

**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, Water 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 12.01 – Water Connection Charges and Use Rates, Section 12.01.020 – 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 Water Utility rate structure, 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 increased revenue proposed ordinance amending the Carson City Municipal Code Title 12 – Water, Sewerage and Drainage, Chapter 12.01 – Water Connection Charges and Use Rates, Section 12.01.020 – 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.

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

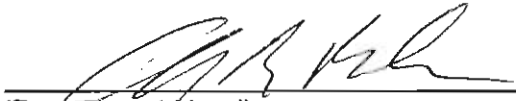
Funding Source: NA

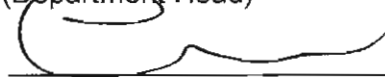
Alternatives: Make the finding that the proposed ordinance does not impose a direct and

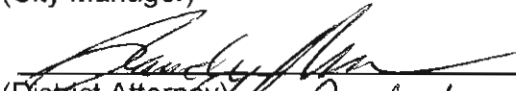
significant economic burden upon a business or directly restrict the formation, operation or expansion of a business.

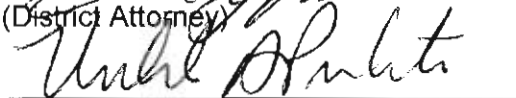
Supporting Material: Copy of the Business Impact Statement, letters to the Carson City Area Chamber of Commerce and Builders Association of Western Nevada.

Prepared By: David Bruketta, Utility Manager

Reviewed By:  Date: 8-21-13
(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 12.01 - WATER CONNECTION CHARGES AND USE RATES, 12.01.020 – SCHEDULE OF RATES, BY REVISING THE RATE STRUCTURE TO ENSURE 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.

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.

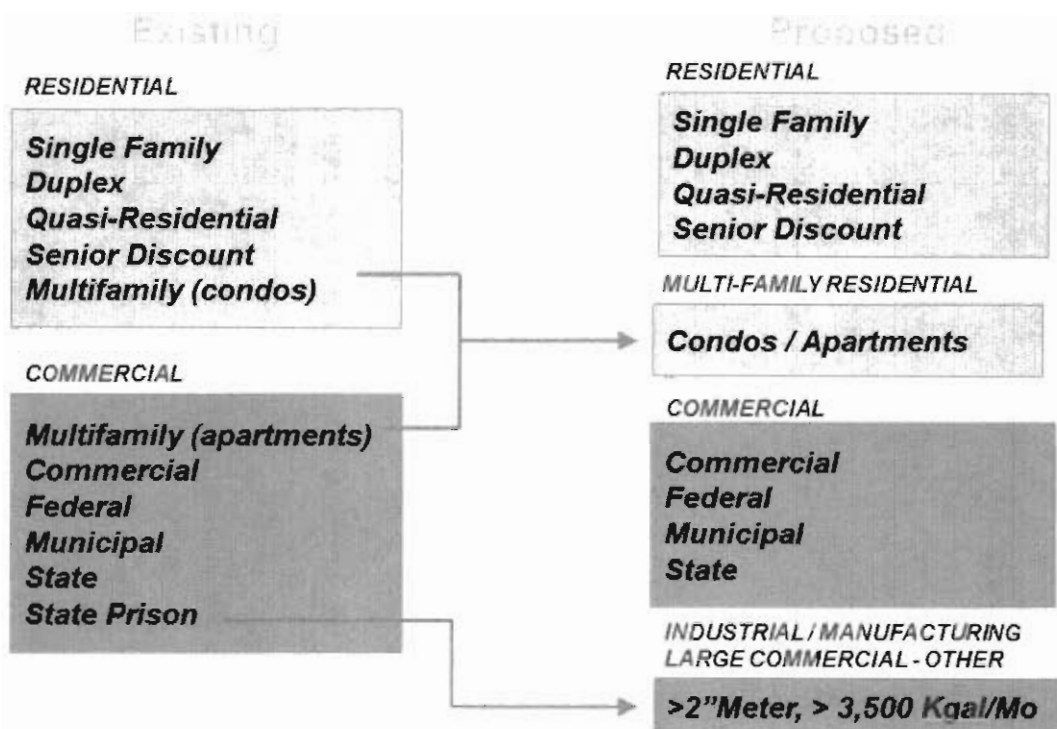
Customer Classes	Phase-In Cost of Service Shift					Cumulative
	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	
Single Family Residential	9.5%	9.3%	9.1%	9.0%	8.8%	55.0%
Multifamily	0.7%	0.7%	0.7%	0.7%	0.7%	3.7%
Commercial	3.3%	3.3%	3.3%	3.3%	3.3%	17.4%
Large Commercial	-0.8%	-0.8%	-0.8%	-0.8%	-0.8%	-4.1%
TOTAL	6.5%	6.5%	6.5%	6.5%	6.5%	37.0%

b. Beneficial effects:

This ordinance creates financial stability in the water 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, industrial / manufacturing and large commercial.



It establishes a monthly base charge and a monthly commodity charge.

