



## **SPARKS SEWER FEE INCREASE FREQUENTLY ASKED QUESTIONS**

### ***1. Why do we need a sewer rate increase? Why is my bill higher? What does this extra money pay for?***

The City's sewer infrastructure is aging which forces additional rehabilitation and reconstruction costs that were not required in the past. Over 50% of the City's sewer and storm pipelines are at least 30 years old, 26 miles of which are over 100 years old. In addition, sewer rates fund the operation and maintenance of the sewer collection system, as well as treatment of sewage.

Costs associated with the rehabilitation and reconstruction of an aging sewer infrastructure are the responsibility of sewer users, and the costs have increased during the past few years due to the significant overall demand for construction services. This trend has slowed somewhat recently; however, the past few years have been quite costly.

Energy costs have significantly increased for everyone, including the sewer utility. It takes tremendous amounts of energy to operate the sewer treatment plant (Truckee Meadows Water Reclamation Facility).

And, last, but not least, there is the standard inflationary costs to operate and maintain the sewer infrastructure.

### ***2. How were the new fees determined?***

The new fees are a result of a rate study that Public Works staff underwent to review actual costs to operate, maintain the facilities and ensure appropriate cost recovery. Such a study has not been done since 2002 and it was due for another review.

Following the direction of City Council members, Public Works staff formed a sewer rate user group composed of representatives from each class of customers. This was done in order to encourage citizen involvement and input in setting rates. The user group met numerous times beginning March 2007 to discuss the methodology of sewer rate setting and to ensure that the proposed rates were equitable and fair to all user classes.

Here is an outline of the public outreach activities Public Works staff carried out to inform citizens about the rate increase that eventually led to the approval of the new rates:

- Numerous articles in Sparks Today
- News coverage from local media
- Forum with Sparks Citizen Advisory Committee
- Formation of and Continuous Meetings with Sewer Rate Setting User Group
- Presentation to the Spanish Springs Citizen Advisory Committee
- Presentation to Developers Enterprise Fund Advisory Committee
- Presentation to the Builders Association of Northern Nevada
- Presentation to the Associated General Contractors
- January 14, 2008: City Council Presentation
- February 11, 2008: First Reading of Ordinance
- February 25, 2008: Public Hearing and Second Reading

### *3. When was it approved?*

The sewer rates were presented before Sparks City Council on January 14, 2008. The rates were approved by Sparks City Council on February 25, 2008, following a Second Reading and Public Hearing with no comments from the public. Prior to the presentation to Council, Public Works staff was diligent in its public outreach efforts. The City also announced the sewer rate study several times in the local media throughout 2007 leading up to the final vote.

### *4. Where do the sewer fees go?*

The purpose of the sewer user charge is to recover administration, collection, treatment and disposal, operation, rehabilitation and maintenance costs related to sewer and storm drain systems.

If the sewer and drain systems fail, public health is at risk. If the sewer overflows, bacteria can flow and grow in public waterways and could potentially contaminate and pollute the Truckee River.

#### **Operation and Maintenance**

One of the biggest maintenance initiatives is condition assessment of sewer and storm lines using TV cameras. Currently, 30.33 miles of sewer lines and 20.29 miles of storm drain pipes have been assessed for blockages and signs of risk and potential failure. Other day-to-day activities include cleaning sewer lines, patching, etc.

#### **Rehabilitation and Reconstruction**

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The life expectancy of a sewer/drain system is 50 years. Our goal at Sparks Public Works is to rebuild 2% of the system per year, which is a proactive approach to maintain and replace pipes before they actually fail. The total cost of reinvestment is approximately \$10 million per year. Staff made a decision to phase in this funding in slowly over eight years to keep rate increases fairly low.

**The Sewer Treatment Plant, Truckee Meadows Water Reclamation Facility**  
Sewer fees also fund the operation and maintenance of the sewer plant, Truckee Meadows Water Reclamation Facility (TMWRF). It was constructed 40 years ago and a significant amount of the funds used to build this plant came from the federal government. The City received no federal funds to assist with the recent rehabilitation of portions of the TMWRF facility .

***5. How can I be assured that my money is going where it should go?***

Sewer enterprise funds/revenues generated are restricted and shall only be used to defray the City's cost to operate and maintain its sewer, drain and effluent utilities. The Comprehensive Annual Financial Report (CAFR) is released annually by the City's Finance Department in accordance with Nevada Revised Statutes 354.624. This establishes that a third party audits the City's finances, including that of Public Works. The CAFR can be found online at <http://www.cityofsparks.us/governing/departments/finance/>.

***6. Where can I get more information about these sewer projects?***

Some of our major capital projects include the North Truckee Drain Realignment, Spanish Springs Sewer Interceptor and the \$8M Stanford Way, to name a few. A full list of Public Works' capital investment projects to rehabilitate and sustain sewer and storm drain infrastructures for fiscal year 2006-2007 can be found online at:

[http://www.cityofsparks.us/governing/departments/public\\_works/pdfs/approvedCIPv2.pdf](http://www.cityofsparks.us/governing/departments/public_works/pdfs/approvedCIPv2.pdf). City staff is currently working on the project list for fiscal year 2008-2009. This information will be available online as soon as it is finalized.

