

Mem # 30c

City of Carson City Agenda Report

Date Submitted: April 23, 2010

Agenda Date Requested: May 6, 2010
Time Requested: 5 minutes

To: Mayor and Supervisors

From: Public Works Department

Subject Title: Action to find that the proposed ordinance amending Title 12. Water, Sewerage and Drainage, Chapter 12.03, Sewer Connection Charges and Use Rates, Section 12.03.020, Schedule of Rates, by increasing all rates 14% and other matters properly related thereto, does impose a direct and significant economic burden on a business or directly restrict the formation, operation or expansion of a business, that a business impact statement has been prepared, accepted and is on file with the Board of Supervisors and that the requirements of the NRS 237.080 and 237.090 have been met. (Ken Arnold)

Staff Summary: The proposed 14% increase in all sewer use rates reflected in Chapter 12.03 provides for the necessary revenue requirements to operate, maintain and meet capital program debt obligations.

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

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

Recommended Board Action: I move to find that the proposed ordinance amending Title 12. Water, Sewerage and Drainage, Chapter 12.03, Sewer Connection Charges and Use Rates, Section 12.03.020, Schedule of Rates, by increasing all rates 14%, and other matters properly related thereto, does impose a direct and significant economic burden on a business or directly restrict the formation, operation or expansion of a business, that a business impact statement has been prepared, accepted and is on file with the Board of Supervisors and that the requirements of the NRS 237.080 and 237.090 have been met.

Explanation for Recommended Board Action: The sewer rates were increased a total of 5% as of July 1, 2009. That increase was necessary to simply meet existing debt service obligations and operational costs. Due to the need to fund certain capital projects at the Waste Water Reclamation Plant and to replace aging sewer mains, staff recommends a 14% increase as of July 1, 2010. The 14% rate increase requested is principally for a capital program debt service (13%) to cover costs for the North Lift Station Upgrades at the Waste Water Reclamation Plant (WWRP), Roop Street Sewer Line, pumps and motors for the WWRP and to cover increased operations and maintenance costs (1%) such as for fuel, electricity, and chemicals.

The proposed ordinance amending Chapter 12.03 of the Carson City Municipal Code regarding an increase to all sewer charges, fees and use rates, excluding connection fees, has been presented to the Carson City Area Chamber of Commerce, Builder's Association of Western Nevada (BAWN), Manufacturing Association, Industrial Association and to the general public through newspaper advertisements. 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 Statue, Code, Policy, Rule or Regulation: NRS 237 regarding business impact statements.

Fiscal Impact: None

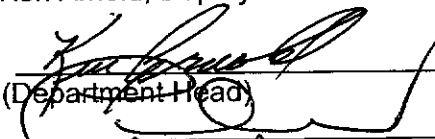
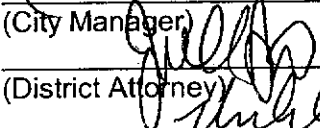
Explanation of Impact: N/A

Funding Source: N/A

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:

Prepared By: Ken Arnold, Deputy Public Works Director-Operations

Reviewed By:  Date: 4/27/10
(Department Head)
 Date: 4/27/10
(City Manager)
 Date: 4/27/10
(District Attorney)
 Date: 4/27/10
(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 237.080 to address the proposed impact of an Ordinance amending TITLE 12, WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.03, SEWER CONNECTION CHARGES AND USE RATES, SECTION 12.03.020, SCHEDULE OF RATES, BY INCREASING ALL RATES FOURTEEN PERCENT EFFECTIVE JULY 1, 2010. The proposed increase to the rates set forth in Chapter 12.03 provide for the necessary revenue requirements to operate and maintain the sewer system and meet capital program debt service obligations. The changes provide for an across the board 14% increase to monthly use rates for each property and septic.

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.

The proposed ordinance amending Chapter 12.03 of the Carson City Municipal Code regarding an increase to all sewer rates has been presented to the Carson City Area Chamber of Commerce, Builders Association of Western Nevada (BAWN), Manufacturing & Industrial Association and to the public through newspaper advertisements.

_____ objections to the increase in sewer charges, fees and use rates have been received to date. A copy of this Business Impact Statement is available at the Carson City Public Works Department at 3505 Butti Way, Carson City, Nevada 89701.

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:

The proposed rate increases all sewer rates a total of 14% during calendar year 2009. The increases go into effect on bills dated on or after July 1, 2010.

- b. Beneficial effects:

The proposed sewer rate ordinance keeps the rate structure the same and applies a 14% increase effective on bills dated on or after July 1, 2010 so that all users more or less are impacted the same. The 14% sewer use rate increase requested is principally for capital program debt service (13%) and to cover increased operations and maintenance costs (1%) such as fuel, electricity, and chemicals.

- c. Direct effects:

The approval of this ordinance will increase fees. The additional revenue will go directly to and provide for the necessary revenue requirements to proceed with the 2010 operations and maintenance, and current capital program debt service obligations. The 14% rate increase requested is principally for capital program

debt service (13%) and to cover increased operations and maintenance costs (1%) such as fuel, electricity, and chemicals. The primary capital debt expenditures are necessary for the North Lift Station Upgrades at the Waste Water Reclamation Plant and the Roop Street Sewer line relocation project.

d. Indirect effects:

The passing of this ordinance is sure to have indirect effects, however at this time, those effects cannot be quantified.

3. 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:

Sewer rates were increased on July 1, 2008, by 24%, after an actual decrease of 4% over the past 21 years. The 24% increase was critical to cover operational costs and capital program debt service. The previous \$8 million capital program was postponed and is being reduced to \$4 million in Fiscal Year 2010/2011. The City has applied for stimulus funding through the State's Revolving Loan Fund as instructed, but has not received any indication of the amount it may receive, if any. The 14% rate increase requested is principally for capital program debt service (13%) and to cover increased operations and maintenance costs (1%) such as fuel, electricity, and chemicals.

The City is continuing to evaluate options and measures that could reduce future capital requirements, thereby minimizing future rate adjustments. In the interim, Waste Water Reclamation staff members continue to work diligently to maintain and repair existing equipment to provide proper operation and compliance with State regulations. However, North Lift Station improvements are necessary now and other major improvements to the Waste Water Reclamation Plant become more critical each year and must be done in the near future.

4. 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 the City already has a billing operation in place and they deal with rates and customer charges everyday. If there is any cost impact it would be very small.

5. The proposed ordinance increases the existing sewer fees and the total annual amount expected to be collected is:

Annual total of monthly charges \$7,174,745; Other charges \$136,004.

The additional revenue will go directly to and provide for the necessary revenue requirements to proceed with the 2010 operations and maintenance. The 14% rate increase requested is principally for capital program debt service (13%) and to cover increased operations and maintenance costs (1%) such as fuel, electricity, and chemicals.

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.

There are none. The proposed ordinance provides for the necessary revenue requirements to operate, maintain, meet quality standards, replace and expand the sewer system and treatment facilities. It 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 the Northgate Complex, 2621 Northgate Lane, Suite 56, Carson City, NV 89706.
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 **2621 Northgate Lane, Suite #56, Carson City, Nevada 89706**, 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:

City _____ Street _____
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: