merger with Washoe County.

Possible Motion: “I move to adopt Resolution 214 to adopt Rate Schedule FRMSGID to be effective upon the Closing Date of the merger of the South Truckee Meadows General Improvement District into TMWA.”

### INTRODUCTION

**This report involves only Agenda Item 6.c.iv -- the proposed adoption of a new customer rate schedule applicable to what will be former STMGID customers, referred to as rate schedule FRMSGID.**

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

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.

## **DISCUSSION**

Pursuant to the terms of the December 11, 2013 Interlocal Agreement Governing the Merger of the South Truckee Meadows General Improvement District and TMWA (“Merger”), TMWA agreed to adopt and apply STMGID customer rates for the delivery of water service to what will be former STMGID customers following the Merger. The proposed schedule FRMSGID includes rates for all active, billing service sizes and is identical to the rates these STMGID customers are currently charged. Specifically, staff is proposing adoption of a new customer rate schedule applicable to what will be former STMGID customers, referred to as rate schedule FRMSGID in its entirety as set forth and attached to Resolution No. 214.

Under the ILA, the STMGID rates are to remain in effect until (1) a sale of transfer of the Customer’s premise, excluding any transfer which is exempt from transfer tax under State law; or (2) the first billing cycle of 2035, at which time these customers transfer over to TMWA rates. STMGID 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. Pursuant to the

ILA, STMGID agreed that STMGID Customers would be subject to the Right of Way toll imposed by City or County ordinance following the merger.

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 8, 2014, but no members of the public attended or provided comments. No other comments, written or otherwise, have been submitted by interested parties with respect to this item. The proposed rate schedule was provided to STMGID for review and STMGID had no comments or objections to the proposed language.

NOTE: Revisions (redlined in the attachment) were made in the pages of the Second Reading to synchronize the “rate code” acronym used within TMWA’s electronic billing system to the rate schedule pages and correct references within the schedule.