



Item: Set public hearing for Resolution 9955 Establishing Water, Sewer and Storm Drain Utility Service Rates effective May 1, 2012

From: Melissa Kinzler, Fiscal Services Director

Initiated By: Public Works and Fiscal Services

Presented By: Jim Rearden, Public Works Director & Melissa Kinzler, Fiscal Services Director

Action Requested: Set Public Hearing

Suggested Motion:

1. Commissioner moves:

“I move the City Commission set a public hearing for April 17, 2012, on Resolution 9955 to establish water, sewer, and storm drain utility service rates effective May 1, 2012.”

2. Mayor calls for a second, discussion, inquiries from the public, and calls for the vote.

Staff Recommendation: Staff recommends the City Commission set a public hearing for April 17, 2012, on Resolution 9955 to establish water, sewer, and storm drain utility service rates effective May 1, 2012.

Background: Each year, staff reviews and analyzes the financing needs of the water, sewer, and storm drain funds. The review ensures the City has adequate funding necessary for day to day operations, and provide for any capital improvements, emergency main breaks, or replacements. These funds also provide the financing to run the Water and Wastewater Treatment Plants effectively. Adjustments in utility rates are also necessary to provide adequate revenue to finance the capital improvements program, meet debt service coverage requirements and to maintain appropriate reserves. Staff is recommending 5% increases in water rates, 10% in sewer rates, and no increase in storm drain rates. Staff has found moderate annual increases to service rates are more effective in meeting revenue needs as opposed to sporadic large increases. The average annual service rate and fee increase for the 10 year period 2002-2011 is 3.55% for water, 5.02% for sewer and 3.00% for storm drain.

The increased rate increase for sewer is due to the approximately \$19.1 million of capital improvements needed due to state and federal regulations attributed to the City’s wastewater discharge permit.

The water rate change also applies to Fire Hydrant charges. Fire hydrants are integral to the water system as a whole, and included as a monthly charge within the rate structure rather than a once a year special assessment. Also included are water and sewer connection and tapping fees, which do not have any impact upon monthly water and sewer bills. These are one time charges for the initial connection to the existing service lines.

Concurrences: Representatives from Public Works and Fiscal Services worked together throughout the process.

Fiscal Impact: Comparisons of current versus proposed charges, rate and fee structures are attached. With the proposed rates beginning May 1, 2012 the average residential utility bill will increase approximately 6.41%, or \$3.15. This is derived from 5% increases in water rates, 10% in sanitary sewer rates, and no increase in storm drain rates.

Alternatives: The City Commission could choose to not set the public hearing and thereby deny Resolution 9955.

Attachments/Exhibits: Resolution 9955 w/ Appendix A
Public Notice (for mailing and publication)
Current Rates vs. Proposed Rates

RESOLUTION 9955
ESTABLISHING WATER, SEWER, AND STORM DRAIN SERVICE RATES

A RESOLUTION TO ESTABLISH WATER, SEWER, AND STORM DRAIN SERVICE RATES IN ACCORDANCE WITH 13.02.040 OCCGF, EFFECTIVE MAY 1, 2012

WHEREAS:

The City Commission of the City of Great Falls, met and conducted the hearing in the regular session on Tuesday, April 17, 2012 at the Civic Center, Great Falls, Montana, at 7:00 p.m. and did consider the cost of operation, equipment, facilities, debt service, and capital improvements for the Water, Sewer, and Storm Drain systems;

13.02.040 OCCGF states: "All rates or fees for use of the utility systems or for permits, licenses, connections or inspections shall be defined by resolution and approved by the City Commission. . ."

NOW, THEREFORE:

The City Commission of the City of Great Falls does hereby establish water, sewer, and storm drain service rates for City customers as follows:

Water, Sewer, and Storm Drain Utility Service Rates as shown in Appendix A

Passed by the Commission of the City of Great Falls, Montana, on this 17th day of April, 2012.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

James W. Santoro, City Attorney

**CITY OF GREAT FALLS, MONTANA
RESOLUTION 9955, Appendix A
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effective 5/1/2012**

Combined Water & Sewer	Quantity Charges CCF / Mo.		Monthly Service Charges														
	1st 300 cf	Over 300 cf	Not Meter Based	Meter Based - Service Line Size (inches)									see 6" if "na"				
				(3/4") 0.75	1	1.25	1.50	2	3	4	6	8	10	12			
RESIDENTIAL WATER																	
2012 5.00%																	
2012 Regular Residential	1.03	1.72		5.30	5.65	10.24	10.24	12.97	34.58	50.05	100.86	151.84	214.71	316.84			
2012 Low Income Residential (90 % of Regular Residential)	0.93	1.55		4.77	5.08	9.21	9.21	11.67	31.12	45.05	90.78	136.66	193.24	285.15			
Fire Hydrant																	
2012 Monthly				1.89	2.16	6.00	6.00	8.30	26.28	39.25	81.63						
2012 Annual				22.68	25.92	72.00	72.00	99.60	315.36	471.00	979.56						
SEWER																	
2012 10.00%																	
2012 Regular Residential	1.55	2.56	7.21														
2012 Low Income Residential (90 % of Regular Residential)	1.40	2.31	6.48														
COMMERCIAL WATER																	
2012 5.00%																	
2012 Regular Commercial	1.28	1.28		5.30	5.65	10.24	10.24	12.97	34.58	50.05	100.86	151.84	214.71	316.84			
2012 Black Eagle	1.32	1.32									2 - 8" meters @	151.84					
2012 Malmstrom AFB	1.47	1.47						1 - 4" plus 1 - 10" meter		50.05	plus		214.71				
2012 Raw Water	0.22	0.22															
Fire Hydrant																	
2012 Monthly				1.89	2.16	6.00	6.00	8.30	26.28	39.25	81.63						
2012 Annual				22.68	25.92	72.00	72.00	99.60	315.36	471.00	979.56						
Fire Lines																	
2012 Monthly				na	na	na	na	2.02	3.07	4.74	8.44	11.43		29.42			
2012 Annual				na	na	na	na	24.26	36.81	56.89	101.22	137.19		353.02			
SEWER																	
2012 10.00%																	
2012 Regular Commercial	2.20	2.20	7.21														
2012 Black Eagle	2.20	2.20	7.21														
2012 Malmstrom AFB	1.91	1.91	7.21														
2012 ADM	**	**	**														
PRE-TREATMENT SEWER CHARGES																	
2012 10.00%																	
2012 Regular Charges	1.07	1.07	7.21														
2012 BOD > 0 mg/L	per pound		0.453														
2012 TSS > 0 mg/L	per pound		0.310														
SEWER EXTRA STRENGTH CHARGES																	
2012 10.00%																	
BOD > 200 mg/L																	
2012 Regular Commercial inc Malmstrom AFB & Black Eagle	per pound		0.453														
TSS > 250 mg/L																	
2012 Regular Commercial inc Malmstrom AFB & Black Eagle	per pound		0.310														

**Pending Negotiations

**PUBLIC NOTICE
PUBLIC HEARING ON RESOLUTION 9955
TO ESTABLISH WATER, SEWER, AND STORM DRAIN
UTILITY SERVICE RATES**

The City of Great Falls is proposing to raise water and sewer utility service rates, effective May 1, 2012. The increases are necessary to meet bonded debt coverage, to keep up with inflation, to cover the cost of service, and provide for necessary capital improvements.

Residential customers typically have a 1" meter and use 1,250 cubic feet of water per month with a winter average of 650 cubic feet per month on sewer. A typical residential customer would see rate increases as follows:

- **A water bill will increase 5% or approximately \$1.27, from \$25.96 to \$27.23 per month;**
- **A sewer bill will increase 10% or approximately \$1.88, from \$18.94 to \$20.82 per month; and**
- **A storm drain bill will not increase, remaining at \$4.27.**

These monthly bills include base service charges of \$5.65 for water, \$2.16 for fire hydrant, \$7.21 for sewer, and \$1.32 for storm drain

The metered water rates will increase:

From \$0.98 to \$1.03 per hundred cubic feet for the first 300 cubic feet per month, and from \$1.64 to \$1.72 per hundred cubic feet for all water over 300 cubic feet per month.

The sewer rates will increase:

From \$1.41 to \$1.55 per hundred cubic feet for the first 300 cubic feet per month, and from \$2.33 to \$2.56 per hundred cubic feet for anything over 300 cubic feet per month.

The storm drain rates will not increase.

Commercial customers will see rate increases of 5% for all water services and 10% for sanitary sewer services.

The public hearing will be held on April 17, 2012 at 7:00 p.m. in the Civic Center Commission Chambers, 2 Park Drive. Please mail any comments to City Clerk, City of Great Falls, PO Box 5021, Great Falls, MT 59403

For further information, contact a Utilities Customer Service Representative at 727-7660 or Room 104 of the Civic Center, 8:00 am to 5:00 pm.

