

**City of Carson City
Agenda Report**

Date Submitted: August 23, 2013

Agenda Date Requested: September 5, 2013

Time Requested: 10 minutes

To: Mayor and Supervisors

From: Public Works Department, Sewer Division

Subject Title: For Possible Action: Action to find that the proposed ordinance amending the Carson City Municipal Code Title 12 – Water, Sewerage and Drainage, Chapter 12.03 – Sewer Connection Charges and Use Rates, Section 12.03.020 – Schedule of Rates, by phasing in a five (5) year rate structure effective October 1, 2013 and other matters properly related thereto, does impose a direct and significant economic burden on a business or directly restrict formation, operations or expansion of a business, that a business impact statement has been prepared in compliance with NRS 237, accepted and is on file with the Board of Supervisors. (Andrew Burnham)

Staff Summary: This ordinance proposes a sewer utility rate schedule, phased in over five (5) years, that generates the revenue necessary to fund current operating and maintenance expenses, debt service, five (5) year capital improvement plan, capital reserve targets and system reinvestment. NRS 237.080 requires that the City prepare a Business Impact Statement when an increase in a fee is contemplated.

Type of Action Requested: (check one)
 Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: (XX) Yes, Completed () No

Recommended Board Action: I move to find that the proposed ordinance amending the Carson City Municipal Code Title 12 – Water, Sewerage and Drainage, Chapter 12.03 – Sewer Connection Charges and Use Rates, Section 12.03.020 – Schedule of Rates, by phasing in a 5 year rate structure effective October 1, 2013 and other matters properly related thereto, does impose a direct and significant economic burden on a business or directly restrict formation, operations or expansion of a business, that a business impact statement has been prepared in compliance with NRS 237, accepted and is on file with the Board of Supervisors.

Explanation for Recommended Board Action: The proposed ordinance amendment has been presented the Carson City Area Chamber of Commerce and the Builders Association of Western Nevada. To date, no objections have been received. A copy of the Business Impact Statement, along with the appeal petition form, is available at the public counter of the Public Works Department, 3505 Butti Way, Carson City, Nevada.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 237 Business Impact Statements

Fiscal Impact: None for this action


Explanation of Impact: NA

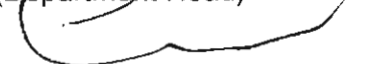
Funding Source: NA

Alternatives: Make the finding that the proposed ordinance does not impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business.

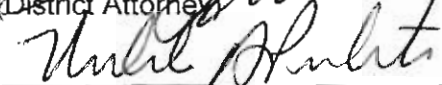
Supporting Material: Copy of the Business Impact Statement, letters to the Carson City Area Chamber of Commerce and Builders Association of Western Nevada.

Prepared By: David Bruketta, Utility Manager

Reviewed By:  Date: 8-27-13
(Department Head)

Concurrences:  Date: 8/27/13
(City Manager)

 Date: 8/27/13
(District Attorney)

 Date: 8/27/13
(Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)

BUSINESS IMPACT STATEMENT

The following business impact statement was prepared pursuant to NRS 237.090 to address the proposed impact of an ordinance to amend the Carson City Municipal Code,

TITLE 12, WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.03 – SEWER CONNECTION CHARGES AND USE RATES, SECTION 12.03.020 – SCHEDULE OF RATES, BY REVISING THE RATE STRUCTURE ENSURING EQUITY AMONGST USER CLASSES AND MEETING THE REVENUE REQUIREMENTS TO FUND DEBT FINANCING, CAPITAL IMPROVEMENTS, CAPITAL RESERVE TARGETS AND SYSTEM REINVESTMENT; AND OTHER MATTERS PROPERLY RELATED THERETO.

1. The following constitutes a description of the manner in which comment was solicited from affected businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

- a. Notice

Direct mailings were sent to the Carson City Area Chamber of Commerce and the Builders Association of Western Nevada.

Public tours of the wastewater treatment plant were given on April 11, July 10, and July 16, 2013.

Sierra Nevada Forums hosted a public presentation on July 16, 2013.

The Water and Sewer Rate Studies that were presented to the Board of Supervisors, on April 18, 2013 and June 20, 2013, were posted on the Carson City website (www.Carson.org), front page under News & Updates.

The proposed amendments were available for viewing at the Carson City Public Works Department at 3505 Butti Way, Carson City NV 89701.

- b. Summary of comments

No comments were received.

2. The estimated economic effect of the proposed rule on businesses including, without limitation, both adverse and beneficial effects, and both direct and indirect effects:

a. Adverse effects:

Effective October 1, 2013 and July 1 each year thereafter through 2017, the cost of service shifts will be phased-in over a five (5) year period.

