

601 N. Moapa Valley Boulevard * Post Office Box 257
Logandale, Nevada * 89021
Telephone (702) 397-6893 * Facsimile (702) 397-6894

To: Chairman Randy Tobler, & MVWD Board of Directors
From: Joseph Davis, General Manager
Date: October 5, 2022
Subject: Volume Tier Charge

Background

Staff presented its findings of the review of the "Notice of Potential Increase in Service Connection Water Volume Tier Charges" in the Business Impact Statement presented at the Board of Directors September 8th Public meeting.

After a thorough review was conducted by the Director's, staff was instructed to place the Business Impact Statement identifying the potential tier modification increases on the October 19th Board of Directors agenda for approval.

The changes would entail adding a fourth tier to the District's culinary volume tier rate structure for water volume usage above 70,000 gallons per month.

Suggested Motion

The Moapa Valley Water District Board of Directors have determined that the approval of the addition of a fourth service connection water volume tier changes does not impose a direct and significant economic burden on a business or directly restrict the formation, operation or expansion of a business and Moves to Approve the addition of a fourth tier to the service connection water volume tier charges as outlined in the Business Impact Statement above.



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MOAPA VALLEY WATER DISTRICT BUSINESS IMPACT STATEMENT

RE: POTENTIAL INCREASE IN SERVICE CONNECTION WATER VOLUME TIER CHARGES

District Board Meeting to Evaluate Business Impact Statement: September 8, 2022

District Board Meeting to Consider Adoption of Proposed Increases: October 13, 2022

The following business impact statement was prepared by staff of the Moapa Valley Water District as designee of the District's Board of Directors in accordance with NRS 237.090 to address the proposed impact of increases to the District's service connection culinary water volume tier charges

The business impact statement is based on information prepared and compiled by District staff and certain businesses who responded to a notice of the potential increase that was mailed out on July 27, 2022.

The District's board of directors will evaluate the Business Impact Statement at a public meeting on September 8, 2022 and may adopt the findings of the Impact Statement at a public meeting on October 13, 2022. A copy of this Business Impact Statement is on file and available at the District's office located at 601 N. Moapa Valley Blvd Overton Nevada, 89040.

The Increases Under Consideration

The mission of the Moapa Valley Water District (District) is to provide safe, reliable drinking water to the citizens and businesses of the Moapa Valley. The District is funded primarily by its customers' water use, the associated payment of water bills and related charges. The District does not rely on property taxes or grants from governmental entities to augment its budget. Over the past several months, the District has examined its service connection culinary water volume tier charges.

The District was formed in 1983 and rate increases, historically, have been relatively few. However, in recent years the District has experienced higher than normal system component failure rates, ever increasing burden of local, state and federal regulatory requirements and unfunded mandates. In an effort to prevent imposing large increases all at once on rate payers, the District has more recently explored adjusting rates and charges in small increments on an annual basis and these matters have been discussed in the District's public meetings over the past several months. The District has also engaged experts with experience in setting water rates that have assisted in developing rate

options that would be financially sustainable for the District while also affordable and equitable for rate payers. WaterWorth, one of the primary tools the District has used in this effort, has helped the District understand how water rates are performing now and how they can be optimized to achieve the District's goals.

Specifics of the potential increases are set forth in the points below and additional details are provided in the CURRENT VS PROPOSED TIER VOLUME (exhibit A) and AVERAGE MONTHLY WATER VOLUME USAGE CHARGE (exhibit B) The changes would entail adding a fourth tier to the District's culinary volume tier rate structure.

- Adding a fourth tier rate for water use above 70,000 gallons to the water volume tier rates. Currently the tier rates consist of 3 tier rate.
 - First 6,000 gallons
 - Next 12,000 gallons
 - 18,000 gallons and above

On September 8, 2022, at the regular District board meeting. The District's board of directors will evaluate this Business Impact Statement and make a determination of whether the proposed water volume fourth tier would impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business within the District's service area. At a subsequent public meeting, the board of directors will hold a public hearing and consider whether to approve or disapprove the proposed fourth tier implementation, in whole or in part, or take other appropriate action related thereto.

Solicited Comment from Affected Businesses

On July 27, 2022, the District mailed a formal written notice to local businesses entitled, "Notice to Moapa Valley Businesses of Potential Increases in service connection water volume tier charges" which included a description of the increases under consideration. The businesses were invited to respond and submit data, documents, and other information to the District concerning whether the businesses believed the potential increases would impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business. The Notice stated that responses were to be submitted to the District by 4:30 PM, PDT on August 19, 2022

Responses from Businesses

The District received one written response from the following local business and a copy of their response is included as exhibit C attached hereto:

St. John the Evangelist Catholic Church

The response from St. John Catholic Church was reviewed and carefully considered. St. John Catholic Church is a small non-profit church with limited donations that provides assistance to struggling local parishioners. Their concerns include increased monthly expenses will have a

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direct economic impact to the church and take away from money used to help take care of the needs of their parishioners. And would cause the parish to fall back even further on any or all their monthly expenses.

