



# Sewer User Fee Update

## April 3, 2012

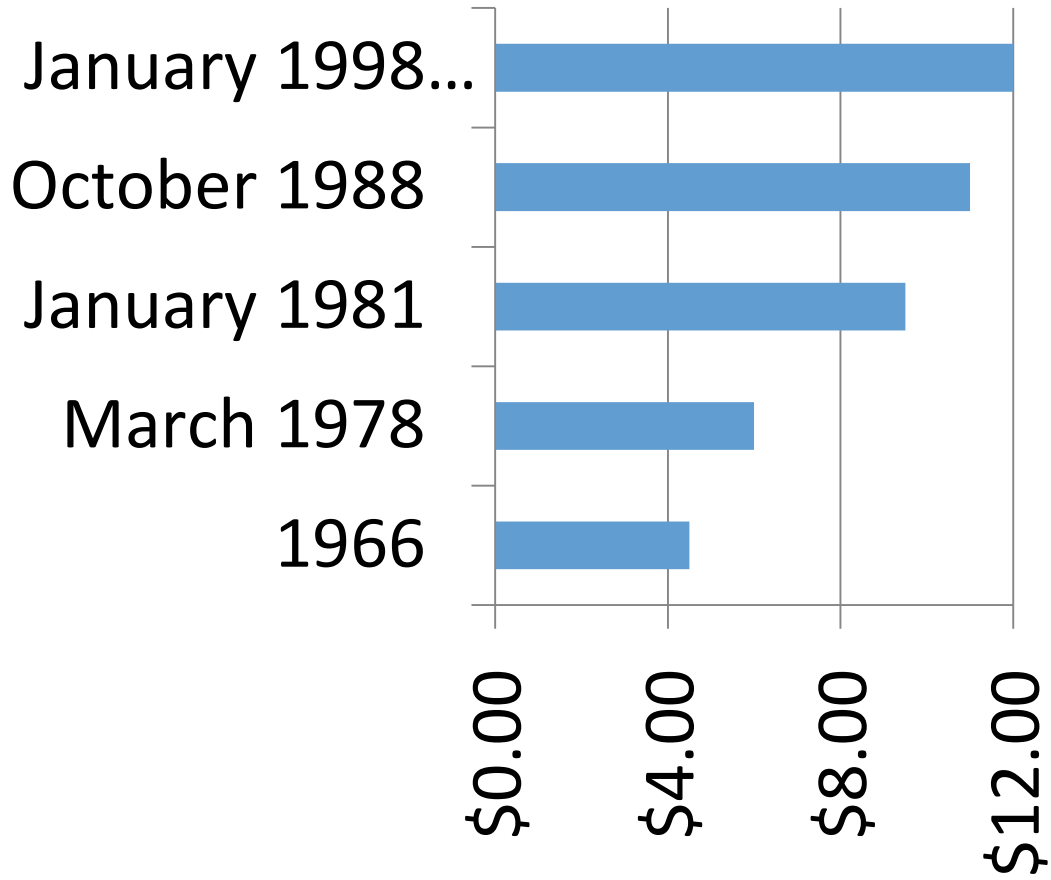
## Background

- Four user rate increases since 1966
- Last user rate increase - 1998
- Last tax rate increase – 1990
- Last capacity fee increase - 2005

## Historical Rates

1966 - Inception	\$4.50
March 1978 (33%)	\$6.00
January 1981 (58%)	\$9.50
October 1988 (15%)	\$11.00
January 1998- current (9%)	\$12.00

