



Department Source: City Utilities - Sewer/Stormwater

To: City Council

From: City Manager & Staff

Council Meeting Date: August 7, 2017

Re: Amending Chapter 22 of the City Code as it relates to sewer rates

Executive Summary

Staff has prepared for Council consideration an ordinance amending Chapter 22 of the City Code as it relates to rates charged by the sewer utility.

Discussion

Part of Chapter 22 of the City Code governs the charges paid by customers of the sewer utility. An overall six percent increase in sewer fees are proposed for the Fiscal Year 2017 budget year. One percent of the increase is related to coverage of bond indebtedness and five percent is to address increased cost of operation and maintenance.

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

Sec. 22-262 (a)(1) – proposed change clarifies residential customer to match historic practice. This change has no impact on rates or current operation.

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

1. Increase the residential base fee from \$11.56 per month to \$12.25 per month.
2. Increase the non-residential base fee approximately (given rounding variation) six percent for each of eleven water meter sizes.
3. Increase the volume rate, for all customers, from \$2.38 per CCF to \$2.52 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 \$0.303 to \$0.321.
2. Increase the unit charge for suspended solids in dollars per pound from \$0.208 to \$0.221.

Sec. 22-264 (b) – proposed increases in connection fees. The residential and 5/8 inch meter connection fee is proposed to increase from \$2,000 to \$2,400. This is the fourth year of a proposed four year connection fee increase that brings the residential connection fee to a total of \$2,400 in year four. The connection fees for the other 10 meter sizes will be increased by an amount equivalent to the \$400 increase for the 5/8 meter multiplied by the ratio of the meter capacity to the capacity of a 5/8 inch meter.



Sec. 22-264 (a), (c) and (d) – proposed changes clarify connection fee charges and reductions for users that change their use of the wastewater system due to redevelopment or for other purposes.

Fiscal Impact

Short-Term Impact: Increase revenue by six percent, from fees charged, over Fiscal Year 2017 rate. The connection fee revenue will increase by 20% for each new connection.

Long-Term Impact: Increase revenue by six percent, from fees charged, over Fiscal Year 2017 rate. The connection fee revenue will increase by 20%, for each new connection due to this proposed increase.

Vision & Strategic Plan Impact

Vision Impacts:

Primary Impact: Environment, Secondary Impact: Development, Tertiary Impact: Community Facilities and Services

Strategic Plan Impacts:

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

Comprehensive Plan Impacts:

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

Legislative History

Date	Action
7/17/2017	R94-17 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 amended ordinance increasing the sewer connection fee from \$1,600 to \$2,000 for residential and 5/8 inch water meters
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



City of Columbia

701 East Broadway, Columbia, Missouri 65201

09/15/2014	water meters B235-14 Approved an ordinance to increase the sewer connection fee from \$800 to \$1,200 for residential and 5/8 inch water meters
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

Staff recommends that Council amend Chapter 22 as outlined in the accompanying ordinance.