



# STAFF REPORT

**Report To:** Board of Supervisors

**Meeting Date:** October 5, 2017

**Staff Contact:** Darren Schulz, Public Works Director

**Agenda Title:** For Possible Action: Action to find that the proposed ordinance amending the Carson City Municipal Code, Title 12 - Water, Sewerage and Drainage, Chapter 12.17.040 - Service Charge Rates by increasing the monthly rate by 30 percent for each property classification 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, and is on file with the Board of Supervisors. (David Bruketta, dbruketta@carson.org)

**Staff Summary:** This ordinance proposes an increase to storm water rates. It would increase each property classification defined in the Municipal Code, Chapter 12.17.040, by 30 percent. The additional revenue generated from the increase would provide funding to pay for debt service on a storm water general obligation bond and provide annual revenue to support storm water maintenance functions. NRS 237.080 requires that the City prepare a Business Impact Statement when an increase in a fee is contemplated.

**Agenda Action:** Formal Action/Motion

**Time Requested:** 10 minutes

---

## **Proposed Motion**

Move to find that the proposed ordinance amending the Carson City Municipal Code, Title 12 - Water, Sewerage and Drainage, Chapter 12.17.040 - Service Charge Rates by increasing the monthly rate by 30 percent for each property classification 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 and is on file with the Board of Supervisors.

## **Board's Strategic Goal**

Sustainable Infrastructure

## **Previous Action**

None

## **Background/Issues & Analysis**

At the August 3, 2017 Board of Supervisors meeting, staff was directed to begin the process of pursuing a 20-year bond in the amount of \$4,875,000 to support storm water capital expenses and a one-time Storm Water rate increase of thirty percent (30%) to support the debt service on the bond and to provide maintenance support.

A draft Business Impact Statement was prepared and made available at the Public Works' office and sent to the Carson City Area Chamber of Commerce and the Nevada Builders Alliance on September 11, 2017 for feedback as to whether any of the proposed fee structure will impose a direct and significant economic burden upon a business or directly restricts the formation, operation or expansion of a business. As of the writing of this report, no feedback has been received.

Supporting Material: Copy of the Draft Business Impact Statement that was provided to the Carson City Area Chamber of Commerce and Nevada Builders Alliance.

**Applicable Statute, Code, Policy, Rule or Regulation**

NRS 237 Business Impact Statements

**Financial Information**

Is there a fiscal impact?  Yes  No

If yes, account name/number: NA

Is it currently budgeted?  Yes  No

Explanation of Fiscal Impact: 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.

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
(Vote Recorded By)



## BUSINESS IMPACT STATEMENT

This Business Impact Statement was prepared in accordance with the provisions of NRS (Nevada Revised Statutes) 237.030 to 237.150, inclusive, as a statutory prerequisite to the adoption of any rule\*\*\*, as that term is defined in NRS 237.060, by the Carson City Board of Supervisors.

\*\*\* A "rule" may include an ordinance, or an action taken by the Board, that imposes, increases or changes the basis for the calculation of a fee which is paid in whole or in substantial part by businesses. A "rule" **does not** include actions that impose, increase or change the basis for the calculation of: (1) special assessments imposed pursuant to NRS chapter 271; (2) impact fees imposed pursuant to NRS chapter 278B; (3) fees for remediation imposed pursuant to NRS chapter 540A; (4) taxes ad valorem; (5) sales and use taxes; or (6) a fee that has been negotiated pursuant to a contract between a business and Carson City. A "rule" also **does not** include: an action taken by the Board that approves, amends or augments the annual budget of Carson City; an ordinance adopted by the Board pursuant to a provision of NRS chapter 271, 271A, 278, 278A, 278B or 350; an ordinance adopted or action taken by the Board that authorizes or relates to the issuance of bonds or other evidence of debt of Carson City; or any rule for which Carson City does not have the authority to consider less stringent alternatives, including, for example, a rule that Carson City is required to adopt pursuant to a federal or state statute or regulation or to a contract into which Carson City has entered.

