



Sewer Connection Fee Public Workshop



BELIEVE

November 10, 2022

Why are we here?

- Connection fees are not being charged at a rate to sustain Capital Improvement Projects (CIP's) for anticipated growth
- Discussion on sewershed boundaries, challenges relating to each sewershed, and CIP's required to meet those challenges
- Introduction of recommended sewer connection fees and proposed new connection fee types



~~Sewer User Fee~~

- Paid quarterly by utility users “residents”
- Is adjusted by CPI annually
- Pays for M&O, rehabilitation, and treatment

Sewer Fund

Sewer Connection Fee

- Paid once for new connections by “developers”
- Has not had a CPI adjustment since 2014
- Pays for capacity/growth

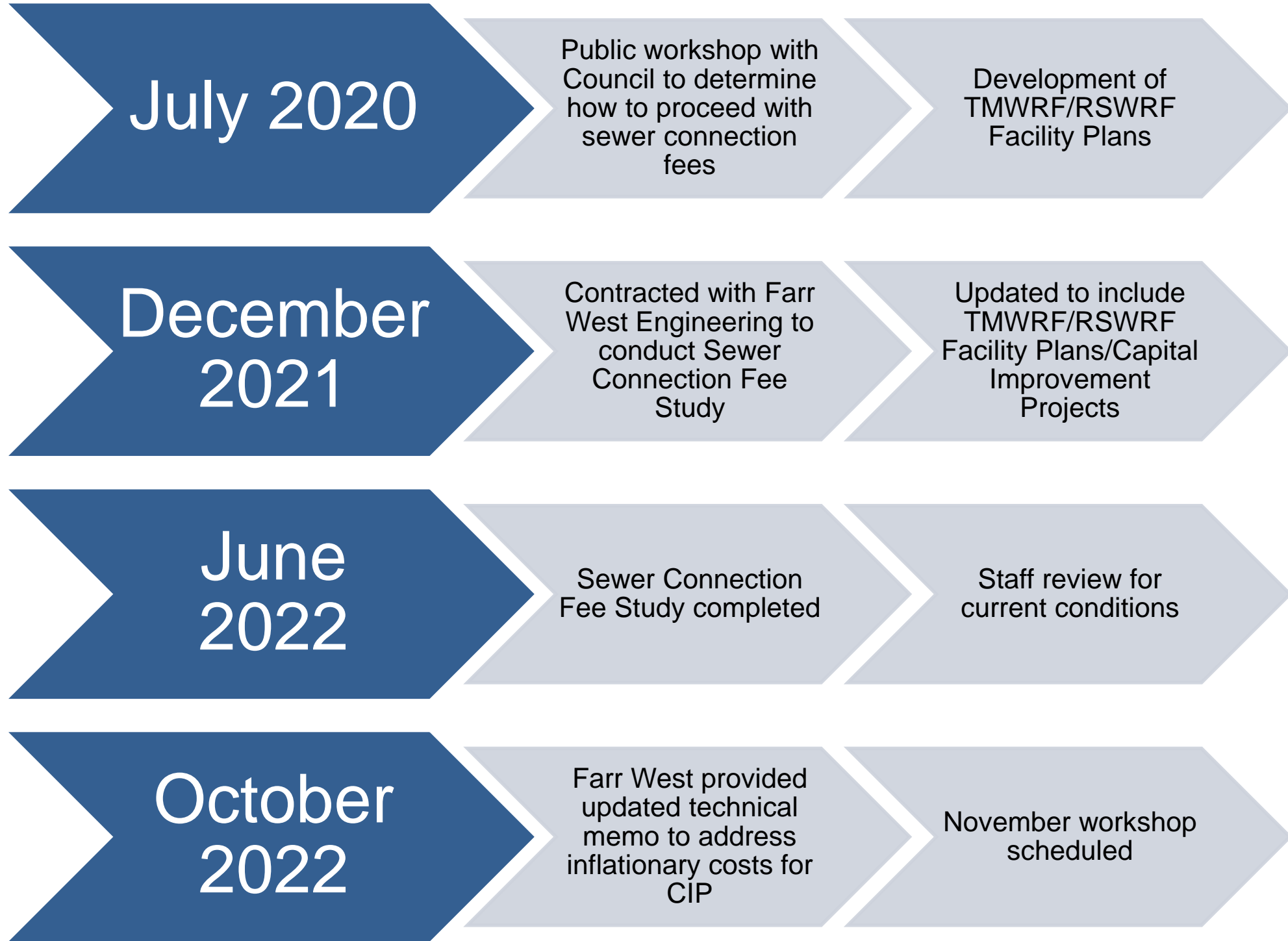


Connection fee is defined by Reno Municipal Code at RMC 12.16.010.

What is a Sewer Connection Fee?

A sewer connection fee is a one time charge to a customer to make a connection to the sewer.



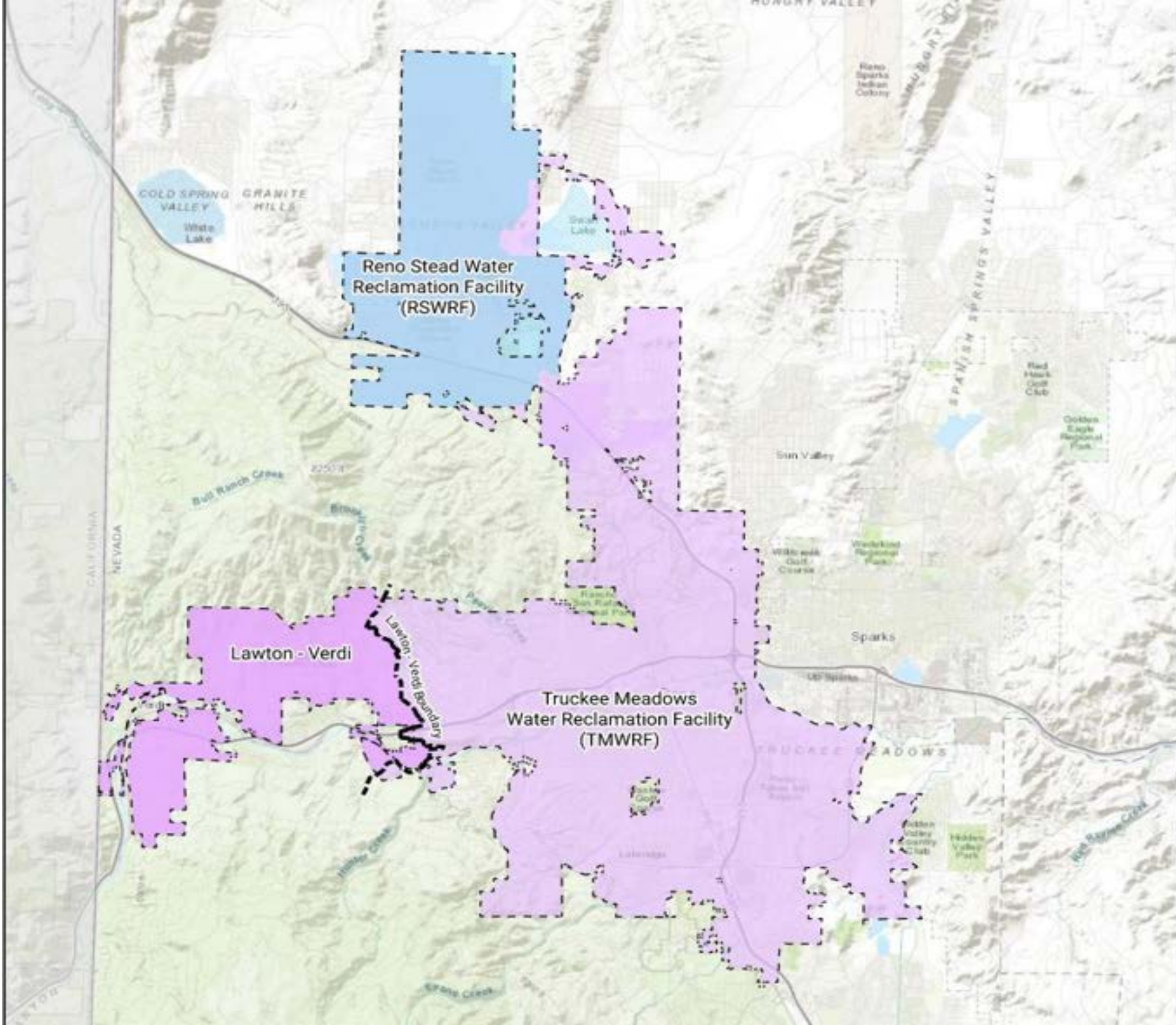


CONNECTION FEES - METHODOLOGY

- **Buy-In Method: Based on the value of existing system and used when there is available capacity**
- **Incremental Method: Based on the value to expand the system's capacity and used when there is limited or no capacity**
- **Combined: Based on the value of both the existing and expanded system and used when there is capacity in some of the system, but other components have no capacity**