Customer Classes	Phase-In Cost of Service Shift					Cumulative
	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	
Single Family Residential	11.8%	11.5%	11.2%	10.9%	10.5%	70.0%
Multifamily Residential	15.7%	15.7%	15.7%	15.7%	15.7%	107.6%
Low-Strength Commercial	17.1%	17.1%	17.1%	17.1%	17.1%	120.4%
High-Strength Commercial	23.0%	23.0%	23.0%	23.0%	23.0%	181.6%
TOTAL	15.0%	15.0%	15.0%	15.0%	15.0%	101.1%

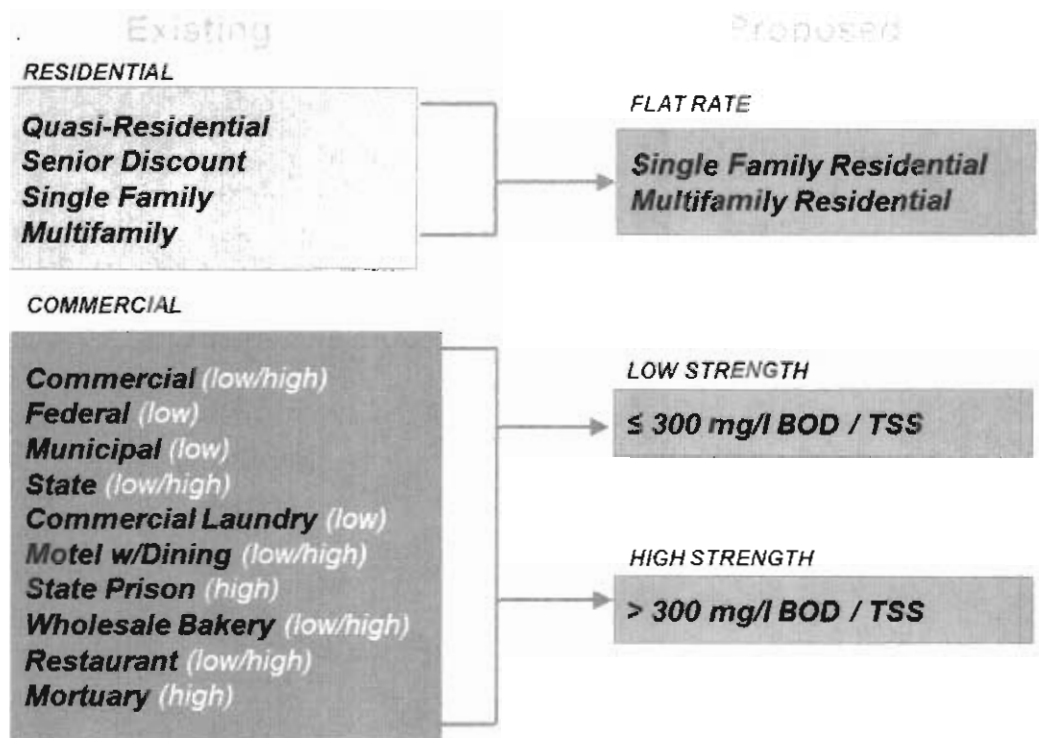
Note: FYE is Fiscal Year Ending. A fiscal year is defined as July 1 – June 30.

b. Beneficial effects:

This ordinance creates financial stability in the wastewater utility for the next five (5) years; it provides the revenue necessary to fund the operating and maintenance expenses, debt service, and capital program, and establishes operating and capital reserves and system reinvestment funding necessary to preserve the utility's financial integrity; it provides a new rate structure that improves equity among customer classes.

c. Direct effects:

The passage of this ordinance redefines the customer classes to single family residential, multifamily residential, low-strength commercial and high-strength commercial.

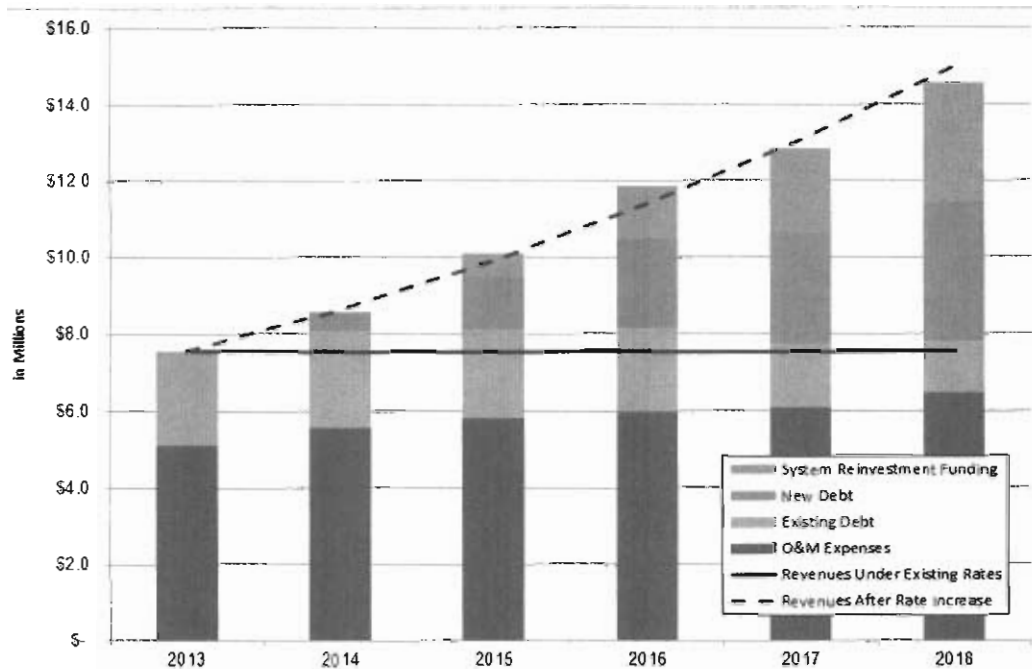


The monthly rate shall be computed as detailed in Schedule A

Schedule A

Customer Class	Effective 10/1/13	Effective 7/1/14	Effective 7/1/15	Effective 7/1/16	Effective 7/1/17
Flat Rates (per unit)					
Single Family Residential	\$ 26.61	\$ 29.68	\$ 33.01	\$ 36.61	\$ 40.45
Multifamily Residential	\$ 15.15	\$ 17.53	\$ 20.29	\$ 23.48	\$ 27.18
Metered Rates					
Low-Strength Commercial					
Base Charge	\$ 14.75	\$ 21.17	\$ 27.60	\$ 34.03	\$ 40.45
Volume Charge (per 1,000 gallons)	\$ 3.92	\$ 4.41	\$ 5.03	\$ 5.82	\$ 6.78
High-Strength Commercial					
Base Charge	\$ 14.75	\$ 21.17	\$ 27.60	\$ 34.03	\$ 40.45
Volume Charge (per 1,000 gallons)	\$ 5.26	\$ 6.44	\$ 7.91	\$ 9.73	\$ 11.98

It generates the revenue necessary to meet operating and maintenance expenses, existing debt financing, new debt financing and provides for system reinvestment funding.



d. Indirect effects:

By passing this ordinance is likely to have indirect effects, however at this time, those effects cannot be quantified.

- The following constitutes a description of the methods that the governing body of the local government considered to reduce the impact of the proposed ordinance on businesses and a statement regarding whether any, and if so which, of these methods were used:

To reduce the fiscal impact, a five (5) year phase-in strategy is being proposed.

- The governing body estimates that the annual cost to the local government for enforcement of the proposed ordinance is:

There should be no increase in costs, as Carson City already has a billing operation in place that addresses rates and customer charges every day.

- The proposed rule provides for a new fee or increases to an existing fee and the total annual amount expected to be collected is:

The total incremental revenue expected each fiscal year is:

FY 13-14:	\$ 1,110,668
FY 14-15:	\$ 1,277,269
FY 15-16:	\$ 1,468,859
FY 16-17:	\$ 1,689,188

FY 17-18: \$ 1,942,566

6. The proposed ordinance includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity. The following explains why such duplicative or more stringent provisions are necessary.

The proposed change is not duplicative or more stringent than existing federal, state or local standards.

OBJECTION PROCESS

1. If a business believes it is aggrieved by a rule (as defined in NRS 237.060) adopted by the governing body, the business may object by filing a petition in writing with the clerk/secretary of the local government at 201 North Carson Street, Ste. 1, Carson City, NV 89701.
2. The governing body will accept such petitions for a period of thirty (30) days following approval of the subject Rule for one of the following reasons:
 - a. The governing body failed to prepare a business impact statement as required pursuant to NRS Chapter 237; or
 - b. The business impact statement prepared by the governing body did not consider or significantly underestimate the economic effect of the ordinance or rule on business.
3. Upon receipt of the petition, the clerk/secretary will forward a copy to the local government's attorney, the department/agency that generated the Rule and the local government's manager/chief executive.
4. Staff will consider the merits of the petition and forward a recommendation to the governing body.
5. The governing body will determine if the petition has merit and direct staff accordingly.
6. A sample petition is attached.

