

NOTICE BY THE CITY OF HENDERSON OF PROPOSED CHANGES TO UTILITY RATES, FEES AND CHARGES

The City of Henderson (“City” or “Henderson”) is responsible for providing potable water, wastewater, raw water and reclaimed water services to residents and businesses within the City’s service area. The City currently serves a population of approximately 332,000 residents, with approximately 103,000 customer accounts. The City operates and maintains an extensive water distribution system which delivers potable water from the Henderson Water Treatment Plant as well as Southern Nevada Water Authority (SNWA) treatment facilities. The City also operates and maintains a wastewater collection system and two reclamation facilities and delivers reclaimed water via a reclaimed distribution system for outdoor irrigation.

Pursuant to the Henderson City Council’s ratemaking authority under Article II, Sections 2.270 and 2.280 of the Henderson City Charter, the City is proposing an average annual 3.0% rate increase for the years 2021 – 2025 to provide necessary utility services, maintain sufficient funds to cover operating and maintenance expenses and necessary capital improvements, and meet required debt service coverage for existing Utility Services Bonds. The effective increase January 1, 2021 is 0% and rate increases will begin January 1, 2022. For the 2021 – 2025 timeframe, the City is proposing to change utility rates, charges, and fees, within the City generally as follows:

- a. Rates, charges and fees for potable water, raw water, reclaimed water, and wastewater services will increase an average of 3.0%.
- b. Single-family residence and commercial potable water tier sizes for meters larger than a single-family residence ¾” meter will be reduced by 10% annually to encourage conservation.
- c. Potable Water System Development Charges will increase \$100 per Equivalent Dwelling Unit for three consecutive years.
- d. Wastewater System Development Charges will increase \$135 per Equivalent Residential Unit for five consecutive years.

The current rates are in the column labeled “2021” and effective until December 31, 2021. The proposed rates are in the columns labeled “2022” through “2025” (effective January 1 of the particular year).

| Monthly Water Service Charge - Metered Customers | | | | | |
|--|------------|------------|------------|------------|------------|
| Meter Size | 2021 | 2022 | 2023 | 2024 | 2025 |
| Single Family Residential (SFR) 3/4" or less | \$13.47 | \$14.21 | \$14.85 | \$15.52 | \$16.22 |
| Commercial 1" or less/SFR 1" and MFR | \$27.66 | \$29.18 | \$30.49 | \$31.87 | \$33.30 |
| 1 1/2" | \$52.99 | \$55.90 | \$58.42 | \$61.05 | \$63.80 |
| 2" | \$82.41 | \$86.94 | \$90.85 | \$94.94 | \$99.22 |
| 3" | \$158.97 | \$167.71 | \$175.26 | \$183.15 | \$191.39 |
| 4" | \$253.15 | \$267.07 | \$279.09 | \$291.65 | \$304.77 |
| 6" | \$494.52 | \$521.72 | \$545.20 | \$569.73 | \$595.37 |
| 8" | \$794.75 | \$838.46 | \$876.19 | \$915.62 | \$956.82 |
| 10" | \$1,147.98 | \$1,211.12 | \$1,265.62 | \$1,322.57 | \$1,382.09 |
| 12" | \$1,689.59 | \$1,782.52 | \$1,862.73 | \$1,946.55 | \$2,034.15 |

| Monthly Water Service Charge - Residential Fire Meters | | | | | |
|--|---------|---------|---------|---------|---------|
| Meter Size | 2021 | 2022 | 2023 | 2024 | 2025 |
| 3/4" (flow requirement 3/4") | \$13.47 | \$14.21 | \$14.85 | \$15.52 | \$16.22 |
| 1" (flow requirement 3/4") | \$13.47 | \$14.21 | \$14.85 | \$15.52 | \$16.22 |
| 1" (flow requirement 1") | \$27.66 | \$29.18 | \$30.49 | \$31.87 | \$33.30 |
| 1 1/2" (flow requirement 1") | \$27.66 | \$29.18 | \$30.49 | \$31.87 | \$33.30 |
| 1 1/2" (flow requirement 1 1/2") | \$52.99 | \$55.90 | \$58.42 | \$61.05 | \$63.80 |
| 2" (flow requirement 1 1/2") | \$52.99 | \$55.90 | \$58.42 | \$61.05 | \$63.80 |
| 2" (flow requirement 2") | \$82.41 | \$86.94 | \$90.85 | \$94.94 | \$99.22 |