Staff reviewed St. John's usage history for the last year and found their average water volume usage to be less than 1/3rd of the proposed 70,000 gallon fourth tier and shouldn't contribute any direct impact to the church and its parishioners.

Determination of Economic Burden

After carefully evaluating all the available information, District's staff has reached the following conclusions:

Will the proposed increase impose a direct and significant economic burden on businesses? NO

Will the proposed increases directly restrict the formation, operation or expansion of businesses? NO

Adverse Effects

The approval of the proposed service connection water volume tier charges will increase the monthly water charges for large volume water users, however; water use charges will vary with water consumption and conservation.

Beneficial Effects

The approval of the proposed service connection water volume tier charges will add roughly \$100,000 dollars per year and improve the District's financial condition and help cover day to day maintenance and operational expenses.

Direct Effects

The approval of the service connection water volume tier charge will directly increase monthly bills paid for water service by large volume users and will result in additional revenues for operation and maintenance costs. However, these charges will vary by water consumption and conservation

Indirect Effects

The approval of the service connection water volume tier charge is sure to have indirect effects; however, at this time those effects cannot be quantified

Methods Considered to Reduce Impacts

As mentioned, The District was created in 1983 and rate increases have historically been relatively few. However, system component failure rates have increased, the burden of local, state and federal regulatory requirements and unfunded mandates have caused the District's maintenance and operational costs to increase exorbitantly from these requirements.

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During the preparation for the impact statement, the analysis indicated the addition of a fourth volume usage tier could help off-set an increase to the monthly base rate helping to reduce fixed monthly charges

Estimated Implementation Costs

The District does not expect the proposed increases to materially increase the District's expenses or administrative costs as the associated implementation tasks would be absorbed as part of the current staff responsibilities.

Total Estimated Increase from Commercial & Residential

The total fiscal year annual amount the District expects to collect from the proposed fourth water volume tier rate. The volume amounts and associated revenue increase will depend on water consumption and conservation.

Commercial and Residential Combined

FY23 \$65,000 (with partial year implementation)

FY24 \$110,000

Funds collected will be used to pay the District's regular operating and maintenance expenses

Conclusion

Overall, if the proposed increases are approved, District staff believes the impacts will be minimal and will not impose a direct and significant economic burden or directly restrict the formation, operation, or expansion of local businesses.

CERTIFICATION OF BUSINESS IMPACT STATEMENT (NRS 237.090(2))

I, Joseph Davis, General Manager for the Moapa Valley Water District, hereby certify that to the best of my knowledge and belief the information contained in this Business Impact Statement was prepared properly and accurately.

Dated this ____ day of September, 2022

Joseph Davis, General Manager
Moapa Valley Water District

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 General Manager of the Moapa Valley Water District at 601 N. Moapa Valley Blvd. Overton, Nevada 89040 or by mail at P.O Box 257 Logandale, Nevada 89021.
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 Chapter 237 of NRS; 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 the business.
3. Upon receipt of the petition, the General Manager will forward a copy to the local government's attorney.
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 shown in **Exhibit D**

EXHIBIT B

AVERAGE MONTHLY WATER VOLUME USAGE CHARGE				
Service Connection Size	2022 Average Winter Monthly Usage Charge	Average Winter Monthly Usage Increase	2022 Average Summer Monthly Usage Charge	Average Summer Monthly Usage Increase
3/4"	\$88.21	\$0.00	\$217.62	\$0.00
1"	\$251.89	\$0.00	\$1,013.07	\$154.95
1 1/2"	\$246.79	\$0.00	\$332.67	\$0.00
2"	\$255.94	\$0.00	\$1077.58	\$144.01
3"	\$345.60	\$0.00	\$1,238.24	\$154.62
4"	\$1,284.21	\$129.83	\$2,164.42	\$323.71
6"	\$1470.60	\$83.96	\$1,296.35	\$45.58

Current Winter & Summer Monthly Average Water Usage Charge

Average Increase to Winter & Summer Monthly Usage Charge with the Proposed 4th Tier



**St. John the Evangelist
Catholic Church**

2955 St. Joseph Street, Logandale, NV 89021

Mail: P.O. Box 457, Overton, NV 89040

Phone: (702) 398-3998 Fax: (702) 398-3995

Email: stjohn@mvdsl.com website: stjohnoverton.org

**Moapa Valley Water District
601 N. Moapa Valley Blvd
Overton, NV, 89040**

To whom it may concern:

A potential increase in service connection water volume tier charges, would most definitely impose a direct and significant economic burden, although we are listed as a business, we are a non-profit church.

