



Item: 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: Conduct public hearing

Public Hearing:

1. Mayor conducts public hearing, calling three times each for proponents and opponents.
2. Mayor closes public hearing and asks the will of the Commission.

Suggested Motion:

1. Commissioner moves:

“I move the City Commission (adopt/deny) Resolution 10012 Establishing Water, Sewer and Storm Drain Utility Service Rates to include increases of 5%, 10% and 0% respectively to become effective May 1, 2013.”

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

Staff Recommendation: Staff recommends the City Commission conduct the public hearing and adopt Resolution 10012 to establish water, sewer, and storm drain utility service rates effective May 1, 2013.

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 a 5% or \$1.36 per month average residential increase in water rates; a 10% or \$2.08 per month average residential increase 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 6.58%, or \$3.44. 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 adopt Resolution 10012 and not increase rates. However, the City would be at risk of not meeting permit requirements.

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

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														
2013 5.00%														
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
2013 Low Income Residential (90 % of Regular Residential)		0.98	1.63	5.01	5.33	9.67	9.67	12.25	32.68	47.30	95.32	143.49	202.90	299.41
Fire Hydrant														
2013 Monthly				1.98	2.27	6.30	6.30	8.71	27.59	41.21	85.71			
2013 Annual				23.76	27.24	75.60	75.60	104.52	331.08	494.52	1,028.52			
SEWER														
2013 10.00%														
2013 Regular Residential		1.70	2.82	7.93										
2013 Low Income Residential (90 % of Regular Residential)		1.54	2.54	7.13										
COMMERCIAL WATER														
2013 5.00%														
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
2013 Black Eagle		1.39	1.39							2 - 8" meters @		159.43		
2013 Malmstrom AFB		1.54	1.54					1 - 4" plus 1 - 10" meter		52.55	plus	225.44		
2013 Raw Water		0.23	0.23											
Fire Hydrant														
2013 Monthly				1.98	2.27	6.30	6.30	8.71	27.59	41.21	85.71			
2013 Annual				23.76	27.24	75.60	75.60	104.52	331.08	494.52	1,028.52			
Fire Lines														
2013 Monthly				na	na	na	na	2.12	3.22	4.98	8.86	12.00		30.89
2013 Annual				na	na	na	na	25.45	38.65	59.72	106.28	144.05		370.67
SEWER				STORM DRAIN										
2013 10.00%				2013 0.00%										
2013 Regular Commercial		2.42	2.42	7.93	A Single Family Res. Sq Ft Cap 15,000									
					2013 Base 1.3198680000 1.3198680000 Per Sq Ft 0.0003959604 0.0003959604									
2013 Black Eagle		2.42	2.42	7.93	B Multiple Residential Sq Ft Cap 0									
					2013 Base 1.3198680000 1.3198680000 Per Sq Ft 0.0004949505 0.0004949505									
2013 Malmstrom AFB		2.10	2.10	7.93	C Commercial Sq Ft Cap 0									
					2013 Base 1.3198680000 1.3198680000 Per Sq Ft 0.0006434357 0.0006434357									
2013 MaltEurop		1.68	1.68	7.20	D Heavy Commercial Sq Ft Cap 0									
					2013 Base 1.3198680000 1.3198680000 Per Sq Ft 0.0008909109 0.0008909109									
PRE-TREATMENT SEWER CHARGES				E Unimproved Areas Sq Ft Cap 10,000										
2013 10.00%					2013 Base 1.3198680000 1.3198680000 Per Sq Ft 0.0000989901 0.0000989901									
2013 Regular Charges		1.18	1.18	7.93										
2013 BOD > 0 mg/L		per pound		0.498										
2013 TSS > 0 mg/L		per pound		0.341										
SEWER EXTRA STRENGTH CHARGES														
2013 10.00%														
BOD > 200 mg/L														
2013 Regular Commercial		per pound		0.498										
inc Malmstrom AFB & Black Eagle														
2013 MaltEurop		per pound		0.304										
TSS > 250 mg/L														
2013 Regular Commercial		per pound		0.341										
inc Malmstrom AFB & Black Eagle														
2013 MaltEurop		per pound		0.286										

**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.

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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				1.89	2.16	6.00	6.00	8.30	26.28	39.25	81.63			
2013 Monthly				1.98	2.27	6.30	6.30	8.71	27.59	41.21	85.71			
2012 Annual				22.68	25.92	72.00	72.00	99.60	315.36	471.00	979.56			
2013 Annual				23.76	27.24	75.60	75.60	104.52	331.08	494.52	1,028.52			
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				1.89	2.16	6.00	6.00	8.30	26.28	39.25	81.63			
2013 Monthly				1.98	2.27	6.30	6.30	8.71	27.59	41.21	85.71			
2012 Annual				22.68	25.92	72.00	72.00	99.60	315.36	471.00	979.56			
2013 Annual				23.76	27.24	75.60	75.60	104.52	331.08	494.52	1,028.52			
Fire Lines														
2012 Monthly				na	na	na	na	2.02	3.07	4.74	8.44	11.43		29.42
2013 Monthly				na	na	na	na	2.12	3.22	4.98	8.86	12.00		30.89
2012 Annual				na	na	na	na	24.24	36.81	56.88	101.22	137.19		353.02
2013 Annual				na	na	na	na	25.45	38.65	59.72	106.28	144.05		370.67
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
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WATER			SEWER		
	2012	5.00%	2012	10.00%	
	2013		2013		
PRE-TREATMENT SEWER CHARGES			Quantity Charges CCF / Mo.		Not Meter Based
	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")	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
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 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:																					
	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	\$	26	\$	10	\$	30										
	2013	N/A	N/A	\$	10	N/A	\$	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																
	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
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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	