



Item: Set public hearing for Resolution 10012 Establishing Water, Sewer and Storm Drain Utility Service Rates effective May 1, 2013

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 16, 2013, on Resolution 10012 to establish water, sewer, and storm drain utility service rates effective May 1, 2013.”

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

Staff Recommendation: Staff recommends the City Commission set a public hearing for April 16, 2013, on Resolution 10012 to establish water, sewer, and storm drain utility service rates effective May 1, 2013.

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 2003-2012 is 3.80% for water, 6% for sewer and 2.00% for storm drain.

The rate increase for sewer is due to the approximately \$20.7 million of capital improvements needed to meet state and federal regulations attributed to the City’s wastewater discharge permit.

The rate increase for water is due to the approximately \$22.6 million of capital improvements needed due to meet state and federal regulations and upgrade aging equipment at the City's Water Treatment plant.

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. Other fees for Non Sufficient Fund checks and a monthly interest charge of 1.5% after 60 days have been added to the resolution.

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, 2013 the average residential utility bill will increase approximately 6.7%, or \$3.52. 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 10012.

Attachments/Exhibits: Resolution 10012 w/ Appendix A
Public Notice (for mailing and publication)
Current Rates vs. Proposed Rates

RESOLUTION 10012
ESTABLISHING WATER, SEWER, AND STORM DRAIN SERVICE RATES

A RESOLUTION TO ESTABLISH WATER, SEWER, AND STORM DRAIN SERVICE RATES IN ACCORDANCE WITH 13.02.050 OCCGF, EFFECTIVE MAY 1, 2013

WHEREAS:

The City Commission of the City of Great Falls, met and conducted the hearing in the regular session on Tuesday, April 16, 2013 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;

13.02.050 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 16th day of April, 2013.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

Dave Nielsen, Interim City Attorney

**CITY OF GREAT FALLS, MONTANA
RESOLUTION 10012, Appendix A
pg 2 of 2
effective 5/1/2013**

WATER SEWER
2013 5.00% 2013 10.00%

Water Service Line Size (inches)

	(3/4") 0.75	1.00	1.25	1.50	2.00	3.00	4.00	6.00	8.00	10.00	12.00
CONNECTION FEES											
WATER											
2013	\$ 389	\$ 432	\$ -	\$ 525	\$ 568	\$ 855	\$ 1,097	\$ 1,700	\$ 2,842	\$ -	\$ 5,697

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

SEWER

Single Family Residential	2013	\$ 240										
Commercial & Multi Family Units	2013	\$ 240	\$ 448	\$ -	\$ 879	\$ 1,844	\$ 3,513	\$ 6,332	\$ 9,150	\$ 14,036	\$ 19,409	\$ 27,004

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:	2013	\$ 417	\$ 438	\$ -	\$ 660	\$ 833					
6 or more Fee per Tap:	2013	\$ 373	\$ 409	\$ -	\$ 660	\$ 833					

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

Flat fee of :	2013	\$ 35	After Hours	2013	\$ 60
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WATER TREATMENT PLANT (WTP)

Laboratory Fees	Akalinity	Hardness	pH	Specific Conductance	Total Coliform & E. coli. P/A	Total Coliform & E. coli. MPN	Turbidity	HPC
2013	N/A	N/A	\$ 10	N/A	\$ 21	\$ 26	\$ 10	\$ 30

WASTEWATER TREATMENT PLANT (WWTP)

Industrial Discharge Permit Application Fees (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
2013	\$ 124	\$ 201	\$ 257	\$ 257	\$ 76	

Hauled Waste Disposal Fees

0 to 100 Gallons	2013	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
	2013	\$ 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.

NSF Fee \$30.

Delinquent Penalty 1.5% after 60 days.