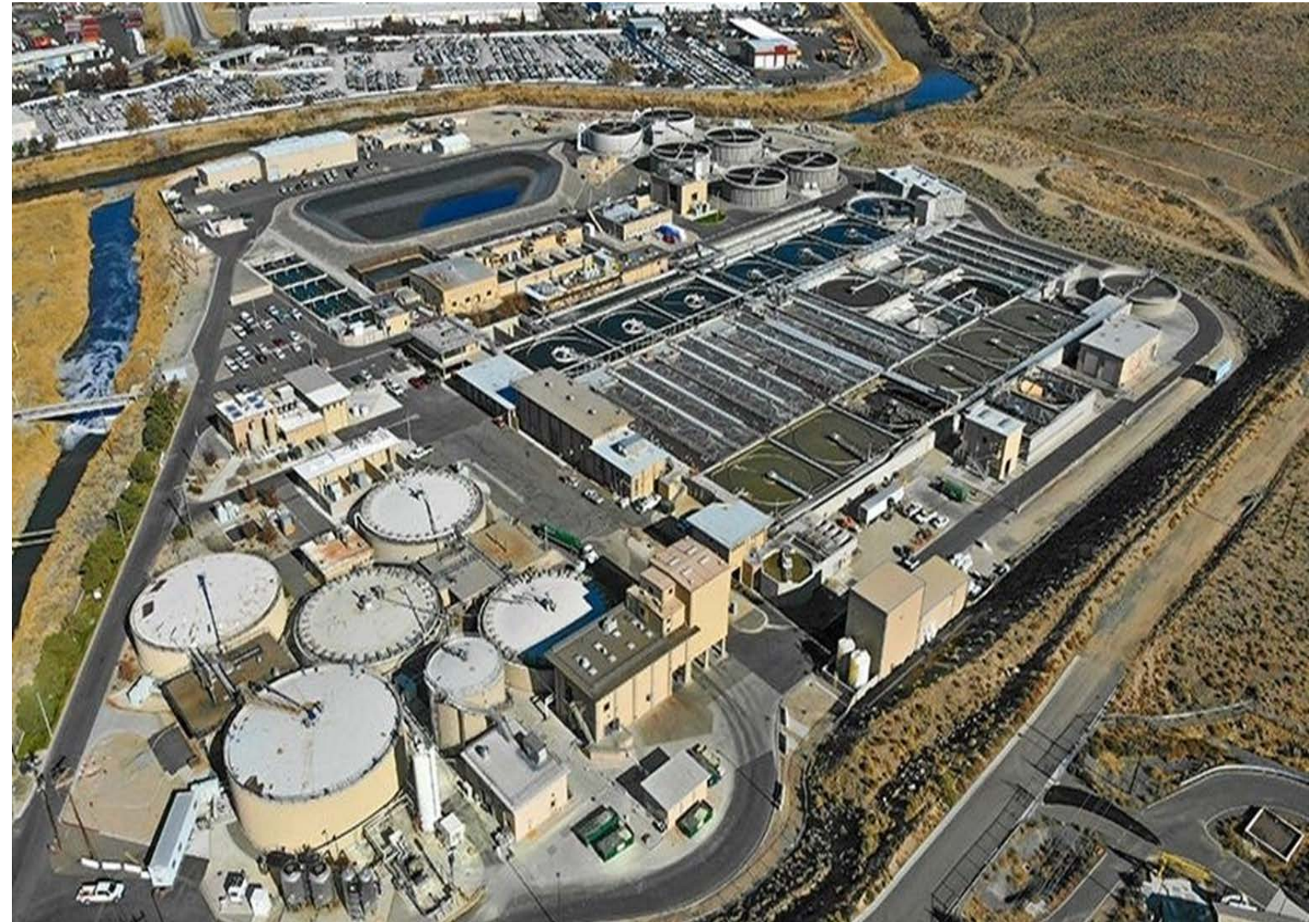
CONNECTION FEE – KEY INFORMATION

- **\$296M Existing Capacity (Buy-In component)**
 - **24,000 ERUs**
- **\$319M of Expansion Projects (Incremental component)**
 - **32,000 ERUs 20-Year CIP**
- **Planning on a total of 56,000 ERUs to be added within the next 20 years**



