

Dear Business Owner:

As a licensed business owner in the City of Boulder City you are being notified of proposed changes to the City's electric rates scheduled to be effective July 1, 2009, and the timetable leading up to adoption of the new rate schedule:

1. The Finance Department will be conducting a workshop regarding the fee structure in the City Council Chambers, City Hall, 401 California Avenue, Boulder City, at 6:00pm, on May 26, 2009.
2. The City Council will conduct a public hearing prior to the adoption of the fee schedule in City Council Chambers, City Hall, 401 California Avenue, Boulder City, at 7:00pm, on June 9, 2009.

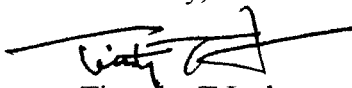
The City Council of the City of Boulder City will be endorsing an electric rate increase of $\frac{3}{4}$ of one cent (\$.0075) per kilowatt hour for all residential and commercial customers in the FY 2010 Operating and Capital Budget scheduled for adoption on May 19, 2009. The Nevada Revised Statutes (NRS) 237.090 requires that a study be conducted to determine the impact these charges will have on small businesses prior to their taking effect. A schedule of the proposed charges is included with this notice.

As a licensed business owner you may appear at the Public Hearing/City workshop in person or by counsel and object to or express approval of the proposed electric rate increase; or, no later than June 1, 2009, file with the City Clerk written objection thereto or approval thereof.

Copies of the background material are on file and available for public inspection in the Office of the City Clerk, City Hall, 401 California Avenue, Boulder City, Nevada, at the Boulder City Municipal Library, 701 Adams Boulevard, Boulder City, Nevada, and on the City's website at the following location:

<http://www.bcnv.org/finance/RequestsForProposals.asp>, and clicking on the file UT Rate Increase FY2010 BIP.pdf

Sincerely,



Timothy T Inch
Finance Director

PRELIMINARY BUSINESS IMPACT STATEMENT

The following business impact statement was prepared pursuant to NRS 237.090 to address the proposed impact of a proposed electric rate increase of ¾ of one cent (\$.0075) per kilowatt hour for all commercial customers effective July 1, 2009.

1. The following constitutes a description of the number 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. *(List all trade association or owners and officers of businesses likely to be affected by the proposed rule that have been consulted)*

The fee proposal was mailed to over 800 licensed businesses on record in the Finance Department, 401 California Avenue, Boulder City, NV. Notice of this Small Business Impact Statement was published in the local newspaper inviting comment and participation in a workshop to be held on May 26, 2009, followed by a public hearing to be conducted by the City Council on June 9, 2009, prior to consideration of the rate resolution.

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:

Adverse Effects – Commercial customers costs of electrical service will increase by approximately 11.54%.

Beneficial Effects – the rate increase will provide the Utility Fund with the additional funds necessary to meet increased operating and capital expenses.

Immediate Impact – Commercial customers will see increased electrical costs for their business.

Long-Term Impact – These increases along with a similar increase in FY 2011, are expected to provide the funds necessary for the long-term financial stability of the Utility Fund.

3. The following constitutes a description of the methods the local government considered to reduce the impact of the proposed rule on businesses and a statement regarding whether any, and if so which, of these methods were used: *(Include whether the following was considered: simplifying the proposed rule; establishing different standards of compliance for a business; and if applicable, modifying a fee or fine set forth in the rule so that business could pay a lower fee or fine).*

When developing the proposed electric rate increase an examination of the total kilowatt hours of electricity sold by the City of Boulder City to its customers on an annual basis was approximately 150 million kwh. Financial results for the Utility Fund for the year ended June 30, 2008, revealed operating income declines of over \$1 million. The

proposed rate increase is expected to provide \$1,125,000 in additional revenue to the Utility Fund in FY 2010.

4. Boulder City estimates the annual cost to the local government for the enforcement of the proposed rule is: One time minor charges associated with billing software modifications are anticipated.
5. (If applicable, provide the following:) The proposed rule provides for a new fee or increases and existing fee and the total annual amount expected to be collected is: \$1,125,000 from both residential and commercial customers.
6. The money generated by the new fee or increase in existing fee will be used by the local government for: The proposed electric rate increase is needed to provide additional funds necessary to meet increased operating and capital expenses of the Utility Fund for Fiscal Year 2010 and beyond.
7. (If applicable, provide the following:) The proposed rule includes provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity. The following explains when such duplicative or more stringent provisions are necessary: The proposed electric rate increase is not duplicative, or more stringent than existing federal, state or local standards.