### ORDINANCE OR ACTION PROPOSED FOR ADOPTION

**AN ORDINANCE RELATING TO STORM WATER RATES; AMENDING TITLE 12, WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.17 – STORM WATER SERVICE CHARGES, SECTION 12.17.040 – SERVICE CHARGE RATES, BY INCREASING THE MONTHLY RATE BY 30% FOR EACH PROPERTY CLASSIFICATION; AND OTHER MATTERS PROPERLY RELATED THERETO.**

1. *The manner in which notice was provided to the applicable trade associations and officers of businesses likely to be affected by the proposed ordinance or action, and a summary of any data, arguments or comments received from those recipients:*

a. Notice

**On September 11, 2017, letters were sent via email to Ms. Ronni Hannaman, Carson City Area Chamber of Commerce and Aaron West, Nevada Builders Alliance.**

**The proposed Business Development Impact Statement was available for viewing at Carson City Public Works Department, at 3505 Butti Way, Carson City, Nevada 89701.**

b. Summary of comments

**No comments were received. If any comments are received prior to the October 5, 2017 Board of Supervisors meeting, they will be provided as late material.**

2. *The estimated economic effect of the proposed ordinance or rule on businesses, including both adverse and beneficial effects, and both direct and indirect effects:*

a. Adverse effects:

**The monthly rate charged on the utility bill for the Storm Water Program is based on property classification. Each classification rate would increase by 30%.**

Property Classification	Monthly Rates	
	Current	Proposed
Single Family Property	\$ 4.38	\$ 5.69
Multi-Family Property	\$ 22.56	\$ 29.33
Public Property	\$ 24.64	\$ 32.03
Manufacturing Property	\$ 29.38	\$ 38.19
Commercial Property	\$ 31.51	\$ 40.96

c. Beneficial effects:

**It is estimated that the proposed increase would generate approximately \$413,517 in additional annual revenue to the Storm Water Fund to pay for debt service on a bond for capital improvements and provide maintenance support.**

**A proposed \$4,875,000, 20-year Storm Water General Obligation Bond would provide funding to design and build the first six projects of the 10-year Storm Water Capital Improvement Plan.**

Storm Water 10 Year CIP			
7/6/2017			
	Project Name	Estimated Expense	
1	Lakeview SD Improvements	\$ 250,000	
2	Kings Canyon Channel Maintenance Project (Roop to Saliman)	\$ 110,000	
3	Kings Canyon Road Culvert Upgrade (at Creek Crossing)	\$ 90,000	
4	Carson Street SD Improvements (Fairview to Clearview)	\$ 900,000	
5	Carson Street SD Improvements (5th to Stewart and Curry Street)	\$ 2,900,000	
6	Minor SD Improvements	\$ 625,000	
	Subtotal	4,875,000	
7	Nye/N. Carson Steet Channel Berms		\$ 85,000
8	Flood Emergency Equipment		\$ 800,000
9	Anderson Ranch Access and SD Improvements		\$ 100,000
10	SD Fleet		\$ 1,089,000
11	Lower Kings Canyon Channel Restoration Project		\$ 400,000
12	Lower Goni Wash SD Improvements		\$ 115,000
13	Airport Road SD Improvements (HWY 50 to Sherman)		\$ 350,000
14	Rand Avenue SD Improvements (William to Rand Ct)		\$ 200,000
15	Vicee Watershed Access Management		\$ 150,000
16	Carson Street SD Improvements (Stewart to Rhodes)		\$ 950,000
17	Carmine Street SD Improvements (N. Lompa to Bunch Way)		\$ 600,000
18	Panamint & Merrimac SD Improvements		\$ 150,000
19	Sean Drive SD Improvements (Baker to Gillis Way)		\$ 120,000
20	Carson Street SD Improvements (N. Carson Street to Nye)		\$ 450,000
21	Empire System SD Improvements (Gordon Street to Morgan Mill)		\$ 1,100,000
22	Voltaire Canyon Channel and System Improvements - phase 1		\$ 1,000,000
	Totals	\$ 4,875,000	\$ 7,659,000 = \$ 12,534,000

Annual debt service is estimated at \$359,281.

The remainder of the additional annual revenue, approximately \$54,236, would be used to support storm water maintenance functions including but not limited to activities such as inspections, cleaning and repairs.

d. Direct effects:

The passage of this ordinance would directly increase the fees paid by property owners.

e. Indirect effects:

The passing of this ordinance may have indirect effects, however those effects have not been quantified.

3. *The methods considered by the Carson City Board of Supervisors to reduce the impact of the proposed ordinance or action on businesses and whether any of those methods were used:*

The Board of Supervisors considered keeping the existing rate structure and program in place with no changes, funding a reduced capital improvement program, funding only capital improvements with no

**maintenance support, changing the property classification rate structures, bonding for capital improvements, phasing in rate increases over multiple years and hiring a consultant to evaluate the storm water program.**

**At the August 3, 2017 Board of Supervisors meeting, staff was directed to begin the process of pursuing an initial 30% rate increase using the existing rate structure that would support debt service on a bond and provide maintenance support.**

4. *Estimate of the annual cost to Carson City for enforcement of the proposed ordinance or action:*

**There would be no additional enforcement costs anticipated.**

5. *The total annual amount of money expected to be collected as a result of the new fee or increase in fee proposed by the ordinance or action, and the manner in which the money will be used:*

**The proposed ordinance would generate approximately \$413,517 in additional annual revenue.**

6. *The proposed ordinance or action [ ] DOES [X] DOES NOT include any provisions which duplicate or are more stringent than Federal, State or local standards regulating the same activity.*

7. *The reasons for the conclusions regarding the impact of the proposed ordinance or action:*

**The revenue generated from the current storm water rate structure is not sufficient to sustain the Storm Water Management Program. The rate increase is necessary to cover debt service and maintenance cost increases.**

8. *Based on the information considered, it has been determined that this proposed ordinance or rule:*

[X] DOES [ ] DOES NOT impose a direct and significant economic burden upon a business.

[X] DOES [ ] DOES NOT directly restrict the formation, operation or expansion of a business.

**Pursuant to NRS 237.090(3), this Business Impact Statement was prepared and made available for public inspection by Carson City Public Works at the time the agenda notice on which the proposed ordinance or rule described in this statement is included was posted.**

Pursuant to NRS 237.090(2), I, Nick Marano, the Carson City Manager, hereby certify that to the best of my knowledge and belief, the information contained herein was properly prepared and accurate.



Signature

9/27/2017

Date

Nick Marano

Printed Name



# CARSON CITY NEVADA

## Consolidated Municipality and State Capital

### PUBLIC WORKS

Via email only: [director@carsoncitychamber.com](mailto:director@carsoncitychamber.com)

September 11, 2017

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

Regarding: Proposed ordinance amending the Carson City Municipal Code, Title 12 – Water, Sewerage and Drainage.

Dear Ms. Hannaman:

Public Works intends to propose amending Section 12.17.040 – Service Charge Rates, to increase storm water rates. In accordance with NRS 237.080 and 237.090, enclosed is a draft Business Impact Statement that outlines the proposed rates, and invites you and your members to provide feedback as to whether any of the proposed fee structure will:

1. Impose a direct and significant economic burden upon a business; or
2. Directly restrict the formation, operation or expansion of a business.

Please submit any comments, data or arguments in writing **no later than 5:00pm on October 2, 2017** to the following:

David Bruketta, Utility Manager  
Carson City Public Works  
3505 Butti Way,  
Carson City, NV 89701  
[dbruketta@carson.org](mailto:dbruketta@carson.org)

**The Business Impact Statement will be presented to the Board of Supervisors at their regular meeting on October 5, 2017.** A copy of the draft Business Impact Statement is attached for your review.

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

Sincerely,

*David M Bruketta*

David Bruketta,

enclosure: Draft Business Impact Statement





# CARSON CITY NEVADA

## Consolidated Municipality and State Capital

### PUBLIC WORKS

Via email only: [aaron@nevadabuilders.org](mailto:aaron@nevadabuilders.org)

September 11, 2017

Aaron West, CEO  
Nevada Builders Alliance  
PO Box 1947  
Carson City, NV 89702

Regarding: Proposed ordinance amending the Carson City Municipal Code, Title 12 – Water, Sewerage and Drainage.

Dear Mr. West:

Carson City Public Works intends to propose amending Section 12.17.040 – Service Charge Rates, to increase storm water rates. In accordance with NRS 237.080 and 237.090, enclosed is a draft Business Impact Statement that outlines the proposed rates, and invites you and your members to provide feedback as to whether any of the proposed fee structure will:

1. Impose a direct and significant economic burden upon a business; or
2. Directly restrict the formation, operation or expansion of a business.