# Historical Rates

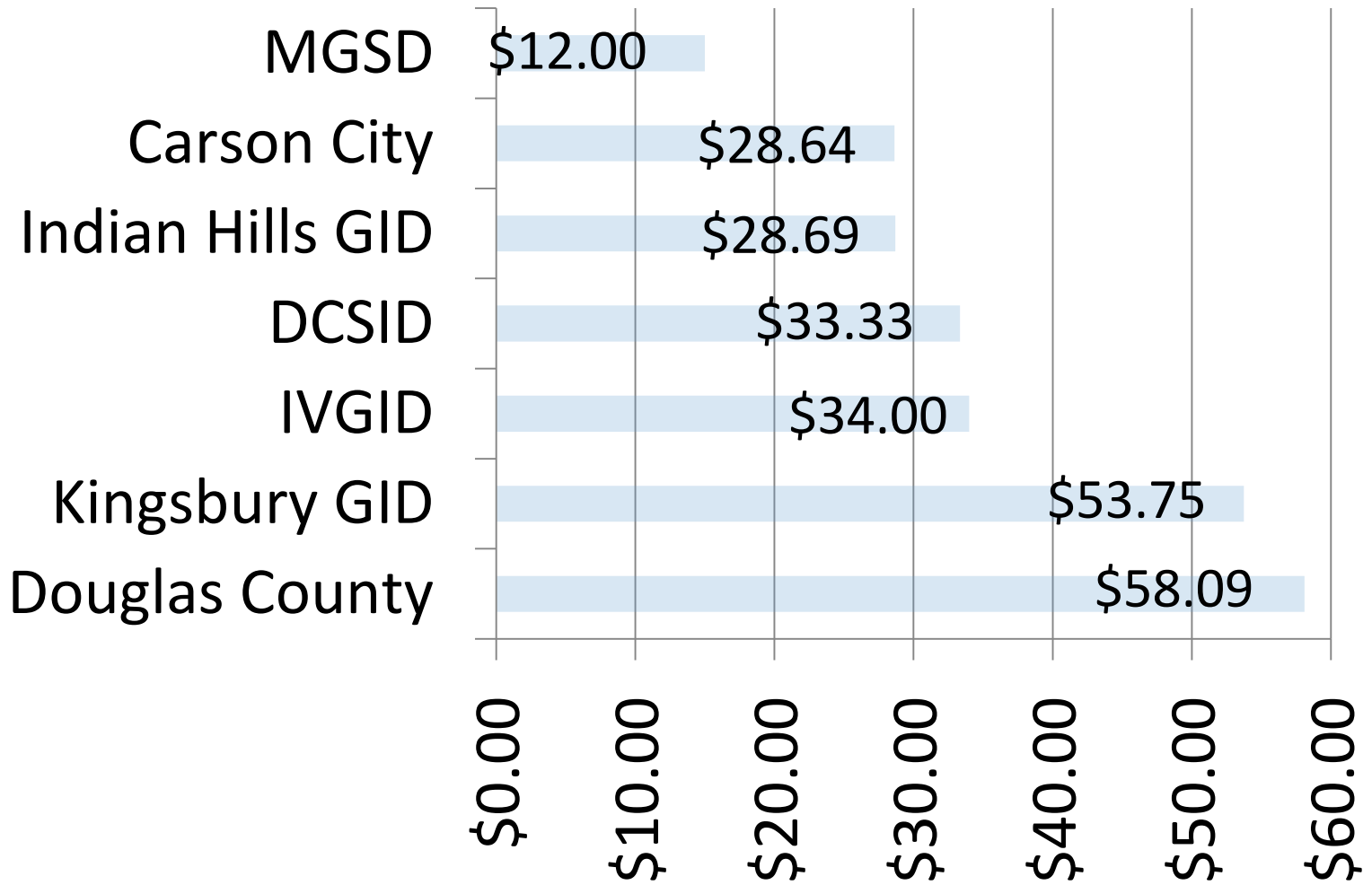


# Comparison of Local Entities

Carson City	(+139%)	\$28.64
Douglas County	(+384%)	\$58.09
DCSID	(+178%)	\$33.33
Indian Hills GID	(+139%)	\$28.69
IVGID	(+183%)	\$34.00
Kingsbury GID	(+348%)	\$53.75



MGSD  
\$12.00



## Revenues

### Ad-Valorem Revenues - (14%)

2007	\$325,000
2008	\$403,000
2009	\$424,000
2010	\$436,000
2011	\$381,000

(Expected to continue to decrease)

Interest Revenues - (98%)

2007 \$374,000

2008 \$285,000

2009 \$71,000

2010 \$6,038

2011 \$7,400



User Fees/GRGID Fees + 2.1%

2007	\$1,566,498
2008	\$1,586,416
2009	\$1,628,647
2010	\$1,619,554
2011	\$1,598,768

Operational Costs +20.5%

2007 \$1,312,751

2008 \$1,381,125

2009 \$1,461,797

2010 \$1,363,546

2011 \$1,582,393

## Operational Costs

*Salaries* +20.2%

*Benefits* +28.5%

*Service and Supplies* +18.5%

***Total Operating Expenses*** **+20.5%**

Capital Contributions - (78%)  
(Capacity/connection fees)

2007	\$431,547
2008	\$235,914
2009	\$343,108
2010	\$214,184
2011	\$95,276

## Capital Acquisitions

2007	\$2,040,740
2008	\$1,728,202
2009	\$4,430,585
2010	\$1,286,328
2011	\$1,756,190

(Total acquisitions \$11.2 million)

## Summary:

- Last user rate increase - 1998
- Current MGSD User Rates 139% - 384%  
lower than other local entities
- Decreased Revenues
- Increased Operational Costs

## Recommendations:

- Increase user rate from \$12.00 monthly to \$.046 per day for 2012  
(\$160,000/yr. increased revenue)\*
- Increase user rate by \$2.00 in 2014  
(\$320,000/yr. increased revenue)\*

\* @ 6674 EDU's as of 3/2012