| Potable Water Volume Charge and Golf Course Irrigation Potable Water Volume Charge | | | | | |
|--|------------------------|--------|--------|--------|--------|
| | Rate Per 1,000 Gallons | | | | |
| Rate Block | 2021 | 2022 | 2023 | 2024 | 2025 |
| First | \$1.46 | \$1.54 | \$1.61 | \$1.68 | \$1.76 |
| Second | \$2.30 | \$2.43 | \$2.54 | \$2.65 | \$2.77 |
| Third | \$3.25 | \$3.43 | \$3.58 | \$3.74 | \$3.91 |
| Fourth | \$5.07 | \$5.35 | \$5.59 | \$5.84 | \$6.10 |

| Raw Water Volume Charge | | | | | |
|----------------------------|------------------------|--------|--------|--------|--------|
| | Rate Per 1,000 Gallons | | | | |
| Customer Class/Description | 2021 | 2022 | 2023 | 2024 | 2025 |
| All raw water customers | \$1.41 | \$1.46 | \$1.51 | \$1.56 | \$1.62 |

| Reclaimed Water Volume Charge | | | | | |
|-------------------------------|------------------------|--------|--------|--------|--------|
| | Rate Per 1,000 Gallons | | | | |
| Customer Class/Description | 2021 | 2022 | 2023 | 2024 | 2025 |
| All reclaimed water customers | \$1.20 | \$1.24 | \$1.29 | \$1.33 | \$1.38 |

| Single Family Residential Potable Water Monthly Use Threshold | | | | | | |
|---|-------|---|------|------|------|------|
| | | Avg. Monthly Use in 1,000 of gals (based on 30 day/month) | | | | |
| Meter Size | Tier | 2021 | 2022 | 2023 | 2024 | 2025 |
| 3/4" or less | First | 6 | 6 | 6 | 6 | 6 |
| | Next | 10 | 10 | 10 | 10 | 10 |
| | Next | 14 | 14 | 14 | 14 | 14 |
| | Over | 30 | 30 | 30 | 30 | 30 |
| 1" | First | 6 | 6 | 6 | 6 | 6 |
| | Next | 42 | 37 | 33 | 29 | 25 |
| | Next | 42 | 38 | 34 | 31 | 28 |
| | Over | 90 | 81 | 73 | 66 | 59 |
| 1 1/2" | First | 6 | 6 | 6 | 6 | 6 |
| | Next | 67 | 60 | 53 | 47 | 42 |
| | Next | 67 | 60 | 54 | 49 | 44 |
| | Over | 140 | 126 | 113 | 102 | 92 |
| 2" | First | 6 | 6 | 6 | 6 | 6 |
| | Next | 172 | 154 | 138 | 124 | 111 |
| | Next | 172 | 155 | 139 | 125 | 112 |
| | Over | 350 | 315 | 283 | 255 | 229 |

| Commercial and Golf Course Potable Water Monthly Use Threshold | | | | | | |
|--|-------|---|------|------|------|------|
| | | Avg. Monthly Use in 1,000 of gals (based on 30 day/month) | | | | |
| Class/Meter Size | Tier | 2021 | 2022 | 2023 | 2024 | 2025 |
| 5/8" | First | 24 | 22 | 20 | 18 | 16 |
| | Next | 108 | 97 | 87 | 78 | 70 |
| | Next | 268 | 241 | 217 | 196 | 177 |
| | Over | 400 | 360 | 324 | 292 | 263 |
| 3/4" | First | 24 | 22 | 20 | 18 | 16 |
| | Next | 108 | 97 | 87 | 78 | 70 |
| | Next | 268 | 241 | 217 | 196 | 177 |
| | Over | 400 | 360 | 324 | 292 | 263 |
| 1" | First | 36 | 32 | 29 | 26 | 23 |
| | Next | 132 | 119 | 107 | 96 | 87 |
| | Next | 332 | 299 | 269 | 242 | 218 |
| | Over | 500 | 450 | 405 | 364 | 328 |