Please submit any comments, data or arguments in writing **no later than 5:00pm on October 2, 2017** to the following:

David Bruketta, Utility Manager  
Carson City Public Works  
3505 Butti Way,  
Carson City, NV 89701  
[dbruketta@carson.org](mailto:dbruketta@carson.org)

**The Business Impact Statement will be presented to the Board of Supervisors at their regular meeting on October 5, 2017.** A copy of the draft Business Impact Statement is attached for your review.

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

Sincerely,

*David M Bruketta*

---

David Bruketta

enclosure: Draft Business Impact Statement



## BUSINESS IMPACT STATEMENT

This Business Impact Statement was prepared in accordance with the provisions of NRS (Nevada Revised Statutes) 237.030 to 237.150, inclusive, as a statutory prerequisite to the adoption of any rule\*\*\*, as that term is defined in NRS 237.060, by the Carson City Board of Supervisors.

\*\*\* A "rule" may include an ordinance, or an action taken by the Board, that imposes, increases or changes the basis for the calculation of a fee which is paid in whole or in substantial part by businesses. A "rule" **does not** include actions that impose, increase or change the basis for the calculation of: (1) special assessments imposed pursuant to NRS chapter 271; (2) impact fees imposed pursuant to NRS chapter 278B; (3) fees for remediation imposed pursuant to NRS chapter 540A; (4) taxes ad valorem; (5) sales and use taxes; or (6) a fee that has been negotiated pursuant to a contract between a business and Carson City. A "rule" also **does not** include: an action taken by the Board that approves, amends or augments the annual budget of Carson City; an ordinance adopted by the Board pursuant to a provision of NRS chapter 271, 271A, 278, 278A, 278B or 350; an ordinance adopted or action taken by the Board that authorizes or relates to the issuance of bonds or other evidence of debt of Carson City; or any rule for which Carson City does not have the authority to consider less stringent alternatives, including, for example, a rule that Carson City is required to adopt pursuant to a federal or state statute or regulation or to a contract into which Carson City has entered.

### ORDINANCE OR ACTION PROPOSED FOR ADOPTION

**AN ORDINANCE RELATING TO STORM WATER RATES; AMENDING TITLE 12, WATER, SEWERAGE AND DRAINAGE, CHAPTER 12.17 – STORM WATER SERVICE CHARGES, SECTION 12.17.040 – SERVICE CHARGE RATES, BY INCREASING THE MONTHLY RATE BY 30% FOR EACH PROPERTY CLASSIFICATION; AND OTHER MATTERS PROPERLY RELATED THERETO.**

1. *The manner in which notice was provided to the applicable trade associations and officers of businesses likely to be affected by the proposed ordinance or action, and a summary of any data, arguments or comments received from those recipients:*

a. Notice

**On September 11, 2017, letters were sent via email to Ms. Ronni Hannaman, Carson City Area Chamber of Commerce and Aaron West, Nevada Builders Alliance.**

**The proposed Business Development Impact Statement was available for viewing at Carson City Public Works Department, at 3505 Butti Way, Carson City, Nevada 89701.**

b. Summary of comments

**To be determined.**

2. *The estimated economic effect of the proposed ordinance or rule on businesses, including both adverse and beneficial effects, and both direct and indirect effects:*

a. Adverse effects:

**The monthly rate charged on the utility bill for the Storm Water Program is based on property classification. Each classification rate would increase by 30%.**

Property Classification	Monthly Rates	
	Current	Proposed
Single Family Property	\$ 4.38	\$ 5.69
Multi-Family Property	\$ 22.56	\$ 29.33
Public Property	\$ 24.64	\$ 32.03
Manufacturing Property	\$ 29.38	\$ 38.19
Commercial Property	\$ 31.51	\$ 40.96

c. Beneficial effects:

**It is estimated that the proposed increase would generate approximately \$413,517 in additional annual revenue to the Storm Water Fund to pay for debt service on a bond for capital improvements and provide maintenance support.**

**A proposed \$4,875,000, 20-year Storm Water General Obligation Bond would provide would funding to design and build the first six projects of the 10- year Storm Water Capital Improvement Plan.**

Storm Water 10 Year CIP			
7/6/2017			
	Project Name	Estimated Expense	
1	Lakeview SD Improvements	\$ 250,000	
2	Kings Canyon Channel Maintenance Project (Roop to Saliman)	\$ 110,000	
3	Kings Canyon Road Culvert Upgrade (at Creek Crossing)	\$ 90,000	
4	Carson Street SD Improvements (Fairview to Clearview)	\$ 900,000	
5	Carson Street SD Improvements (5th to Stewart and Curry Street)	\$ 2,900,000	
6	Minor SD Improvements	\$ 625,000	
	Subtotal	4,875,000	
7	Nye/N. Carson Steet Channel Berms		\$ 85,000
8	Flood Emergency Equipment		\$ 800,000
9	Anderson Ranch Access and SD Improvements		\$ 100,000
10	SD Fleet		\$ 1,089,000
11	Lower Kings Canyon Channel Restoration Project		\$ 400,000
12	Lower Goni Wash SD Improvements		\$ 115,000
13	Airport Road SD Improvements (HWY 50 to Sherman)		\$ 350,000
14	Rand Avenue SD Improvements (William to Rand Ct)		\$ 200,000
15	Vicee Watershed Access Management		\$ 150,000
16	Carson Street SD Improvements (Stewart to Rhodes)		\$ 950,000
17	Carmine Street SD Improvements (N. Lompa to Bunch Way)		\$ 600,000
18	Panamint & Merrimac SD Improvements		\$ 150,000
19	Sean Drive SD Improvements (Baker to Gillis Way)		\$ 120,000
20	Carson Street SD Improvements (N. Carson Street to Nye)		\$ 450,000
21	Empire System SD Improvements (Gordon Street to Morgan Mill)		\$ 1,100,000
22	Voltaire Canyon Channel and System Improvements - phase 1		\$ 1,000,000
	Totals	\$ 4,875,000	\$ 7,659,000 = \$ 12,534,000

Annual debt service is estimated at \$359,281.

The remainder of the additional annual revenue, approximately \$54,236, would be used to support storm water maintenance functions including but not limited to activities such as inspections, cleaning and repairs.

d. Direct effects:

The passage of this ordinance would directly increase the fees paid by property owners.

e. Indirect effects:

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

3. *The methods considered by the Carson City Board of Supervisors to reduce the impact of the proposed ordinance or action on businesses and whether any of those methods were used:*

**The Board of Supervisors considered keeping the existing rate structure**

and program in place with no changes, funding a reduced capital improvement program, funding only capital improvements with no maintenance support, changing the property classification rate structures, bonding for capital improvements, phasing in rate increases over multiple years and hiring a consultant to evaluate the storm water program.

At the August 3, 2017 Board of Supervisor meeting, staff was directed to begin the process of pursuing an initial 30% rate increase using the existing rate structure that would support debt service on a bond and provide maintenance support.

4. *Estimate of the annual cost to Carson City for enforcement of the proposed ordinance or action:*

**There would be no additional enforcements costs anticipated.**

5. *The total annual amount of money expected to be collected as a result of the new fee or increase in fee proposed by the ordinance or action, and the manner in which the money will be used:*

**The proposed ordinance would generate approximately \$413,517 in additional annual revenue.**

6. *The proposed ordinance or action [ ] DOES [X] DOES NOT include any provisions which duplicate or are more stringent than Federal, State or local standards regulating the same activity.*

7. *The reasons for the conclusions regarding the impact of the proposed ordinance or action:*

**The revenue generate from the current storm water rate structure is not sufficient to sustain the Storm Water Management Program. The rate increase is necessary to cover debt service and maintenance cost increases.**

8. *Based on the information considered, it has been determined that this proposed ordinance or rule:*

[X] DOES [ ] DOES NOT impose a direct and significant economic burden upon a business.

[X] DOES [ ] DOES NOT directly restrict the formation, operation or expansion of a business.

**Pursuant to NRS 237.090(3), this Business Impact Statement was prepared and**

made available for public inspection by Carson City Public Works at the time the agenda notice on which the proposed ordinance or rule described in this statement is included was posted.

Pursuant to NRS 237.090(2), I, Nick Marano, the Carson City Manager, hereby certify that to the best of my knowledge and belief, the information contained herein was properly prepared and accurate.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

DRAFT