In addition, Public Works releases an annual report identifying its major accomplishments. The 2006 Public Works' Annual Report is posted online and the 2007 Annual Report will be available online in April 2008.

**7. *How do we help those who cannot afford this rate increase?***

The sewer rebate program is available to individuals enrolled in the following programs: (1) the Washoe County Assessors State Tax Rebate Program; (2) the Nevada State Welfare Division Low Income Home Energy Assistance (LIHEA) Program; (3) the Federal Supplemental Security Income (SSI) Program; or (4) or another equivalent program, you may be eligible to receive a sewer rebate of \$57.92 in 2008, \$61.41 in 2009, \$64.87 in 2010, \$68.58 in 2011, and \$72.50 in 2012, provided you can demonstrate your eligibility. No more than one rebate per year may be given. However, you may apply once a year as long as the program is in effect. Applications and additional information can be obtained from the Finance Department (Sparks Municipal Code Section 13.09.025).

**8. *What is sewer? What is storm drain? What is river flood?***

- The sewer component on your bill pays for the operation and maintenance of the sewer collection system, as well as treatment of sewage.
- The storm drain component on your bill pays for the operation and maintenance of the storm water and drains collection system to ensure safe and responsible conveyance of storm water from your property to the Truckee River.
- The river flood component on your bill will fund projects and infrastructure like the North Truckee Drain Realignment to protect the City from river flood events. A river flood even is when the Truckee River overflows its banks and causes harm to nearby businesses and residences. In addition, when the river is high, the city storm drains outfalls can become blocked subjecting the city's storm drain system to flooding as well.

**9. *How do Sparks rates compare with Reno/Washoe County?***

City of Sparks has worked very hard to keep any rate increase modest. Even with this increase and with the river flood component, rates in Sparks are still \$4 to \$11 (or 13 to 30 percent) per month lower than other local jurisdictions in the Truckee Meadows.

In comparison, Sparks' sewer rates are low to other regional municipalities:

Sparks Single Family:	\$74.16 per quarter (Sewer, Storm Drain and River Flood Protection)
Reno Single Family:	\$85.89 per quarter (Sewer and Storm Drain)
Washoe Co.:	\$140.07 per quarter (Sewer, Stormwater Drainage/Flood Control, Arsenic Remediation)

***10. I noticed a new river flood component on my bill. What is this new fee about?***

About every 10 years, the Truckee River banks overflow, causing tremendous damages to residents, businesses and infrastructure. In the 1997 New Year's Day Flood, damages exceeded \$1 Billion over six counties, with \$700 Million in Washoe County.

The flood event of 2005 caused nearly 1 million dollars in damages. Each time a flood occurs, businesses suffer and some leave Sparks. Flood events cause a substantial negative economic impact that affects our local economy and residents.

It is the duty and priority of the City of Sparks to protect life and property from river flood events, large and small. The new river flood protection rate of \$16.23 per residential unit per quarter or \$0.64 per 1000 gallons for commercial users has appeared on your statement. The charge will provide up to \$100 million towards river flood prevention projects. This includes the North Truckee Drain Realignment, which will provide significant and direct benefits for the City of Sparks. Design for the project is underway and construction is set to begin in summer 2009.

***11. What is the North Truckee Drain Realignment? How will I benefit from it?***

The Flood Protection Rate will fund the North Truckee Drain Realignment Project which will divert current Sparks' storm outflow to a better location downstream in the river so that in a river flood event, the depth of flooding on the upstream side of Interstate 80 is reduced by as much as one to two feet.

The North Truckee Drain Realignment is part of Sparks' share of a larger regional river flood project called the Truckee River Flood Management Project which has the primary goal of reducing flood damages and deaths from a 1997 type flood (117-year event). The Flood Project is sponsored by a consortium of "local" partners including **Washoe County, Sparks, Reno and the University of Nevada - Reno**, among others.

***12. I don't live in an area where it floods, why do I have to pay the flood fee?***

Flood events cause a substantial negative economic on our local economy. Flood events cause the City and businesses millions of dollars in property damages as demonstrated by the 1997 flood and the most recent 2005 flood. Each time a flood occurs, local businesses suffer and some even leave Sparks. Sparks residents benefit from a healthy local economic climate and it therefore our obligation to help ensure that our local economy stays healthy.

The City's transportation corridors including portions of McCarran Boulevard, Glendale and Rock Boulevard are prone to flooding. Citizens of Sparks use these

roads to access their place of residence or business, and in a flood event, these roads can be closed, thus congesting other areas.

In a flood event, the city's emergency resources such as Police, Fire and Public Works focus heavily on flood fighting, potentially reducing service levels to other parts of the community.

Lastly, everyone contributes to flooding. We live in a watershed area where water drains to the river.

***13. What is the legal basis of these new rates?***

Pursuant to Section 13.06.040 of the Sparks Municipal Code, charges, fees and limitations shall be reviewed at least once every two years by the public works director.

***14. How long will flood fee be charged?***

Because the impact of these river floods to life and property are quite devastating, river flood management will be an ongoing priority by the City.

***15. Who can I call for more information?***

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