| Commercial and Golf Course Potable Water Monthly Use Threshold | | | | | | |
|---|-------|--|--------|--------|--------|--------|
| | | Avg. Monthly Use in 1,000 of gals (based on 30 day/month) | | | | |
| Class/Meter Size | Tier | 2021 | 2022 | 2023 | 2024 | 2025 |
| 1 1/2" | First | 72 | 65 | 58 | 52 | 47 |
| | Next | 384 | 345 | 311 | 280 | 252 |
| | Next | 944 | 850 | 765 | 689 | 620 |
| | Over | 1,400 | 1,260 | 1,134 | 1,021 | 919 |
| 2" | First | 120 | 108 | 97 | 87 | 78 |
| | Next | 480 | 432 | 389 | 350 | 315 |
| | Next | 1,200 | 1,080 | 972 | 875 | 788 |
| | Over | 1,800 | 1,620 | 1,458 | 1,312 | 1,181 |
| 3" | First | 180 | 162 | 146 | 131 | 118 |
| | Next | 870 | 783 | 704 | 634 | 570 |
| | Next | 2,150 | 1,935 | 1,742 | 1,568 | 1,412 |
| | Over | 3,200 | 2,880 | 2,592 | 2,333 | 2,100 |
| 4" | First | 600 | 540 | 486 | 437 | 393 |
| | Next | 1,500 | 1,350 | 1,215 | 1,094 | 985 |
| | Next | 3,900 | 3,510 | 3,159 | 2,843 | 2,559 |
| | Over | 6,000 | 5,400 | 4,860 | 4,374 | 3,937 |
| 6" | First | 960 | 864 | 778 | 700 | 630 |
| | Next | 2,520 | 2,268 | 2,041 | 1,837 | 1,653 |
| | Next | 6,520 | 6,868 | 7,181 | 7,463 | 7,717 |
| | Over | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| 8" | First | 1,500 | 1,350 | 1,215 | 1,093 | 984 |
| | Next | 3,750 | 3,375 | 3,037 | 2,734 | 2,460 |
| | Next | 9,750 | 8,775 | 7,898 | 7,108 | 6,556 |
| | Over | 15,000 | 13,500 | 12,150 | 10,935 | 10,000 |
| 10" | First | 3,000 | 2,700 | 2,430 | 2,187 | 1,968 |
| | Next | 4,500 | 4,050 | 3,645 | 3,280 | 2,952 |
| | Next | 12,500 | 11,250 | 10,125 | 9,113 | 8,202 |
| | Over | 20,000 | 18,000 | 16,200 | 14,580 | 13,122 |
| 12" | First | 4,200 | 3,780 | 3,402 | 3,062 | 2,756 |
| | Next | 6,900 | 6,210 | 5,589 | 5,030 | 4,527 |
| | Next | 18,900 | 17,010 | 15,309 | 13,778 | 12,400 |
| | Over | 30,000 | 27,000 | 24,300 | 21,870 | 19,683 |

| System Development Charges (SDC) Potable Water - Residential | | | | | | |
|--|--|---------|---------|---------|---------|---------|
| EDU % | Customer Class/Description | 2021 | 2022 | 2023 | 2024 | 2025 |
| 1.0 | Residential - Eight or fewer units per acre and mobile homes individually metered 1,2 | \$1,600 | \$1,700 | \$1,800 | \$1,900 | \$1,900 |
| 0.60 | Residential - More than eight units per acre, multi-family, mobile home estates & mobile home park 2 | \$960 | \$1,020 | \$1,080 | \$1,140 | \$1,140 |
| 0.30 | Hotel/Motel 2 | \$480 | \$510 | \$540 | \$570 | \$570 |
| 0.40 | Hotel/Casino 2 | \$640 | \$680 | \$720 | \$760 | \$760 |
| 0.30 | Recreational Vehicle Resort 2 | \$480 | \$510 | \$540 | \$570 | \$570 |
| 1 Density determination shall be based on the units per acre as reflected on the approved tentative map. | | | | | | |
| 2 Fee is calculated based on each dwelling unit, space, or meter size, whichever is greater. If based on meter size, all charges shall be made in accordance with the "commercial and industrial" table. | | | | | | |

| System Development Charges (SDC) Potable Water - Commercial and Industrial | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|--|
| (includes commercial, industrial, fraternal organizations, recreational vehicle parks, public facilities, and schools) | | | | | | |
| When a combination fire and domestic systems is utilized the fees shall be based on a) the size of the domestic meter, b) the size of the meter that would be required in order to accommodate all non-fire flow demands, or c) the AWWA Standards for sizing meters or other nationally recognized method as approved by the Director. | | | | | | |
| Meter Size | 2021 | 2022 | 2023 | 2024 | 2025 | |
| 3/4" | \$1,600 | \$1,700 | \$1,800 | \$1,900 | \$1,900 | |
| 1" | \$2,672 | \$2,839 | \$3,006 | \$3,173 | \$3,173 | |
| 1 1/2" | \$5,328 | \$5,661 | \$5,994 | \$6,327 | \$6,327 | |
| 2" | \$8,528 | \$9,061 | \$9,594 | \$10,127 | \$10,127 | |
| 3" | \$18,672 | \$19,839 | \$21,006 | \$22,173 | \$22,173 | |
| 4" | \$33,600 | \$35,700 | \$37,800 | \$39,900 | \$39,900 | |
| 6" | \$74,672 | \$79,339 | \$84,006 | \$88,673 | \$88,673 | |
| 8" | \$128,000 | \$136,000 | \$144,000 | \$152,000 | \$152,000 | |
| 10" | \$202,672 | \$215,339 | \$228,006 | \$240,673 | \$240,673 | |
| 12" | \$266,672 | \$283,339 | \$300,006 | \$316,673 | \$316,673 | |

| System Development Charges (SDC) Wastewater | | | | | | | | |
|--|---|---------------------|---------|---------|---------|---------|---------|---------|
| ERU% | Customer Class/Description | Billing Unit (each) | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| 1 | Bar/taverns (with food sales) | fixture | \$1,800 | \$1,935 | \$2,070 | \$2,205 | \$2,340 | \$2,475 |
| 0.65 | Bar/taverns (without food sales) | fixture | \$1,170 | \$1,258 | \$1,346 | \$1,433 | \$1,521 | \$1,609 |
| 0.25 | Beauty/barber/nail/day spa/spa shop | fixture | \$450 | \$484 | \$518 | \$551 | \$585 | \$619 |
| 0.65 | Car wash (with water recycling facilities) | fixture | \$1,170 | \$1,258 | \$1,346 | \$1,433 | \$1,521 | \$1,609 |
| 1 | Car wash (without water recycling facilities) | fixture | \$1,800 | \$1,935 | \$2,070 | \$2,205 | \$2,340 | \$2,475 |
| 1.5 | Casino | fixture | \$2,700 | \$2,903 | \$3,105 | \$3,308 | \$3,510 | \$3,713 |
| 0.1 | Care Center/Child Adult | student | \$180 | \$194 | \$207 | \$221 | \$234 | \$248 |
| 0.5 | Church | fixture | \$900 | \$968 | \$1,035 | \$1,103 | \$1,170 | \$1,238 |
| 0.75 | Convalescent/assisted living facilities/rehab center (rooms only) | bed | \$1,350 | \$1,451 | \$1,553 | \$1,654 | \$1,755 | \$1,856 |
| 0.75 | Convalescent/assisted living facilities/rehab center (fixtures outside rooms) | fixture | \$1,350 | \$1,451 | \$1,553 | \$1,654 | \$1,755 | \$1,856 |
| 0.25 | Dental | fixture | \$450 | \$484 | \$518 | \$551 | \$585 | \$619 |
| 1 | Dry cleaner | fixture | \$1,800 | \$1,935 | \$2,070 | \$2,205 | \$2,340 | \$2,475 |
| 0.65 | Food sales (without cooking facilities) | fixture | \$1,170 | \$1,258 | \$1,346 | \$1,433 | \$1,521 | \$1,609 |
| 1.2 | Hospital (rooms only) | bed | \$2,160 | \$2,322 | \$2,484 | \$2,646 | \$2,808 | \$2,970 |
| 1.5 | Hotels/motel (fixture outside of rooms) | fixture | \$2,700 | \$2,903 | \$3,105 | \$3,308 | \$3,510 | \$3,713 |
| 0.6 | Hotel/motel (rooms only) | room | \$1,080 | \$1,161 | \$1,242 | \$1,323 | \$1,404 | \$1,485 |
| 0.45 | Laundromat | fixture | \$810 | \$871 | \$932 | \$992 | \$1,053 | \$1,114 |
| 0.45 | Maintenance/repair | fixture | \$810 | \$871 | \$932 | \$992 | \$1,053 | \$1,114 |
| 0.25 | Medical/dental (physician on staff) | fixture | \$450 | \$484 | \$518 | \$551 | \$585 | \$619 |

| System Development Charges (SDC) Wastewater | | | | | | | | |
|--|--|---------------------------|---------|---------|---------|---------|---------|---------|
| ERU% | Customer Class/Description | Billing Unit (each) | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
| 0.65 | Miscellaneous business not separately rated | fixture | \$1,170 | \$1,258 | \$1,346 | \$1,433 | \$1,521 | \$1,609 |
| 1 | Mobile home estates & mobile home park | dwelling unit, lot, space | \$1,800 | \$1,935 | \$2,070 | \$2,205 | \$2,340 | \$2,475 |
| 0.7 | Multi-family residential | dwelling unit | \$1,260 | \$1,355 | \$1,449 | \$1,544 | \$1,638 | \$1,733 |
| 0.45 | Office/warehouse | fixture | \$810 | \$871 | \$932 | \$992 | \$1,053 | \$1,114 |
| 0.25 | Pet grooming | fixture | \$450 | \$484 | \$518 | \$551 | \$585 | \$619 |
| 0.65 | Public facility | fixture | \$1,170 | \$1,258 | \$1,346 | \$1,433 | \$1,521 | \$1,609 |
| 0.6 | RV Space | dwelling unit, lot, space | \$1,080 | \$1,161 | \$1,242 | \$1,323 | \$1,404 | \$1,485 |
| 0.6 | RV non-space fixtures | fixture | \$1,080 | \$1,161 | \$1,242 | \$1,323 | \$1,404 | \$1,485 |
| 1.33 | Restaurant (sit down service) See note below | fixture | \$2,394 | \$2,574 | \$2,753 | \$2,933 | \$3,112 | \$3,292 |
| 1 | Restaurant (carry out only) See note below | fixture | \$1,800 | \$1,935 | \$2,070 | \$2,205 | \$2,340 | \$2,475 |
| 0.65 | Retail sales (including markets, shopping centers) | fixture | \$1,170 | \$1,258 | \$1,346 | \$1,433 | \$1,521 | \$1,609 |
| 0.1 | School (public or private) | student | \$180 | \$194 | \$207 | \$221 | \$234 | \$248 |
| 0.65 | Service station | fixture | \$1,170 | \$1,258 | \$1,346 | \$1,433 | \$1,521 | \$1,609 |
| 1 | Single family residence | dwelling unit | \$1,800 | \$1,935 | \$2,070 | \$2,205 | \$2,340 | \$2,475 |

Restaurant Categories: Sit down service shall refer to all restaurant establishments that employ waiters/waitresses to serve customers in a seating environment. Carry out service shall refer to all restaurant establishment whose primary business operation caters to take home business and that do not employ waiters/waitresses to service customers.

Student count figures include all full and part time students and shall be based on the maximum enrollment anticipated for each respective school. Such figures shall be verified by the City on an annual basis. At the sole discretion of the Director, additional SDC's may be applied.