Future of TMWRF

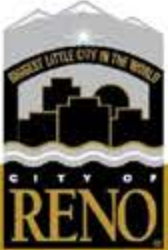
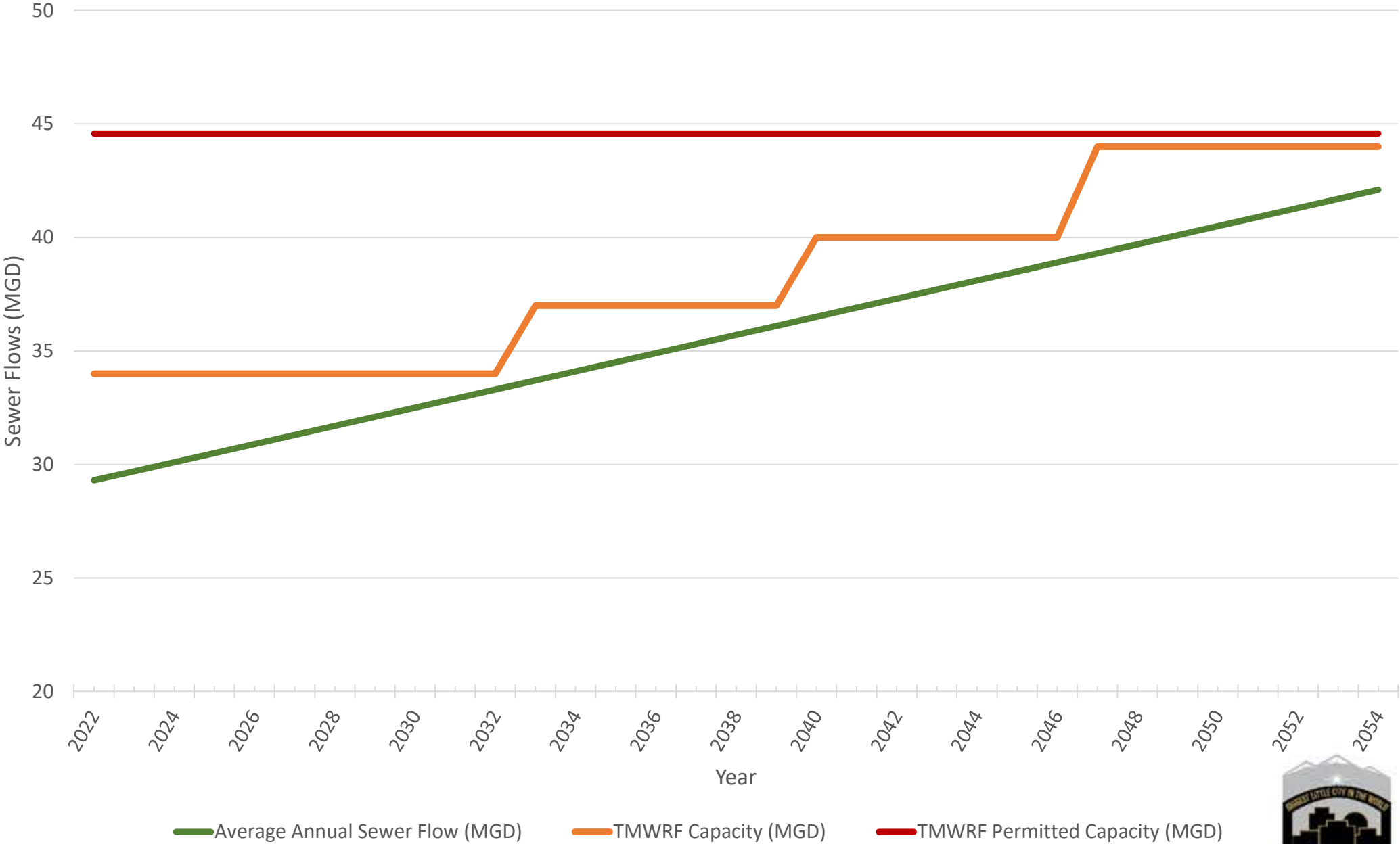
- Focus on efficiency improvements and new technology improvements
- Ensure we are able to meet Truckee River discharge permit requirements



