

Item # 11B

City of Carson City Agenda Report

Date Submitted: February 8, 2008

Agenda Date Requested: February 21, 2008
Time Requested: 10 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 12.10, Reclaimed Water Use Rates, Section 12.10.020, Schedule of Rates, by decreasing all rates, except the Monthly Meter Service Charge, from \$0.21 per thousand gallons to \$0.10 per thousand gallons effective on bills dated on or after July 1, 2008 and then increasing all rates, except the Monthly Meter Service Charge, by \$0.10 per thousand gallons effective on bills dated on or after July 1, 2009 and then increasing all rates, except the Monthly Meter Service Charge, by an additional \$.010 per thousand gallons effective on bills dated on or after July 1, 2010 and then increasing all rates, except the Monthly Meter Service Charge, based upon the All Urban Consumer Price Index annually beginning July 1, 2011 and each year thereafter and increasing the Contractor Installed Service Fees 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 act have been met.

Staff Summary: In 1996 the Carson City Board of Supervisors approved Carson City Municipal Code, Chapter 12.10 which provided for a charge of \$0.21 per thousand gallons of reclaimed water delivered to the customer. However, through User Agreements, the rate has not been charged to date. Staff recommends phasing in the rate over three years beginning with \$0.10 per 1,000 gallons effective July 1, 2008; \$0.20 per 1,000 effective July 1, 2009; and \$0.30 per 1,000 gallons effective July 1, 2010, then applying a CPI increase thereafter beginning on July 1, 2011.

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

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

Recommended Board Action: I move to find that the proposed ordinance amending Title 12, Water, Sewerage and Drainage, Chapter 12.10, Reclaimed Water Use Rates, Section 12.10.020, Schedule of Rates, by decreasing all rates, except the Monthly Meter Service Charge, from \$0.21 per thousand gallons to \$0.10 per thousand gallons effective on bills dated on or after July 1, 2008 and then increasing all rates, except the Monthly Meter Service Charge, by \$0.10 per thousand gallons effective on bills dated on or after July 1, 2009 and then increasing all rates, except the Monthly Meter Service Charge, by an additional \$.010 per thousand gallons effective on bills dated on or after July 1, 2010 and then increasing all rates, except the Monthly Meter Service Charge, based upon the All Urban Consumer Price Index annually beginning July 1, 2011 and each year thereafter and increasing the Contractor Installed Service Fees 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 act have been met.

Explanation for Recommended Board Action: In 1996 the Carson City Board of Supervisors approved Carson City Municipal Code, Chapter 12.10 which provided for a charge of \$0.21 per thousand gallons of reclaimed water delivered to the customer. However, through User Agreements, the rate has not been charged to date. Staff recommends phasing in the rate over three years beginning with \$0.10 per 1,000 gallons effective July 1, 2008; \$0.20 per 1,000 effective July 1, 2009; and \$0.30 per 1,000 gallons effective July 1, 2010, then applying a CPI increase thereafter beginning on July 1, 2011. The collection of this charge will partially off-set the cost of delivering reclaimed water to the customer.

Staff received a letter and a petition (see attached) objecting to the initiation of charges for reclaimed water, from the Eagle Valley Golf Course (Carson City Municipal Golf Corp). In this action, Staff has identified the proposed charges as having an impact on the reclaimed water customer. Staff considered this in drafting the proposed ordinance revision lowering the rate and providing a phased approach. The fee for the first year will be one-third of that which was previously adopted by the Board of Supervisors in 1996 and these charges will be implemented over a three year period allowing time for customers to budget for the cost.

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

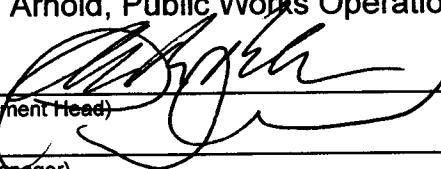
Fiscal Impact: Increased revenue to Sewer account for Reclaimed Water Program..

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.

Prepared By: Ken Arnold, Public Works Operations Manager

Reviewed By:  Date: 3/12/08
(Department Head)

 Date: 3/12/08
(City Manager)

 Date: 3-12-08
(District Attorney)

 Date: 3-12-08
(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 amending Title 12, Water, Sewerage and Drainage, Chapter 12.10, Reclaimed Water Use Rates, Section 12.10.020, Schedule of Rates, by decreasing all rates, except the Monthly Meter Service Charge, from \$0.21 per thousand gallons to \$0.10 per thousand gallons effective on bills dated on or after July 1, 2008 and then increasing all rates, except the Monthly Meter Service Charge, by \$0.10 per thousand gallons effective on bills dated on or after July 1, 2009 and then increasing all rates, except the Monthly Meter Service Charge, by an additional \$.010 per thousand gallons effective on bills dated on or after July 1, 2010 and then increasing all rates, except the Monthly Meter Service Charge, based upon the All Urban Consumer Price Index annually beginning July 1, 2011 and each year thereafter and increasing the Contractor Installed Service Fees 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.

The proposed ordinance amending Chapter 12.10 of the Carson City Municipal Code regarding an increase to all reclaimed water 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.

One (1) objection to the increase in reclaimed water charges has 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:

While the rates for reclaimed water are being lowered from the existing \$0.21 per 1,000 gallons for the first two years (\$0.10 for fiscal year 2008/2009 and \$0.20 for fiscal year 2009/2010), the \$0.21 per 1,000 has not been charged to date, therefore this will be a new cost.

- b. Beneficial effects:

The proposed rate ordinance phases in the charge to allow the customer to budget for this cost going forward.

c. Direct effects:

The approval of this ordinance will initiate the collection of fees. The additional revenue will go directly to and provide for the necessary revenue requirements to support operations and maintenance of the reclaimed water program.

d. Indirect effects:

The passing of this ordinance is sure to have indirect effects, however at this time, those effects can not 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:

Since the approval of \$0.21 per 1,000 gallon rate in 1996 by the Board of Supervisors, customers, through user agreements, have not been charged. Now the rate is being reduced and phased in to allow customers to budget for the cost going forward.

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 decreases the existing reclaimed water service rate and the total annual amount expected to be collected is:

July 1, 2008 to June 30, 2009 revenue is approximately \$80,000

July 1, 2009 to June 30, 2010 revenue is approximately \$160,000

July 1, 2010 to June 30, 2011 revenue is approximately \$240,000

The revenue collected will be used to off-set the cost to provide reclaimed water to the customer.

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 a portion of the necessary revenue requirements to operate, maintain and meet quality standards. 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 underestimated 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:

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 underestimated 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:



www.eaglevalleygolf.com

EAGLE VALLEY GOLF

36 Holes of Championship Golf

★ CLERK ★
FILED
Time 11am

JAN 30 2008

By RLW
Deputy
Carson City, Nevada

January 24, 2008

In response to the city's proposal to initiate a change for effluent water, the official stand for the Carson City Municipal Golf Corporation, a non-profit 501(c)3 corporation, dba Eagle Valley Golf Course would be, not at this time.

We are aware of the financial problems and concerns of the city. We also understand that in many communities the standard policy is to charge for effluent water.

The following are items to consider:

- Eagle Valley Golf Course was established 30 years ago as part of a plan for inexpensive golf AND as important, a place to release effluent water very inexpensively. Originally, water was to be supplied for free indefinitely.
- The entire Centennial Park complex, ball fields, tennis courts, soccer fields became part of the above plan.
- Financial impact will be significant without any chance for long-term implementation of policy to raise new funds. Many of our groups book 1 to 2 years in advance. Rates will have to be raised by 8% – 10% to cover costs.
- Unlike our competitors, our rates are restricted by contract and are kept low for all citizens of Carson City, especially that of the senior community.
- We are not in the development business; we are strictly providing a service for citizens and a large revenue base for local businesses.
- Implementation would cause us to cut effluent consumption by up to 1/3 to help defer costs. At what cost would this be to the city to send elsewhere?

The direct and indirect implications of charging for effluent water are many for all party's concerned. We believe a larger study needs to be done. We do not believe we should be grouped with private for profit enterprises. Our case should be a stand-alone policy.

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 270, 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):

Carson City Municipal Golf Corporation, a non profit 501(c)3 corporation, dba Eagle Valley Golf Course.

Petitioner's business location:

3999 Centennial Park Drive, Carson City, Nevada 89706, Carson City County

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

Same as above.

Petitioner's phone number: (775) 887-2334.

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 underestimated 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): *See attached comments.*

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: *Carson City Municipal Golf Corp*

By: *Steve McIntyre, Chairman, Board of Directors*

Jim Kepler, General Manager, Director of Golf

★ CLERK ★
FILED
Time 11 am

JAN 30 2008
By John Deputy
Carson City, Nevada