PETITION OBJECTING TO ADOPTION OF RULE

NRS 237.100 provides that a business that is aggrieved by an ordinance, regulation, resolution or other type of instrument through which a governing body exercises legislative powers, except pursuant to Chapter 271, 278, 278A and 278B of NRS (herein a "Rule") adopted by the governing body may object to all or a part of the Rule by filing a petition. This petition form is provided to assist those who wish to object. The petition must be filed with the clerk/secretary of the local government at **201 North Carson Street, Ste. 1, Carson City, Nevada 89701**, within 30 days after the date on which the Rule was adopted.

Petitioner's name (Include name of the business or proposed business and whether it is a corporation, partnership, sole proprietorship, fictitious name):

Petitioner's type of business:

Petitioner's business location:

_____ Street
_____, _____, _____
City County State

Petitioner's mailing address (If different from above):

Petitioner's phone number: (____) _____ - _____

Petitioner is objecting to the following:

(Identify the Rule to which Petitioner is objecting and state whether it is an ordinance, resolution, regulation or other instrument. Please give number if known.)

The basis of Petitioner's objection is as follows:

_____ The governing body failed to prepare a business impact statement; or
_____ The business impact statement did not consider or significantly underestimate the economic effect of the adopted Rule.

The nature of the impact of the above Rule on Petitioner's business is as follows (Attach additional sheets if necessary):

By signing below, the signor of this Petition certifies it as a duly authorized representative of the business identified above and has been authorized by that Business to file this Petition on behalf of the business.

Business Name

By:

Title of Signor:

**PUBLIC WORKS
DEPARTMENT**

ADMINISTRATION

3505 Butti Way
Carson City, NV 89701-3498
Ph: 775-887-2355
Fx: 775-887-2112

FLEET SERVICES

3303 Butti Way, Building 2
Carson City, NV 89701-3498
Ph: 775-887-2356
Fx: 775-887-2258

OPERATIONS

(Water, Sewer, Wastewater,
Streets, Landfill, Environmental)
3505 Butti Way
Carson City, NV 89701-3498
Ph: 775-887-2355
Fx: 775-887-2112

**ENGINEERING/
TRANSPORTATION/
CAPITAL PROJECTS**

3505 Butti Way
Carson City, NV 89701-3498
Ph: 775-887-2355
Fx: 775-887-2112

**BUILDING and SAFETY
PERMIT CENTER**

108 E. Proctor Street
Carson City, NV 89701-4240
Ph: 775-887-2310
Fx: 775-887-2202

PLANNING

108 E. Proctor Street
Carson City, NV 89701-4240
Ph: 775-887-2180
Fx: 775-887-2278

HEARING IMPAIRED

Dial 711

CARSON CITY NEVADA
Consolidated Municipality and State Capital



July 19, 2013

Ms. Ronni Hannaman
Carson City Area Chamber of Commerce
1900 South Carson Street, Suite 200
Carson City, NV 89701

Regarding: Proposed ordinance amending 12.03.020 – Schedule of Rates, of the Carson City Municipal Code.

Dear Ms. Hannaman:

On September 5, 2013 the Carson City Board of Supervisors will hear the first reading of a bill that will allow for a sewer rate structure change. To help put perspective on the proposed changes, enclosed are copies of the Water and Sewer Rate Study's that were presented to the Board of Supervisors on April 18, 2013 and June 20, 2013, by FCS Group. Also enclosed is the Business Impact Statement.

As required by NRS 237.080, "Prerequisites to adoption of a rule by local government" the City must provide pertinent information to all potentially affected businesses. You have fifteen (15) working days to review and respond to the proposed amendment. Please respond in writing to my office by August 10, 2013. All comments will be included in the presentation to the Carson City Board of Supervisors for their consideration of the required Business Impact Statement.

If you have any questions, please contact me at (775) 283-7357 or e-mail to dbruketta@carson.org.

Sincerely,

David Bruketta
Utility Manager
3505 Butti Way
Carson City, NV 89701

enclosures: Business Impact Statement
Water and Sewer Rate Study – April 18, 2013
Water and Sewer Rate Study – June 20, 2013

**PUBLIC WORKS
DEPARTMENT**

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Carson City, NV 89701-4240
Ph: 775-887-2370
Fx: 775-887-2282

PLANNING

108 E. Proctor Street
Carson City, NV 89701-4240
Ph: 775-887-2180
Fx: 775-887-2278

HEARING IMPAIRED
Dial 711

CARSON CITY NEVADA
Consolidated Municipality and State Capital



July 19, 2013

Ms. Sheena Schrum
Builders Association of Western Nevada
PO Box 1947
Carson City, NV 89702

Regarding: Proposed ordinance amending 12.03.020 ~ Schedule of Rates, of the Carson City Municipal Code.

Dear Ms. Schrum:

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Sincerely,

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Utility Manager
3505 Butti Way
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