**PUBLIC NOTICE
PUBLIC HEARING ON RESOLUTION 10012
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, 2013. 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 with a lot size of 7,500 square feet. A typical residential customer would see rate increases as follows:

- **A water bill will increase 5% or approximately \$1.36, from \$27.23 to \$28.59 per month;**
- **A sewer bill will increase 10% or approximately \$2.08, from \$20.82 to \$22.90 per month; and**
- **A storm drain bill will not increase, remaining at \$4.27.**

These monthly bills include base service charges of \$5.93 for water, \$2.27 for fire hydrant, \$7.93 for sewer, and \$1.32 for storm drain.

The metered water rates will increase:

From \$1.03 to \$1.08 per hundred cubic feet for the first 300 cubic feet per month, and from \$1.72 to \$1.81 per hundred cubic feet for all water over 300 cubic feet per month.

The sewer rates will increase:

From \$1.55 to \$1.70 per hundred cubic feet for the first 300 cubic feet per month, and from \$2.56 to \$2.82 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 16, 2013 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)													
		1st 300 cf	Over 300 cf		(3/4") 0.75	1	1.25	1.50	2	3	4	6	see 6" if "na"					
					8	10	12											
RESIDENTIAL WATER																		
2012 5.00%																		
2013 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				
2013 Regular Residential	1.08	1.81		5.56	5.93	10.75	10.75	13.62	36.31	52.55	105.91	159.43	225.44	332.68				
2012 Low Income 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				
2013 Low Income Residential (90 % of Regular Residential)	0.98	1.63		5.01	5.33	9.67	9.67	12.26	32.68	47.30	95.32	143.49	202.90	299.41				
Fire Hydrant																		
2012 Monthly																		
2013 Monthly																		
2012 Annual																		
2013 Annual																		
SEWER																		
2012 10.00%																		
2013 10.00%																		
2012 Regular Residential	1.55	2.56	7.21															
2013 Regular Residential	1.70	2.82	7.93															
2012 Low Income Residential	1.40	2.31	6.48															
2013 Low Income Residential (90 % of Regular Residential)	1.54	2.54	7.13															
COMMERCIAL WATER																		
2012 5.00%																		
2013 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				
2013 Regular Commercial	1.34	1.34		5.56	5.93	10.75	10.75	13.62	36.31	52.55	105.91	159.43	225.44	332.68				
2012 Black Eagle	1.32	1.32												2 - 8" meters @ 151.84				
2013 Black Eagle	1.39	1.39												2 - 8" meters @ 159.43				
2012 Malmstrom AFB	1.47	1.47		1 - 4" plus 1 - 10" meter						50.05	plus		214.71					
2013 Malmstrom AFB	1.54	1.54		1 - 4" plus 1 - 10" meter						52.55	plus		225.44					
2012 Raw Water	0.22	0.22																
2013 Raw Water	0.23	0.23																
Fire Hydrant																		
2012 Monthly																		
2013 Monthly																		
2012 Annual																		
2013 Annual																		
Fire Lines																		
2012 Monthly																		
2013 Monthly																		
2012 Annual																		
2013 Annual																		
SEWER																		
2012 10.00%																		
2013 10.00%																		
2012 Regular Commercial	2.20	2.20	7.21															
2013 Regular Commercial	2.42	2.42	7.93															
2012 Black Eagle	2.20	2.20	7.21															
2013 Black Eagle	2.42	2.42	7.93															
2012 Malmstrom AFB	1.91	1.91	7.21															
2013 Malmstrom AFB	2.10	2.10	7.93															
2012 MaltEurop	1.53	1.53	6.55															
2013 MaltEurop	1.68	1.68	7.20															

