

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

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To: Chairman Kelby Robison & MVWD Board of Directors  
From: Joseph Davis, General Manager  
Date: September 2, 2024  
Subject: \$10 Infrastructure Management Service Charge

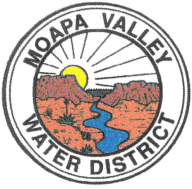
**Background:**

During the March 14<sup>th</sup> Board of Directors meeting, Joseph Phillips with Sunrise Engineering gave a presentation on project funding options for the District's proposed Arrow Canyon well #3 as well as the Narrows and Warm Springs storage reservoirs.

During discussion at the May 30<sup>th</sup> meeting, The Directors supported staff's recommendation of postponing the construction of the Warm Springs Reservoir and moving forward with the Narrows Reservoir and Arrow Canyon well #3 projects with a proposed \$10 infrastructure management service charge.

On July 22, a notice of the potential \$10 Infrastructure Management Service Charge was mailed to all businesses in the MVWD service territory. The notice posed two questions, *would the increase impose a direct and significant economic burden on businesses*, and *will the increase directly restrict the formation, operation or expansion of businesses?*

Local businesses were asked to respond before 4:30 p.m. on August 19, 2024. Staff did not receive any responses to the Notice.



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## MOAPA VALLEY WATER DISTRICT BUSINESS IMPACT STATEMENT

### RE: POTENTIAL ADDITION OF A INFRASTRUCTURE MANAGEMENT SERVICE CHARGE

**District Board Meeting to Evaluate Business Impact Statement: September 12, 2024**

**District Board Meeting to Consider Adoption of Proposed Increases: October 11, 2024**

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 a monthly \$10 Infrastructure Management Service Charge to the District's water bill.

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 22, 2024.

The District's board of directors will evaluate the Business Impact Statement at a public meeting on September 12, 2024, and may adopt the findings of the Impact Statement at a public meeting on October 11, 2024. 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 culinary water 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 MONTHLY CULINARY WATER CHARGES (exhibit A) and AVERAGE MONTHLY COMMERCIAL CULINARY WATER CHARGE (exhibit B) The changes would entail adding a monthly \$10 Infrastructure Management Service Charge to the District's rate structure.

On September 12, 2024, 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 monthly \$10 Infrastructure Management Service Charge 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 monthly \$10 Infrastructure Management Service Charge implementation, in whole or in part, or take other appropriate action related thereto.

#### Solicited Comment from Affected Businesses

On July 22, 2024, the District mailed a formal written notice to local businesses entitled, "Notice to Moapa Valley Businesses of a Potential monthly \$10 Infrastructure Management Service Charge 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, 2024

#### Responses from Businesses

The District did not receive any written responses from local businesses

#### 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 monthly \$10 infrastructure service charge will increase the monthly water charges for commercial users

### Beneficial Effects

The approval of the proposed monthly \$10 infrastructure service charge will add \$389,160 dollars per year and improve the District's financial condition and help cover infrastructure bond payments.

### Direct Effects

The approval of the monthly \$10 infrastructure service charge will directly increase monthly bills paid for water service by commercial users and will result in additional revenues for infrastructure bond costs.

### Indirect Effects

The approval of the monthly \$10 infrastructure service 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.

During the preparation for the impact statement, the analysis indicated the addition of a monthly \$10 infrastructure service charge could help off-set proposed rate increases to the monthly base rate helping to reduce future 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 monthly \$10 infrastructure service charge.

#### Commercial and Residential Combined

FY25 \$194,580 (with partial year implementation)

FY26 \$389,160



Funds collected will be used to pay the District's Infrastructure Bond Payments 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 2<sup>nd</sup> day of September 2024

  
\_\_\_\_\_  
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 C**



**EXHIBIT B**  
**COMMERCIAL INFRASTRUCTURE MANAGEMENT SERVICE CHARGE COMPARISON**

<b>AVERAGE MONTHLY WATER BILL</b>				
Service Connection Size	2023 Average Winter Monthly Bill	Average Winter Monthly Bill with \$10 Infrastructure Management Service Charge	2023 Average Summer Monthly Bill	Average Summer Monthly Bill with \$10 Infrastructure Management Service Charge
3/4"	\$88.21	\$98.21	\$217.62	\$227.62
1"	\$256.57	\$266.57	\$1,050.58	\$1,060.58
1 1/2"	\$257.73	\$267.73	\$347.01	\$357.01
2"	\$276.72	\$286.72	\$1,125.02	\$1,135.02
3"	\$353.35	\$363.35	\$1,275.18	\$1,285.18
4"	\$1,317.67	\$1,327.67	\$2,225.03	\$2,235.03
6"	\$1,503.37	\$1,513.37	\$1,323.75	\$1,333.75

Current Winter & Summer Monthly Average Water Usage Charge

Average Increase to Winter & Summer Monthly Usage with Infrastructure Management Service Charge = \$10.00

**EXHIBIT C**

**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: \_\_\_\_\_