

FINANCIAL POLICIES
Effective Date: TBD

**CITY OF RENO, NEVADA
STORMWATER ENTERPRISE FUND
FUND POLICY**

The Stormwater Enterprise Fund consists of the Stormwater Fund. The Stormwater Fund provides for a system of user charges for the operation and maintenance of the City's stormwater collection, treatment, and disposal systems.

POLICY:

- A. The sources and uses of funds are established in the Reno Municipal Code (RMC), Title 12, Chapter 16. Resources for the Stormwater Fund include user charges and surcharges which are used for the operation, maintenance, and upgrade of the stormwater collection and treatment systems necessary to support current system users and to provide for the adequate growth of the system in response to any increase in use of the system.

PURPOSE:

- A. To establish the financial mechanisms required to support the operation of the Fund.
- B. To provide a financial framework for identifying revenues and expenses related to the operation of the Fund.

DEFINITIONS:

- A. *Utility Services Director* means the Utility Services Director or designee.
- B. *Finance Director* means the Finance Director or designee.
- C. *Fund* means the Stormwater Fund.

RESPONSIBILITIES:

The Utility Services Director:

- A. shall oversee the operation and maintenance of the City's stormwater collection, treatment, and disposal systems;

- B. shall prepare the proposed budget for each fund and submit the budgets through the Finance Department and the City Manager, or designee, to the City Council for consideration and adoption.
- C. shall review the costs for operating and maintaining its stormwater systems at least every other year. User charges shall be adjusted when necessary to maintain proportionate distribution of costs by user and user class and to meet reserve requirements as established by this policy and any changes in use fees or surcharges will be adopted by ordinance; and
- D. shall ensure that the revenues collected from user charges are used for the purposes set forth in enabling legislation including, but not limited to, the operation, maintenance, and repair of the City's stormwater systems.

The Finance Director:

- A. shall insure that all funds in the Fund are being administered in accordance with generally accepted accounting principles and are being used in a manner consistent with the provisions of this policy and State law;
- B. shall ensure that any funds received from state or federal agencies are restricted for use as specified by the granting agency;
- C. shall perform necessary accounting functions as required; and
- D. shall account for all revenues and expenses related to any projects or programs specifically identified in rate increases including, but not limited to the stormwater control system, implementation of a maintenance management system, rehabilitation program, rebate or credit program, and any other such project or program which may be implemented in the future. The City shall monitor costs associated with these programs for the life of the program or until directed otherwise by the City Council.
- E. shall review the budget submitted by the Utility Services Director for compliance with the City's budget guidelines.

FINANCIAL SPECIFICITY:

- A. Fund reserves shall be established as follows:

The Fund will accumulate and maintain cash reserves equal to sixty (60) days of the annual operating expenses of the Fund. Cash reserves will be reviewed annually during the budget process and during the biannual rate review. In the event reserves fall below the level stipulated by this policy, the City may take action as required until user rates are adjusted, and the deficiency is corrected. In the event reserves exceed the level stipulated, City

Council may authorize rebates to customers, reduce the rate during the biannual rate review, or take other action as necessary to reduce the level of reserves.

LEGAL AUTHORITY:

This fund is governed by Nevada Revised Statutes (NRS) Chapters 288, 332, 350, 354, and 355, Nevada Administrative Code (NAC) [Chapters 350 and 354], various sections in Reno Municipal Code (RMC) [Chapter 2.10, RMC Chapter 12.16].