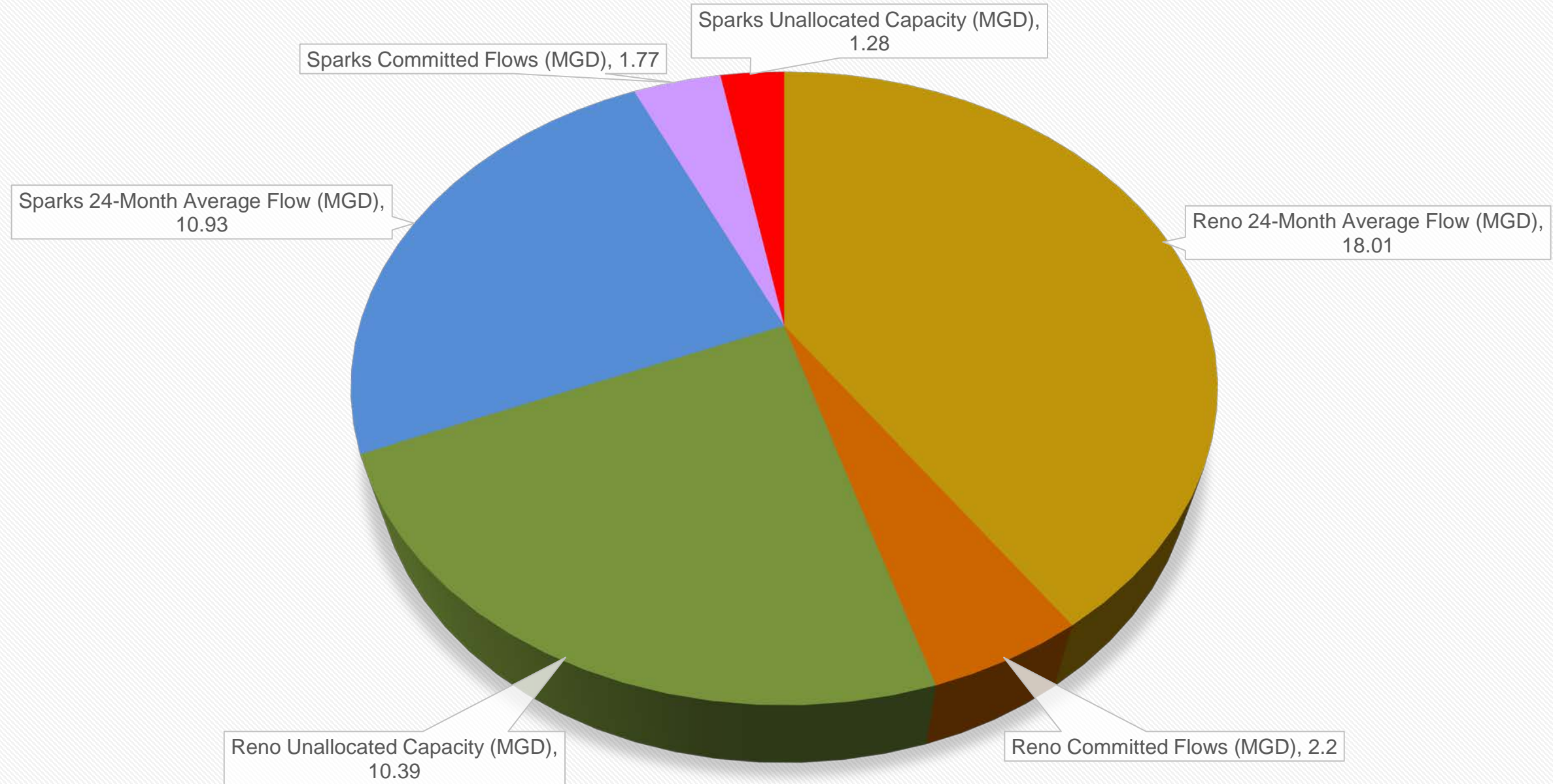
TMWRF Capacity

TMWRF Projected Sewer Flows

Truckee Meadows Water Reclamation Facility	
Permitted Capacity	44.58 MGD
Current Treatment Capacity	34 MGD
Treatment Capacity needed by 2032 based on growth projections	37 MGD



TMWRF Flows + Commitments vs. Permitted Capacity



- Reno 24-Month Average Flow (MGD)
- Reno Committed Flows (MGD)
- Reno Unallocated Capacity (MGD)
- Sparks 24-Month Average Flow (MGD)
- Sparks Committed Flows (MGD)
- Sparks Unallocated Capacity (MGD)

TMWRF Capital Improvement Plan

Example Projects:

Water Reclamation Plant Projects

- UV Disinfection / Filter Building: \$20 Million
- Fluidized Bed Reactor Expansion: \$15.5 Million
- Plant Electrical Capacity Upgrade: \$12.7 Million

Collection System Projects

- TMWRF Collection System Capacity: \$42 Million
- Lawton Verdi + TMWRF Collection System: \$29 Million

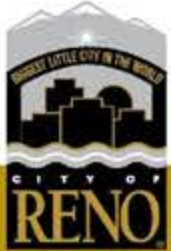


TMWRF CIP Capacity Project Totals (Reno Share): \$78.8M

Future of RSWRF



- Expansion of physical plant to meet growth demands
- OneWater Initiative to create a sustainable water resource
- Effluent Management in a closed basin



