



Department Source: City Utilities - Sewer/Stormwater

To: City Council

From: City Manager & Staff

Council Meeting Date: August 20, 2018

Re: Public Hearing – FY2019 Sewer Rate Changes

Executive Summary

Public Hearing for proposed amendments to Chapters 13 and 22 of the City Code of Ordinances relating to rate increase to the sanitary sewer utility rates, and waste hauler disposal service fees.

Discussion

Staff is recommending that Chapters 13 and 22 of the City Code be amended to implement a one percent (1%) rate increase in connection with the November 2013 revenue bond package presented to voters for sanitary sewer utility capital improvements. Included below is a description of the changes to Chapter 13 and Chapter 22.

Chapter 13 proposed changes:

Chapter 13 of the City Code governs the charges paid by liquid waste haulers that discharge material at a designated disposal facility. An overall one percent increase in sewer fees, including disposal services, are proposed for the Fiscal Year 2019 budget year. This increase is related to coverage of bond indebtedness.

Included below is a list of sections proposed to be changed and the changes.

Sec. 13-192 (b)(1) – increases the charge for sludge from package wastewater treatment plants and stabilization pond sludge from \$0.048 per gallon to \$0.049 per gallon.

Sec. 13-192 (b)(2) – increases the charge for waste not covered by (b)(1) from \$0.091 per gallon to \$0.092 per gallon.

Sec. 13-192 (b)(3) – increases the charge for treatment service availability from \$12.25 per load to \$12.37 per load.

Chapter 22 proposed changes:

Part of Chapter 22 of the City Code governs the charges paid by customers of the sewer utility. An overall one percent increase in sewer fees are proposed for the Fiscal Year 2019 budget year. This increase is related to coverage of bond indebtedness.

The following are each proposed section changes with a brief discussion of the proposed change.



Sec. 22-263 (b)(1) – proposed change will

1. Increase the residential base fee from \$12.25 per month to \$12.37 per month.
2. Increase the non-residential base fee approximately (given rounding variation) one percent for each of eleven water meter sizes.
3. Increase the volume rate, for all customers, from \$2.52 per CCF to \$2.55 per CCF.

Sec. 22-263 (b)(2) – proposed change will

1. Increase the unit charge for BOD (biochemical oxygen demand) in dollars per pound from \$0.321 to \$0.324.
2. Increase the unit charge for suspended solids in dollars per pound from \$0.220 to \$0.222.

Fiscal Impact

Short-Term Impact: Increase revenue by one percent, from fees charged, over Fiscal Year 2018 rate.

Long-Term Impact: Increase revenue by one percent, from fees charged, over Fiscal Year 2018 rate.

Vision & Strategic Plan Impact

Strategic Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
07/16/2018	R100-18 Setting a Public Hearing: consider changes to the sanitary sewer utility rate and waste hauler disposal service fees.
09/19/2017	B223-17 Approved an ordinance amending Chapter 22 of the City Code as it relates to sanitary sewer utility rates and connection fees.
09/19/2017	B228-17 Approved an ordinance to amend Chapter 13 of the City Code as it relates to hauled liquid waste rates.
09/05/2017	PH31-17 Public Hearing to consider changes to the sanitary sewer utility rate, sanitary sewer utility connection fees and hauled liquid waste rate.



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7/17/2017	R94-17 Setting a Public Hearing to consider changes to the sanitary sewer utility rate, sanitary sewer utility connection fees and hauled liquid waste rate.
09/19/2016	B196-16 Approved an ordinance amending Chapter 22 of the City Code as it relates to sanitary sewer utility rates and connection fees.
09/19/2016	B194-16 Approved an ordinance to amend Chapter 13 of the City Code as it relates to hauled liquid waste rates.
09/06/2016	PH29-16 Public Hearing to consider changes to the sanitary sewer utility rate, sanitary sewer utility connection fees and hauled liquid waste rate.
07/18/2016	R94-16 Setting a Public Hearing: consider changes to the sanitary sewer utility rate, sanitary sewer utility connection fee and hauled liquid waste rate.
09/21/2015	B225-15 Approved an ordinance increasing the sewer connection fee from \$1,200 to \$1,600 for residential and 5/8 inch water meters.
09/15/2014	B235-14 Approved an ordinance to amend Chapter 13 of the City Code as it relates to hauled liquid waste rates and amending Chapter 22 of the City Code as it relates to sanitary sewer utility rates and connection fees.
07/07/2014	Burton & Associates presented rate recommendations for the Sanitary Sewer Utility at pre-council meeting.
03/04/2014	Agreement with Burton & Associates for Sanitary Sewer Utility Cost of Service and Rate Study.
01/21/2014	Ordinance 21965 – Declaring the results of the special election.
08/05/2013	Ordinance 21760 – Calling a special election of whether to issue the Sewer System Revenue bonds.

Suggested Council Action

Following public input and Council discussion, Council should approve the proposed changes to sewer rates and waste hauler rates.