We struggle to make monthly expenses now.

An increase of any kind would only make that struggle more challenging. And an increase in monthly expenses would take away money used to take care of the needs of our parishioners. And would cause our parish to fall back even more on any or all our monthly expenses.

I would please urge you to reconsider the possibility and help us continue helping and maintaining our Parish without increasing difficult monthly struggles.

Thank you,

Yours in Christ,


Fr. Henry P Salditos

EXHIBIT D

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 General Manager of the Moapa Valley Water District at 601 N. Moapa Valley Blvd. Overton, Nevada 89040 or by mail at P.O Box 257 Logandale, Nevada 89021, within thirty (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 County State

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

Petitioner's telephone 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 the 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.

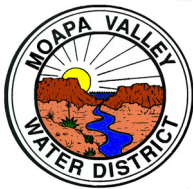
The nature of the impact of the above rule on the petitioner's business is as follows: (Attach additional sheets if necessary): _____

By signing below, the signor of this petition certifies he is a duly authorize 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: _____



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NOTICE TO MOAPA VALLEY BUSINESSES OF POTENTIAL INCREASES IN SERVICE CONNECTION WATER VOLUME TIER CHARGES

July 27, 2022

The purpose of this notice is to formally advise Moapa Valley businesses of potential increases in culinary water volume tier charges. In evaluating the District's culinary rates, the District has considered, among other things, the expenses of providing water to customers including capital facility projects and basic operating and maintenance costs. In examining water volume tier charges, the District has considered its water rights, available sources of water, basic operating and maintenance cost, and related factors.

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The District was formed in 1983 and rate increases, historically, have been relatively few. However, in recent years the District has experienced an ever increasing burden of local, state and federal regulatory requirements and unfunded mandates. In an effort to prevent imposing large increases all at once on rate payers, the District has more recently explored adjusting rates and charges in small increments on an annual basis and these matters have been discussed in the District's public meetings over the past several months. The District has also engaged experts with experience in setting water rates who have assisted in developing rate options that would be financially sustainable for the District while also affordable and equitable for rate payers. WaterWorth, one of the primary tools the District has used in this effort, has helped the District understand how water rates are performing now and how can they can be optimized to achieve the District's goals.

In connection with the District's consideration of possible increases in culinary water volume tier charges, the District will prepare a business impact statement and invites you and other Moapa Valley businesses to submit data, documents, and other information to the District concerning whether you believe the increases would impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business. You will have 15 business days from the date of this notice to provide such information. Responses should address the following:

1. Would increases in culinary water volume tier charges impose a direct and significant economic burden upon your business? Please explain.
2. Would increases in culinary water volume tier charges restrict the formation, operation or expansion of your business? Please explain.

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Please be specific and provide as much detail as possible in response to these questions. Following receipt of the responses, District staff will prepare a business impact statement. The District's Board of Directors will then review and consider the business impact statement at a public meeting and make a determination as to whether the increases in culinary water volume tier charges would impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business. At a subsequent meeting, the board will hold a public hearing and decide whether to approve or disapprove increases in culinary water volume tier charges. Below is a summary of the schedule:

August 19, 2022 Deadline for businesses to respond to this notice

September 8, 2022 Public meeting to consider the business impact statement

October 13, 2022 Public hearing and meeting to approve/disapprove increases to culinary water volume tier charges

Responses should be mailed or delivered to the District at the following address and must be received on or before **August 19, 2022 at 4:30 p.m. (PST)**:

Moapa Valley Water District
P.O Box 257
Logandale Nevada, 89040

Moapa Valley Water District
601 N. Moapa Valley Blvd
Overton Nevada, 89040

Below is a summary of the changes to the District's culinary water volume tier charges under consideration as different options that have been discussed in the District's public meetings. Also enclosed with this notice is a document entitled "Culinary Water Volume Tier Rate Changes" on the Average User (per meter size), which provide additional detail. The changes would entail setting the rates as shown with the implementation beginning in the January billing cycle.

The Implementation of the proposed commercial and residential water volume 4th tier charges consisting of the 4 tiers. Up to 6,000 gallons, next 12,000 gallons, next 52,000 gallons and any thing over 70,000 gallons

The Current and Proposed Water Usage Volume Tier Charges (**Exhibit A**). And Impacts of proposed changes to Commercial Water Volume Usage Tier Rates are shown separately (**Exhibit B**). The analysis was prepared using actual water usage numbers from calendar year 2022. The low use number is based on low water usage during the winter; the high use number is based on high water use during the summer.