CITY OF GREAT FALLS, MONTANA

Current Rates vs. Proposed Rates

Combined Water & Sewer		Quantity Charges CCF / Mo.		Monthly Service Charges													
				Not Meter Based	Meter Based - Service Line Size (inches)									see 6" if "na"			
					(3/4") 0.75	1	1.25	1.50	2	3	4	6	8	10	12		
RESIDENTIAL WATER																	
	2011 5.00%																
	2012 5.00%																
2011 Regular Residential		0.98	1.64		5.05	5.38	9.75	9.75	12.35	32.93	47.67	96.06	144.61	204.49	301.75		
2012 Regular Residential		1.03	1.72		5.30	5.65	10.24	10.24	12.97	34.58	50.05	100.86	151.84	214.71	316.84		
2011 Low Income Residential		0.87	1.47		4.54	4.84	8.79	8.79	11.11	29.64	42.90	86.47	130.14	184.04	271.57		
2012 Low Income Residential (90 % of Regular Residential)		0.93	1.55		4.77	5.08	9.21	9.21	11.67	31.12	45.05	90.78	136.66	193.24	285.15		
Fire Hydrant																	
	2011 Monthly				1.80	2.06	5.71	5.71	7.90	25.03	37.38	77.74					
	2012 Monthly				1.89	2.16	6.00	6.00	8.30	26.28	39.25	81.63					
	2011 Annual				21.60	24.72	68.52	68.52	94.80	300.36	448.56	932.88					
	2012 Annual				22.68	25.92	72.00	72.00	99.60	315.36	471.00	979.56					
SEWER																	
	2011 7.50%																
	2012 10.00%																
2011 Regular Residential		1.41	2.33	6.55													
2012 Regular Residential		1.55	2.56	7.21													
2011 Low Income Residential		1.27	2.10	5.89													
2012 Low Income Residential (90 % of Regular Residential)		1.40	2.31	6.48													
COMMERCIAL WATER																	
	2011 5.00%																
	2012 5.00%																
2011 Regular Commercial		1.22	1.22	6.55	5.05	5.38	9.75	9.75	12.35	32.93	47.67	96.06	144.61	204.49	301.75		
2012 Regular Commercial		1.28	1.28	7.21	5.30	5.65	10.24	10.24	12.97	34.58	50.05	100.86	151.84	214.71	316.84		
2011 Black Eagle		1.26	1.26										2 - 8" meters @	144.61			
2012 Black Eagle		1.32	1.32										2 - 8" meters @	151.84			
2011 Malmstrom AFB		1.40	1.40						1 - 4" plus 1 - 10" meter		47.67	plus		204.49			
2012 Malmstrom AFB		1.47	1.47						1 - 4" plus 1 - 10" meter		50.05	plus		214.71			
2011 Raw Water		0.21	0.21														
2012 Raw Water		0.22	0.22														
Fire Hydrant																	
	2011 Monthly				1.80	2.06	5.71	5.71	7.90	25.03	37.38	77.74					
	2012 Monthly				1.89	2.16	6.00	6.00	8.30	26.28	39.25	81.63					
	2011 Annual				21.60	24.72	68.52	68.52	94.80	300.36	448.56	932.88					
	2012 Annual				22.68	25.92	72.00	72.00	99.60	315.36	471.00	979.56					
Fire Lines																	
	2011 Monthly				na	na	na	na	1.92	2.92	4.51	8.03	10.89		28.02		
	2012 Monthly				na	na	na	na	2.02	3.07	4.74	8.44	11.43		29.42		
	2011 Annual				na	na	na	na	23.10	35.06	54.18	96.40	130.66		336.21		
	2012 Annual				na	na	na	na	24.26	36.81	56.89	101.22	137.19		353.02		
SEWER																	
	2011 7.50%																
	2012 10.00%																
2011 Regular Commercial		2.00	2.00	6.55													
2012 Regular Commercial		2.20	2.20	7.21													
2011 Black Eagle		2.00	2.00	6.55													
2012 Black Eagle		2.20	2.20	7.21													
2011 Malmstrom AFB		1.74	1.74	6.55													
2012 Malmstrom AFB		1.91	1.91	7.21													
2011 ADM		**	**	**													
2012 ADM		**	**	**													

** Pending negotiations.

CITY OF GREAT FALLS, MONTANA
Current Fees vs. Proposed Fees
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	WATER		SEWER	
	2011	2012	2011	2012
			5.00%	7.50%
			5.00%	10.00%

	2011	2012	7.50%	10.00%	Quantity Charges		Not Meter Based
					CCF / Mo.		
PRE-TREATMENT SEWER CHARGES							
					0.97	0.97	6.55
					1.07	1.07	7.21
					per pound		0.412
					per pound		0.453
					per pound		0.282
					per pound		0.310
SEWER EXTRA STRENGTH CHARGES							
					per pound		0.412
					per pound		0.453
					per pound		0.282
					per pound		0.310

Water Service Line Size (inches)

	(3/4")	1.00	1.25	1.50	2.00	3.00	4.00	6.00	8.00	10.00	12.00
CONNECTION FEES											
WATER											
	2011	\$352	\$391	\$0	\$476	\$515	\$775	\$995	\$1,542	\$2,578	\$0
	2012	\$370	\$411	\$0	\$500	\$541	\$814	\$1,045	\$1,619	\$2,707	\$5,426

Fee shall be ADDED TO: General Plumbing Permit for extension to new buildings; or, Inspection Permits for larger diameter pipe.