All fee assessments shall be based on one of the customer classifications listed in the table above. However, where shared facilities are being proposed, the rate assessed for those fixtures shall be based on the highest possible ERU percentage for that facility. The Director reserves the right to determine the appropriate customer class to apply. Such determination shall be deemed final, with all SDC's assessed and collected accordingly.

Large commercial and/or industrial customers with estimated peak wastewater flows over one hundred thousand gallons per day (GPD) shall have the initial system development charge (SDC) based on wastewater flows for the estimated peak day times three hundred sixty-five days to determine the estimated annual peak wastewater flows. The estimated annual peak wastewater flows shall be divided by ninety thousand gallons to determine the estimated ERUs. The estimated ERUs shall be multiplied by the single-family resident ERU rate to derive the customer's initial SDC. The method of estimating peak wastewater flows shall be determined by the Director.

Formula:
Estimated peak wastewater GDP x 365 days = Estimated annual peak wastewater flows
Estimated annual peak wastewater flows ÷ 90,000 gallons = Estimated ERUs
Single-family ERU rate x estimated ERUs = Total initial wastewater SDC

The Convalescent/assisted living facilities/rehab category is used when a nurse is on staff to assist with basic and/or medical needs of a patient or occupant. The hospital category is used when a doctor is on staff and medical professionals are there to help with every need of a patient.

The Dry Cleaner category is used when dry cleaning and/or washing of clothing takes place at that location. The Laundromat category is used for self-serve coin operated washers and dryers.

| Wastewater Service Charges Residential Units | | | | | |
|---|---------|---------|---------|---------|---------|
| Customer Class/Description | 2021 | 2022 | 2023 | 2024 | 2025 |
| Single Family Residential (per dwelling unit) | \$25.78 | \$26.30 | \$26.82 | \$27.36 | \$27.91 |
| Mobile Home Estates (per mobile home) | \$25.78 | \$26.30 | \$26.82 | \$27.36 | \$27.91 |
| Apartment House (per apartment house) | \$20.98 | \$21.40 | \$21.83 | \$22.26 | \$22.71 |
| Multiple-Family (per unit) | \$20.98 | \$21.40 | \$21.83 | \$22.26 | \$22.71 |
| Mobile Home Park (per mobile home) | \$17.98 | \$18.34 | \$18.71 | \$19.08 | \$19.46 |
| Senior/Disability | \$20.93 | \$21.35 | \$21.78 | \$22.21 | \$22.66 |

| Wastewater Usage and Service Charges Commercial and Industrial | | | | | |
|---|--------|--------|--------|--------|--------|
| Description | 2021 | 2022 | 2023 | 2024 | 2025 |
| Basic Service Charge | \$4.85 | \$4.95 | \$5.05 | \$5.15 | \$5.25 |
| User Charge per 1,000 Gallons of Flow | \$2.36 | \$2.41 | \$2.46 | \$2.50 | \$2.55 |

The City will make the following information available at www.cityofhenderson.com/utilityrate: a copy of this notice; depiction of the City service area; Department of Utility Services (DUS) budget; Adopted Capital Improvement Plan (DUS pages only); and, estimated impact on sample customer categories.

Interested persons, including trade associations and owners and officers of businesses that are likely to be affected, may submit data and arguments to the City as to whether the proposed increase of rates, charges and fees will:

1. Impose a direct and significant economic burden upon a business; or
2. Directly restrict the formation, operation, or expansion of a business.

The deadline for the City to receive responses to this Notice is 5:00 pm Pacific time on Thursday, June 3, 2021. City staff will use the responses received by the deadline to prepare a Business Impact Statement that will be presented to the Henderson City Council at a regularly scheduled meeting.

Responses must be submitted in writing to City of Henderson, Department of Utility Services, using one of the contact methods below, and must arrive and be received by the City no later than 5:00 pm Pacific time on Thursday, June 3, 2021.

Comments via City of Henderson website:
www.cityofhenderson.com/utilityrate



Comments via mail or other delivery service:
City of Henderson
Department of Utility Services
ATTN: Vicki L. White, Utility Administrative Services Manager
240 Water Street
P.O. Box 95050
MSC 124
Henderson, NV 89009-5050

Comments via Email:
Vicki.White@cityofhenderson.com