CITY OF GREAT FALLS, MONTANA
Current Fees vs. Proposed Fees
 pg 2 of 3

	WATER		SEWER		Quantity Charges CCF / Mo.	Not Meter Based
	2012	10.00%	5.00%	10.00%		
	2013	10.00%	5.00%	2013	10.00%	
PRE-TREATMENT SEWER CHARGES						
	2012	10.00%				
	2013	10.00%				
	2012 Regular Charges			1.07	1.07	7.21
	2013 Regular Charges			1.18	1.18	7.93
	2012 BOD > 0 mg/L			per pound		0.453
	2013 BOD > 0 mg/L			per pound		0.498
	2012 TSS > 0 mg/L			per pound		0.310
	2013 TSS > 0 mg/L			per pound		0.341
SEWER EXTRA STRENGTH CHARGES						
	2012	10.00%				
	2013	10.00%				
BOD > 200 mg/L						
	2012 Regular Commercial			per pound		0.453
	2013 Regular Commercial inc Malmstrom AFB & Black Eagle			per pound		0.498
	2012 MaltEurop			per pound		0.276
	2013 MaltEurop			per pound		0.304
TSS > 250 mg/L						
	2012 Regular Commercial			per pound		0.310
	2013 Regular Commercial inc Malmstrom AFB & Black Eagle			per pound		0.341
	2012 MaltEurop			per pound		0.260
	2013 MaltEurop			per pound		0.286

Water Service Line Size (inches)

		(3/4")										
		0.75	1.00	1.25	1.50	2.00	3.00	4.00	6.00	8.00	10.00	12.00
CONNECTION FEES												
WATER												
	2012	\$370	\$411	\$0	\$500	\$541	\$814	\$1,045	\$1,619	\$2,707	\$0	\$5,426
	2013	\$389	\$432	\$0	\$525	\$568	\$855	\$1,097	\$1,700	\$2,842	\$0	\$5,697

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

SEWER

Single Family Residential

2012	\$	218
2013	\$	240

Commercial & Multi Family Units

2012	\$	218	\$	407	-	\$	799	\$	1,676	\$	3,194	\$	5,756	\$	8,318	\$	12,760	\$	17,645	\$	24,549
2013	\$	240	\$	448	-	\$	879	\$	1,844	\$	3,513	\$	6,332	\$	9,150	\$	14,036	\$	19,409	\$	27,004

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TAPPING FEES (Water)

Fee for any new or replacement tap being made on a water main.

1 to 5 taps Fee per Tap:

2012	\$	397	\$	417	\$	-	\$	629	\$	793
2013	\$	417	\$	438	\$	-	\$	660	\$	833

6 or more taps Fee per Tap:

2012	\$	355	\$	390	\$	-	\$	629	\$	793
2013	\$	373	\$	409	\$	-	\$	660	\$	833

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

Flat fee of:

2012	\$	35	2012	\$	60
2013	\$	35	2013	\$	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
2012	\$ 20	\$ -	\$ 10	\$ 10	\$ 21	\$ 26	\$ 10	\$ 30
2013	N/A	N/A	\$ 10	N/A	\$ 21	\$ 26	\$ 10	\$ 30

WASTEWATER TREATMENT PLANT (WWTP)

Industrial Discharge Permit Application Fees

(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
2012	\$ 113	\$ 183	\$ 234	\$ 234	\$ 69	
2013	\$ 124	\$ 201	\$ 257	\$ 257	\$ 76	

Hauled Waste Disposal Fees

0 to 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
2013	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	\$ 20	per 1,000 gallons, or portion thereof, for hauled waste. A minimum charge for 1000 gallons will be levied for each load delivered.
2013	\$ 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.

NSF Fee \$30.

Delinquent Penalty 1.5% after 60 days.

CITY OF GREAT FALLS, MONTANA
Current Fees vs. Proposed Fees
pg 3 of 3

STORM DRAIN

2012 **0.00%**
2013 **0.00%**

A	Single Family Res.		Sq Ft Cap	15,000		
2012	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0003959604	0.0003959604
2013	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0003959604	0.0003959604
B	Multiple Residential		Sq Ft Cap	0		
2012	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0004949505	0.0004949505
2013	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0004949505	0.0004949505
C	Commercial		Sq Ft Cap	0		
2012	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0006434357	0.0006434357
2013	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0006434357	0.0006434357
D	Heavy Commercial		Sq Ft Cap	0		
2012	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0008909109	0.0008909109
2013	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0008909109	0.0008909109
E	Unimproved Areas		Sq Ft Cap	10,000		
2012	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0000989901	0.0000989901
2013	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0000989901	0.0000989901