SEWER

Single Family Residential	2011	\$ 198									
	2012	\$ 218									
Commercial & Multi Family Units	2011	\$ 198	\$ 370	-	\$ 726	\$ 1,524	\$ 2,904	\$ 5,233	\$ 7,562	\$11,600	\$16,041
	2012	\$ 218	\$ 407	-	\$ 799	\$ 1,676	\$ 3,194	\$ 5,756	\$ 8,318	\$12,760	\$17,645

Connection Fees are for connection of service line to WATER AND SEWER mains, and do not include installation or general plumbing permits. There is no fee to connect to the STORM SEWER SYSTEM. Call City of Great Falls Community Development for more information @ 406-771-1180

Inspections and the associated fees are for the inspection and approval of all water and sewer service work and connections under OCCGF, Title 13 Call City of Great Falls Engineering for more information @ 406-771-1258

Where one meter serves one multi-purpose development, either mobile home, multiple family housing units, local business, commercial, industrial, residential use zones or variance, the connection charge will be based upon the size of the water tap. If there is no water tap, the charge will be based upon the the sewage being discharged on the same ratio as for other sewer connections.

TAPPING FEES (Water) Fee for any new or replacement tap being made on a water main.

1 to 5 taps	Fee per Tap:	2011	\$ 378	\$ 397	\$ -	\$ 599	\$ 755
		2012	\$ 397	\$ 417	\$ -	\$ 629	\$ 793
6 or more taps	Fee per Tap:	2011	\$ 338	\$ 371	\$ -	\$ 599	\$ 755
		2012	\$ 355	\$ 390	\$ -	\$ 629	\$ 793

INCLUDED in this fee is installation of a corporation stop on the main, and furnishing of corporation stop, curb stop and box. NOT INCLUDED, and to be BILLED EXTRA, is the cost of saddles, clamps and other extraneous fitting required for the tap.

TURN ON/OFF After Hours

Fiat fee of:	2011	\$ 35	2011	\$ 60
	2012	\$ 35	2012	\$ 60

WATER TREATMENT PLANT (WTP)

Laboratory Fees	Akalinity	Hardness	pH	Specific Conductance	Total Coliform & E. coli. P/A	Total Coliform & E. coli. MPN	Turbidity	HPC
2011	\$ 19	\$ 26	\$ 10	\$ 10	\$ 21	\$ 25	\$ 10	\$ 30
2012	\$ 20	\$ -	\$ 10	\$ 10	\$ 21	\$ 26	\$ 10	\$ 30

WASTEWATER TREATMENT PLANT (WWTP) (Based upon Wastewater Discharge Quantity)

Gallons per Day (GPD)	0 to 10,000	10,001 to 25,000	25,001 to 100,000	Over 100,000	+PLUS	per 100,000 GPD, or portion thereof
2011	\$ 103	\$ 166	\$ 213	\$ 213	\$ 63	
2012	\$ 113	\$ 183	\$ 234	\$ 234	\$ 69	

Hauled Waste Disposal Fees 0 to 100 Gallons

2011	No Charge	Disposal of wastes from holding tanks of privately owned recreational vehicles must be discharged directly from the recreational vehicle and must not exceed 100 gallons
2012	No Charge	Disposal of wastes from holding tanks of privately owned recreational vehicles must be discharged directly from the recreational vehicle and must not exceed 100 gallons
2011	\$ 20	per 1,000 gallons, or portion thereof, for hauled waste. A minimum charge for 1000 gallons will be levied for each load delivered.
2012	\$ 20	per 1,000 gallons, or portion thereof, for hauled waste. A minimum charge for 1000 gallons will be levied for each load delivered.

Additional Fees
 Additional fees may be charged for necessary testing prior to acceptance of wastes classified as non-domestic or industrial in nature.

CITY OF GREAT FALLS, MONTANA
Current Fees vs. Proposed Fees
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STORM DRAIN

2011 **0.00%**
2012 **0.00%**

A	Single Family Res.		Sq Ft Cap	15,000		
2011	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0003959604	0.0003959604
2012	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0003959604	0.0003959604
B	Multiple Residential		Sq Ft Cap	0		
2011	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0004949505	0.0004949505
2012	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0004949505	0.0004949505
C	Commercial		Sq Ft Cap	0		
2011	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0006434357	0.0006434357
2012	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0006434357	0.0006434357
D	Heavy Commercial		Sq Ft Cap	0		
2011	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0008909109	0.0008909109
2012	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0008909109	0.0008909109
E	Unimproved Areas		Sq Ft Cap	10,000		
2011	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0000989901	0.0000989901
2012	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0000989901	0.0000989901