Monthly Base Charge

Meter Size	Effective 10/1/13	Effective 7/1/14	Effective 7/1/15	Effective 7/1/16	Effective 7/1/17
5/8"	\$ 21.29	\$ 22.68	\$ 24.15	\$ 25.72	\$ 27.39
1"	32.40	34.51	36.75	39.14	41.68
1 1/2"	48.37	51.51	54.86	58.43	62.22
2"	60.17	64.09	68.25	72.69	77.41
3"	87.95	93.66	99.75	106.24	113.14
4"	115.72	123.24	131.25	139.78	148.87
6"	171.27	182.40	194.25	206.88	220.33
10"	425.85	453.53	483.01	514.41	547.84

Multifamily (per unit)	\$ 7.54	\$ 8.03	\$ 8.55	\$ 9.11	\$ 9.70
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Monthly Commodity Charge

Single Family Residential:

Volume Charge per 1,000 gallons	Effective 10/1/13		Effective 7/1/14		Effective 7/1/15		Effective 7/1/16		Effective 7/1/17	
	0 - 4	\$ -	0 - 3	\$ -	0 - 2	\$ -	0 - 1	\$ -		
	5 - 5	\$ 1.05	4 - 5	\$ 1.26	3 - 5	\$ 1.44	2 - 5	\$ 1.61	0 - 5	\$ 1.76
	6 - 30	\$ 2.36	6 - 30	\$ 2.57	6 - 30	\$ 2.75	6 - 30	\$ 2.92	6 - 30	\$ 3.07
	Over 30	\$ 4.20	Over 30	\$ 4.41	Over 30	\$ 4.59	Over 30	\$ 4.76	Over 30	\$ 4.91

Multifamily Residential:

Volume Charge per 1,000 gallons	Effective 10/1/13		Effective 7/1/14		Effective 7/1/15		Effective 7/1/16		Effective 7/1/17	
	0 - 4	\$ -	0 - 3	\$ -	0 - 2	\$ -	0 - 1	\$ -		
	5 - 19	\$ 0.91	4 - 19	\$ 1.20	3 - 19	\$ 1.48	2 - 19	\$ 1.74	\$ 1.99	
	20 - 49	\$ 1.77	20 - 49	\$ 1.85	20 - 49	\$ 1.91	20 - 49	\$ 1.96		
	Over 49	\$ 3.05	Over 49	\$ 2.81	Over 49	\$ 2.55	Over 49	\$ 2.28		

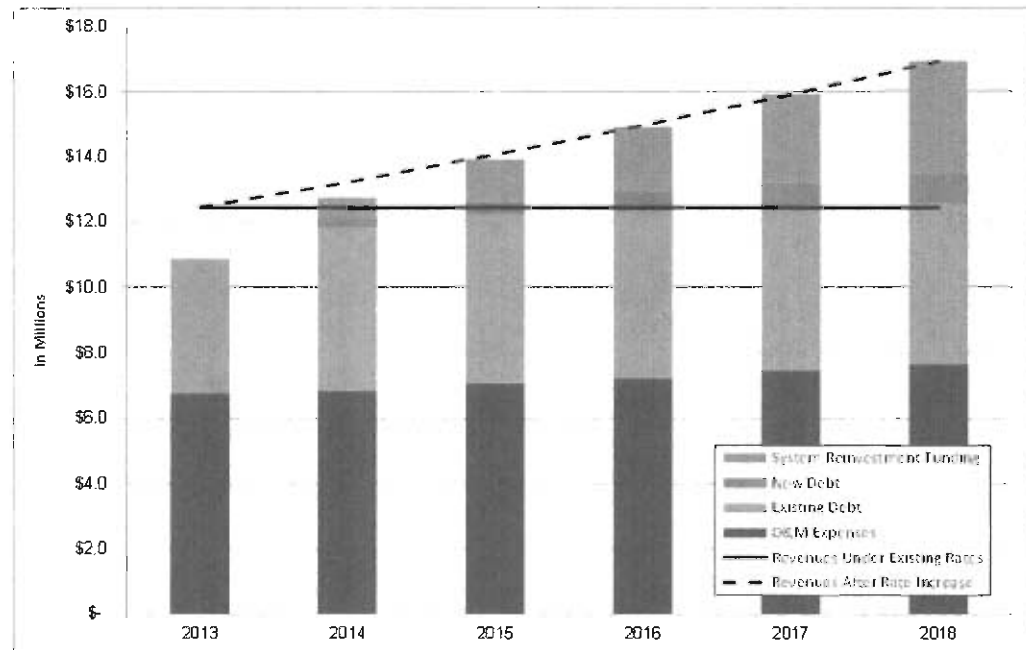
Commercial:

Volume Charge per 1,000 gallons	Effective 10/1/13		Effective 7/1/14		Effective 7/1/15		Effective 7/1/16		Effective 7/1/17	
	0 - 4	\$ -	0 - 3	\$ -	0 - 2	\$ -	0 - 1	\$ -		
	5 - 19	\$ 2.39	4 - 19	\$ 2.71	3 - 19	\$ 3.01	2 - 19	\$ 3.28	\$ 3.53	
	20 - 49	\$ 2.79	20 - 49	\$ 3.00	20 - 49	\$ 3.19	20 - 49	\$ 3.37		
	Over 49	\$ 4.05	Over 49	\$ 3.94	Over 49	\$ 3.82	Over 49	\$ 3.69		

Industrial/Manufacturing and Large Commercial:

Volume Charge per 1,000 gallons	Effective 10/1/13	Effective 7/1/14	Effective 7/1/15	Effective 7/1/16	Effective 7/1/17
	\$ 3.85	\$ 3.82	\$ 3.78	\$ 3.74	\$ 3.71

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 sure 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 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: \$ 791,192

FY 14-15: \$ 842,619

FY 15-16: \$ 897,390

FY 16-17: \$ 955,720

FY 17-18: \$ 1,017,842

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.

**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/
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CAPITAL PROJECTS**

3505 Butti Way
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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 12.01.020 – 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 water 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

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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 12.01.020 – Schedule of Rates, of the Carson City Municipal Code.

Dear Ms. Schrum:

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Sincerely,

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

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