2010

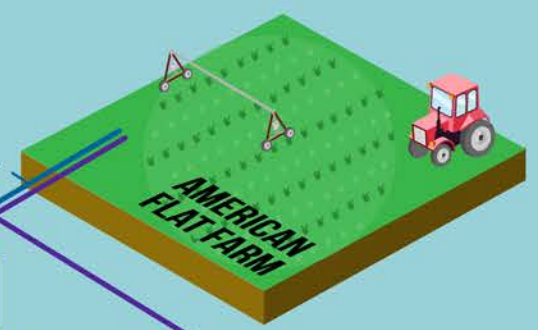
BASEBALL & GOLF COURSE IRRIGATION



2 MGD
0.5 MGD FLOW SHAVE

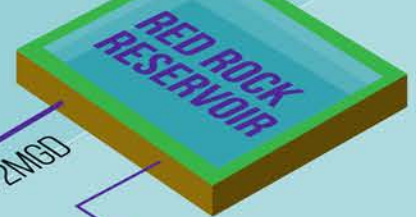
POTENTIAL FUTURE POTABLE USES

AMERICAN FLAT FARM



UP TO 2MGD

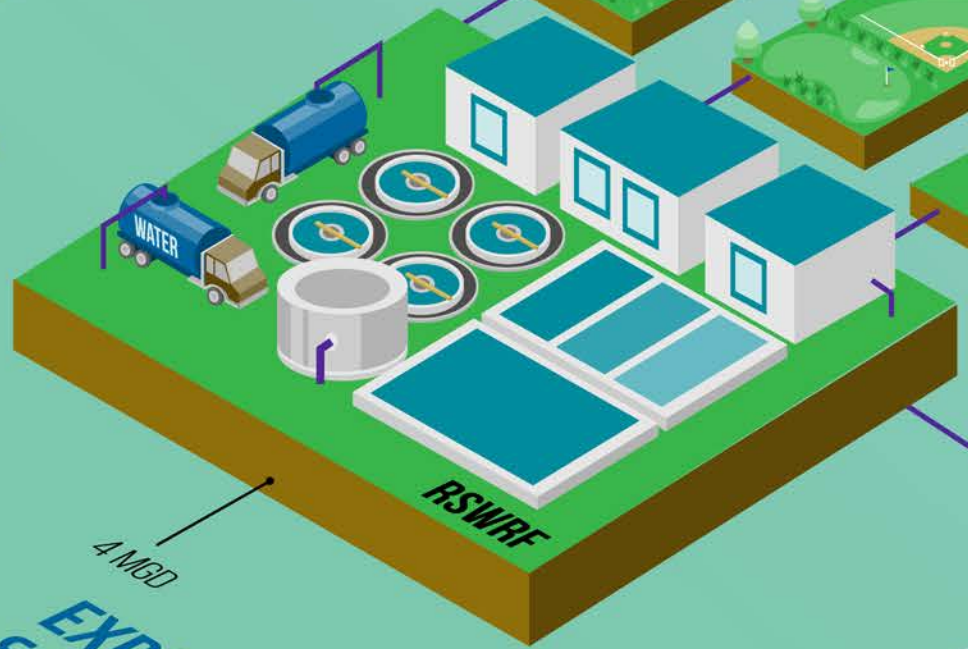
EXTRACT FROM AQUIFER
INJECT INTO AQUIFER



UP TO 2MGD

REUSE FOR NEW DEVELOPMENT GREENWAYS AND LANDSCAPING

2020



4 MGD

EXPAND PLANT & EFFLUENT

2030

2020-2030
NORTH VALLEYS
SEWER & EFFLUENT
MANAGEMENT



RSWRF Capital Improvement Plan

- Capacity expansion from 2MGD to 4MGD - \$55M construction – Dec. 2022
- Advanced Purified Water Facility (APWF) \$42M (capacity share)
- Red Rock Reservoir \$50M (capacity share)
- RSWRF Collection System - \$22M



RSWRF CIP Project Totals: \$240M (6 MGD Buildout)

Sewer Connection Fee History

- Current connection fees are a flat fee for all areas in the amount of \$6,376 for SF; \$5,445 for MF.
- Connection fees were last increased in 2014.
- Connection fees have not had a CPI adjustment since 2014.
- Average median home price in 2014 was \$240,000. Current median home price is \$575,000.

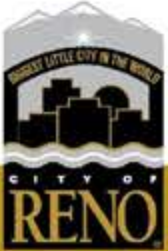
How is the connection fee calculated?



The total cost of all capital improvement projects related to increased capacity of sewer system

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Amount of remaining capacity + future capacity created



Review of Connection Fees

Assumptions Built Into Model

- Fees calculated based upon winter water use
- Capacity requirements based on anticipated growth
- Capital improvement projects to serve growth
- Credit for water right sales (pro-rata share with TMWA - \$80M)

Water Year	Avg. Use SFH	Avg. Use MFH	MF/SF
2016	4.02	3.41	84.8%
2017	4.01	3.47	86.5%
2018	4.09	3.42	83.6%
2019	3.95	3.38	85.6%
2020	4.04	3.27	80.9%
Combined	4.02	3.39	84.3%

**Rates from TMWA December 28, 2021 report



Review of Connection Fees

Assumptions not built into the model

- Potential Grants
- Affordable Housing Connection Fee Reduction Program



Connection Fee Summary

	Single Family	Multi-Family
Current fee	\$6,376	\$5,445
Option 1 - Recommended		
Area Specific - adjusted by CPI		
TMWRF	\$12,002	\$10,202
TMWRF - Lawton / Verdi	\$14,594	\$12,405
RSWRF	\$11,906	\$10,120
Option 2		
Uniform fee adjusted by CPI	\$12,407	\$10,546



Why area specific rate?



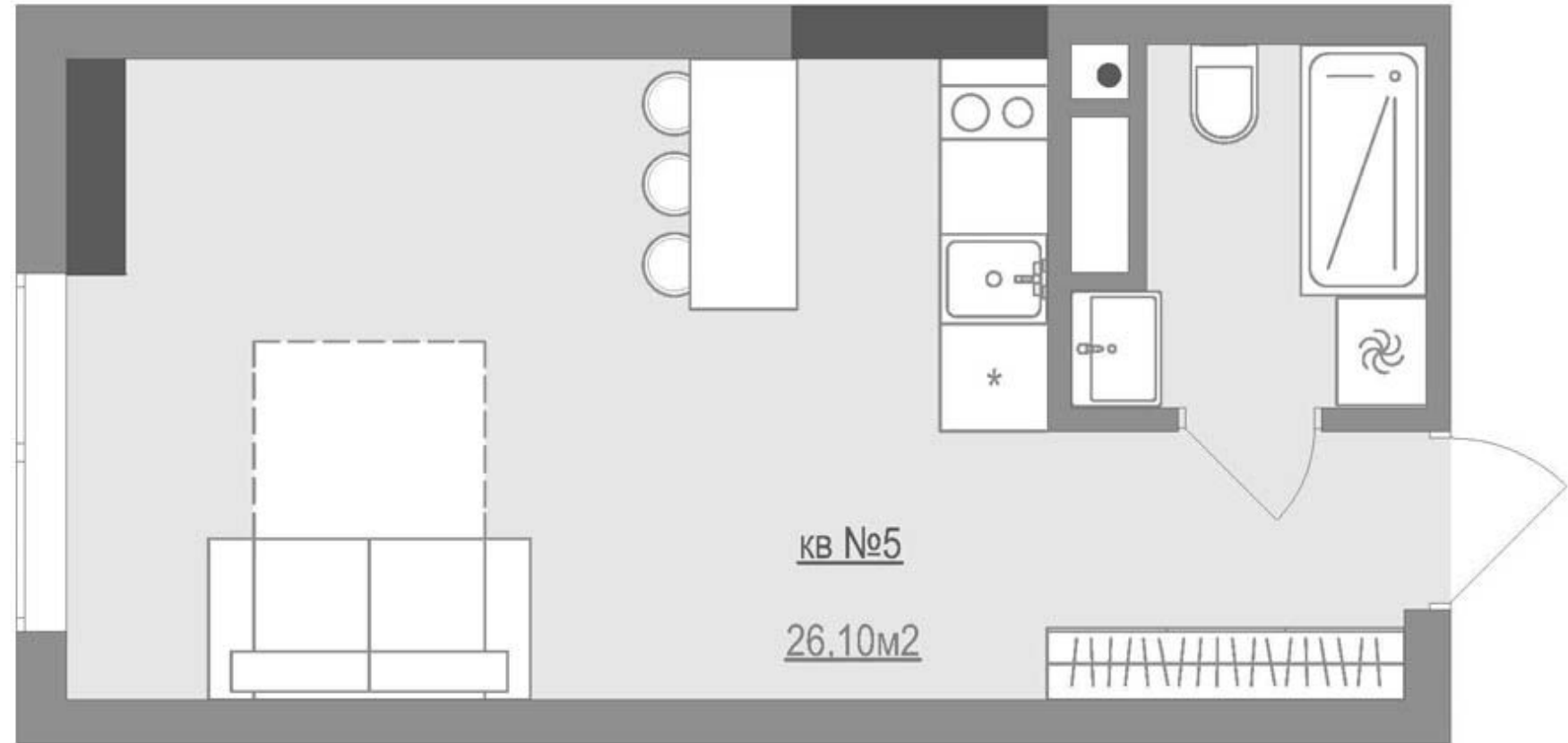
- Aligns with Master Plan policies - 2.3B Cost of Growth, 2.4B Growth Capacity, 2.4D Water and Wastewater Operations and Planning
- Each area is paying for their own costs of getting their flows to the treatment plant
- Other sewer sheds aren't subsidizing one area



Potential New Connection Fees

Multi Family (Micro Unit)

- Assist in addressing affordable and diverse housing needs
- 15 fixture units or less
- 500 square feet or less



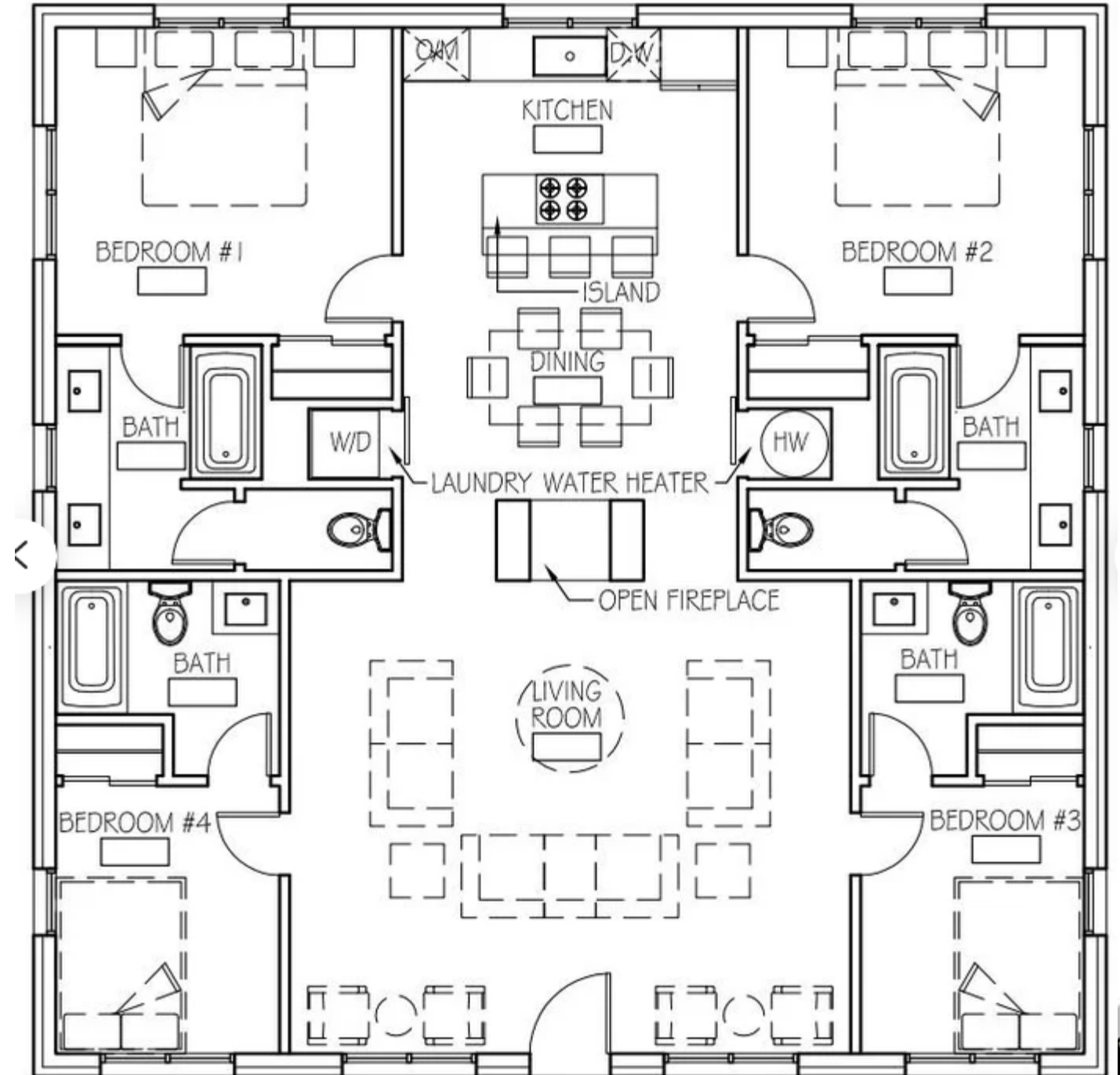
Toilet	4
Shower/bath	2
Bathroom sink	1
Kitchen sink	2
Dishwasher	2
Small Laundry	4



Large Single Family Home

- Ensures large footprint properties with more impact to facility pay fair share
- Standard SFH – 31 fixture units
- > 31 Fixture units will be charged per additional fixture unit

Example as shown = 42 fixture units



Consideration Based on Home Size

	Micro Unit (<15 fixture units)	Large Single Family (> 31 fixture units)
Option 1 - Recommended		
Area Specific – adjusted by CPI annually		
TMWRF	8,310	Base SFH rate (\$12,002) + \$554 per add'l fixture unit
TMWRF - Lawton / Verdi	\$10,095	Base SFH rate (\$14,594) + \$673 per add'l fixture unit
RSWRF	\$8,235	Base SFH rate (\$11,906) + \$549 per add'l fixture unit
Option 2		
Uniform fee adjusted by CPI	\$8,595	Base SFH rate (\$12,407) + \$573 per add'l fixture unit



RECOMMENDED SEWER CONNECTION FEE SCHEDULE

Proposed TMWRF Connection Fee	
Single Family Dwelling	\$ 12,002
Multi-Family Dwelling	\$ 10,250
Micro-unit Dwelling (< 500 sf)	\$ 8,310
Mobile Home Estates or Subdivisions (per space)	\$ 12,002
Mobile Home Parks (per space)	\$ 12,002
Res. Dwelling Unit Shared Kitchen or Rooming House Kitchen	\$ 4,275
Rooming House (per room rental)	\$ 3,842
Commercial Fixture Unit Fee	\$ 554

Proposed RSWRF Connection Fee	
Single Family Dwelling	\$ 11,906
Multi-Family Dwelling	\$ 10,168
Micro-unit Dwelling (< 500 sf)	\$ 8,235
Mobile Home Estates or Subdivisions (per space)	\$ 11,906
Mobile Home Parks (per space)	\$ 11,906
Res. Dwelling Unit Shared Kitchen or Rooming House Kitchen	\$ 4,241
Rooming House (per room rental)	\$ 3,811
Commercial Fixture Unit Fee	\$ 549

Proposed Lawton/Verdi Connection Fee	
Single Family Dwelling	\$ 14,594
Multi-Family Dwelling	\$ 12,463
Micro-unit Dwelling (< 500 sf)	\$ 10,095
Mobile Home Estates or Subdivisions (per space)	\$ 14,594
Mobile Home Parks (per space)	\$ 14,594
Res. Dwelling Unit Shared Kitchen or Rooming House Kitchen	\$ 5,198
Rooming House (per room rental)	\$ 4,672
Commercial Fixture Unit Fee	\$ 673

Proposed System-Wide Connection Fee	
Single Family Dwelling	\$ 12,407
Multi-Family Dwelling	\$ 10,596
Micro-unit Dwelling (< 500 sf)	\$ 8,595
Mobile Home Estates or Subdivisions (per space)	\$ 12,407
Mobile Home Parks (per space)	\$ 12,407
Res. Dwelling Unit Shared Kitchen or Rooming House Kitchen	\$ 4,419
Rooming House (per room rental)	\$ 3,972
Commercial Fixture Unit Fee	\$ 573

