

City of Carson City Agenda Report

Date Submitted: July 22, 2011

Agenda Date Requested: August 4, 2011
Time Requested: 5 minutes

To: Mayor and Supervisors

From: Public Works Department

Subject Title: For Possible Action; 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%, amending Section 12.03.037, Right-of-Way Toll, by increasing from 1% to 2%, 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. (Andy Burnham)

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. Revenue from the Right-of-Way Toll increase from 1% to 2% will go to the General Fund.

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%, amending Section 12.03.037, Right-of-Way Toll, by increasing from 1% to 2%, 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: In order to fund capital projects for the Waste Water System, staff recommends a 14% increase to sewer rates and a 1% increase to the Right-of-Way Toll as of September 1, 2011. The 14% rate increase requested is principally to fund capital program debt service (13%) for the utility relocations for Phase 2B of the Carson City Freeway and for sewer main extension on Conti Drive and to support on-going maintenance costs (1%) such as for fuel, electricity, and chemicals. Revenue from the Right-of-Way Toll increase from 1% to 2% will go to the General Fund.

Staff gave notice to the public on July 13, 2011, through the Nevada Appeal, in addition to providing the proposed ordinance revisions and Business Impact Statement to the Builder's Association of Western Nevada, Manufacturer's Association, and the Chamber of Commerce.

Applicable Statute, Code, Policy, Rule or Regulation: NRS 237 regarding business impact statements.

Fiscal Impact: None

Explanation of Impact: N/A

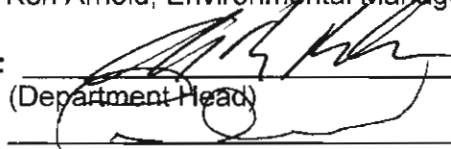
Funding Source: N/A

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:

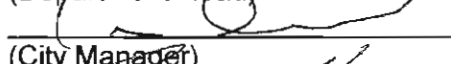
Prepared By: Ken Arnold, Environmental Manager

Reviewed By:


(Department Head)

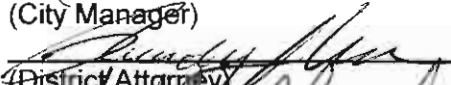
Date:

7/26/11


(City Manager)

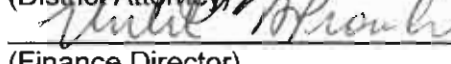
Date:

7/26/11


(District Attorney)

Date:

7/26/11


(Finance Director)

Date:

7/26/11

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 ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011 AND INCREASING THE RIGHT-OF-WAY TOLL FROM 1% TO 2% ON BILLS DATED ON OR AFTER SEPTEMBER 1, 2011. The proposed increase to the rates set forth in Chapter 12.03 provide for the necessary revenue requirements to operate and maintain the waste water 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 and a Right-of-Way Toll increase from 1% to 2%.

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% and the Right-of Way Toll from 1% to 2% during calendar year 2011. The increases go into effect on bills dated on or after September 1, 2011.

- 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 September 1, 2011, 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. Revenue from the increase

in the Right-of-Way Toll from 1% to 2% effective on bills dated on or after September 1, 2011, goes to the General Fund.

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 2011 operations and maintenance, and current capital program debt service obligations. The 14% rate increase requested is primarily for capital debt expenditures necessary to fund a capital program debt service (13%) for the utility relocations for Phase 2B of the Carson City Freeway and for sewer main extension on Conti Drive and to support on-going maintenance costs (1%) such as for fuel, electricity, and chemicals. The revenue from the increase in the Right-of-Way Toll from 1% to 2% effective on bills dated on or after September 1, 2011, goes to the General Fund.

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:

The 14% rate increase requested is principally to fund a capital program debt service (13%) for the utility relocations for Phase 2B of the Carson City Freeway and for sewer main extension on Conti Drive and to support on-going maintenance costs (1%) such as for fuel, electricity, and chemicals. The revenue from the increase in the Right-of-Way Toll from 1% to 2% effective on bills dated on or after September 1, 2011, goes to the General Fund.

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, 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 \$7,430,930; Other charges \$128,873.
Right-of-Way Toll, Annual total of monthly charges \$75,598.

The additional revenue will go directly to and provide for the necessary revenue requirements to proceed with the 2011 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. Revenue from the increase in the Right-of-Way Toll from 1% to 2% effective on bills dated on or after September 1, 2011, goes to the General Fund.

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 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:

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: