

BUSINESS IMPACT STATEMENT Water Bond Debt Fee

City staff members are soliciting information from businesses regarding the proposed Water Bond Debt Fee. We are soliciting the information in order to prepare a "Business Impact Statement" pursuant to NRS 237.090 to address the impact of the proposal. Following is the Summary of the addition of the Water Bond Debt Fee. Interested parties are encouraged to provide written comments by completing a Public Comment Form. Any and all comments, data, or arguments must be received by **Monday, April 30, 2012 by 12:00 p.m.** to be considered for the Business Impact Statement.

Summary of Proposed Addition of the Water Bond Debt Fee

Purpose:

City staff members are soliciting information from businesses regarding the proposed Water Bond Debt Fee in order to prepare a Business Impact Study Statement pursuant to NRS 237.090 to address the impact of the proposal. Any owners and officers of businesses which are affected by the Water Bond Debt Fee may submit data or arguments as to whether the proposed action will (a) impose a direct and significant economic burden upon a business; or (b) directly restrict the formation, operation or expansion of a business. Public Comment Forms may be found at the Public Works Office, City of Fernley, 595 Silver Lace Blvd, or online at www.cityoffernley/bis.

Background:

The City of Fernley is required to pay an annual debt service payment of \$4.72 million from the construction of the Water Treatment Plant and associated infrastructure. For the FY11/12 budget we assessed a Temporary Commercial and Residential Assessment for Water Bond Debt Service, we will receive an estimated \$1.4 million by the end of this fiscal year. The City of Fernley will still be short for our debt services payments.

The FY11/12 Resolutions for a Temporary Residential Bond Debt Fee of \$18.00 and Commercial Bond Debt Fee of \$36.00 will expire as of June 30, 2012; therefore no longer will be collected on your monthly water bill.

The City of Fernley is exploring the possibilities of implementing a new fee on property tax statements to recover the amount equal to the bond debt payment. Each current account holder would be charged a Water Bond Fee equal to their meter size capacity. Each lot which has been issued a Will-Serve Commitment Letter will pay a fee equal to that of a ¾" meter "base fee" until such time as that property is developed.

We have developed a formula based on American Water Works Association best practices. It is our proposal that as new properties connect to the water system or new will serves are committed by the City, your annual fee would decrease. An annual audit of each parcel will be conducted to adjust the meter size capacity of each parcel. This audit will occur annually before the end of each fiscal year.

Water Bond Rate Table Design:

Table 1-1

Meter Size Capacity	Rate
Will-Served Lot	Base Rate
¾"	Base Rate
1"	Base Rate * 1.67%
1 ½"	Base Rate * 3.33%
2"	Base Rate * 5.33%
3"	Base Rate * 10.00%
4"	Base Rate * 16.67%
6"	Base Rate * 33.35%

What is the maximum affect your annual tax statement?

Table 1-2

Meter Size Capacity	Rate	Annual Fee Collected
Will-Served Lots	\$44.00	\$528.00
¾"	\$44.00	\$528.00
1"	\$73.48	\$881.76
1 ½"	\$146.52	\$1,758.24
2"	\$234.52	\$2,814.24
3"	\$440.00	\$5,280.00
4"	\$733.48	\$8,801.76
6"	\$1,467.40	\$17,608.80

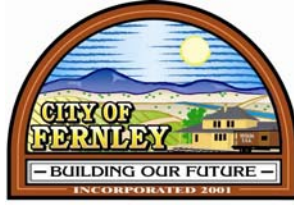
There are several options for dealing with the estimated \$4.72 million shortfall. City Council will explore each and every option, and decide which fiscally sound choice is for the residents of the City of Fernley. However, it is clear in all cases that no action will result in a shortfall that cannot be sustained by the Water Enterprise Ending Fund Balance and cannot continually be supplemented by the General Fund.

Council has directed staff to begin the BIS study regarding the collection of the Water Bond Debt Fee on your annual tax statements from Lyon County with the base fee not to exceed \$44.00 per month. This number maybe refined by City Council over the next several months, but in no event shall the fee charged be higher than that listed in Table 1-2.

Process:

The City Council may take final action at the May 09, 2012 City Council meeting regarding the approval of the proposed Water Bond Debt Fee. The City Council may initiate through the proposed Ordinance. The ordinance will establish the creation of the Water Bond Fee to be effective as, the mailing date of the annual Lyon County Tax Bill.

Any data or arguments must be received by **Monday, April 30, 2012, by 12:00 p.m.** to be considered for the Business Impact Statement. Copies of Public Comment Forms may be found at the Public Works Department, City of Fernley 595 Silver Lace Blvd, Fernley NV 89408 or online at www.cityoffernley.org/BIS.



PUBLIC COMMENT FORM PROPOSED WATER BOND DEBT FEE

City staff members are soliciting information from businesses regarding the proposed addition of a Water Bond Debt Recovery Fee. We are soliciting the information in order to prepare a "Business Impact Statement" pursuant to NRS 237.090 to address the impact of the proposal. Following is the Summary of the proposed creation of the Water Bond Debt Recovery Fee. Interested parties are encouraged to provide written comments by completing a Public Comment Form. Any and all comments, data, or arguments must be received by **Monday, April 30, 2012, 12:00 p.m.** to be considered for the Business Impact Statement.

Please provide us your comments in the following areas:

- 1) Describe the direct adverse effects of the proposed rule on your business?

- 2) Describe the direct beneficial effects of the proposed rule on your business?

- 3) Describe the indirect adverse effects of the proposed rule on your business?

- 4) Describe the indirect beneficial effects of the proposed rule on your business?

Please provide your contact information so that we can follow up with you, if needed to prepare the recommendations to the City Council:

Name: _____

Phone Number: _____ Email address: _____