

Item:	Set public hearing for Resolution 10058 Establishing Water, Sewer and Storm Drain Utility Service Rates effective May 1, 2014
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 15, 2014, on Resolution 10058 to establish water, sewer, and storm drain utility service rates effective May 1, 2014."

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 15, 2014, on Resolution 10058 to establish water, sewer, and storm drain utility service rates effective May 1, 2014.

**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 a 5% increase in water rates and no increase in sewer or 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 2004-2013 is 5% for water, 5% for sewer and 2% for storm drain.

The rate increase for water is due to the approximately \$42.6 million of capital improvements needed for Water Treatment Plant electrical upgrade and UV facilities for Phase 1 and Phase 2.

The water rate change also applies to Fire Hydrant charges. Fire hydrants are integral to the water system as a whole, and are included as a monthly charge within the rate structure rather than a once a year special assessment.

Also included are water connection fees, which do not have any impact upon monthly water and sewer bills. This is a one time charge for the initial connection to the existing service lines. Fees for turning water off/on due to non-payment have been adjusted in the resolution (\$50 for during normal business hours and \$75 for after normal business hours.)

**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, 2014 the average monthly residential utility bill will increase 1.03%, or \$1.42.

**Alternatives:** The City Commission could choose to not set the public hearing and thereby deny Resolution 10058.

Attachments/Exhibits: Resolution 10058 w/ Appendix A Public Notice (for mailing and publication) Current Rates vs. Proposed Rates

# RESOLUTION 10058 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, 2014

# WHEREAS:

The City Commission of the City of Great Falls, met and conducted the hearing in the regular session on Tuesday, April 15, 2014 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 15<sup>th</sup> day of April, 2014.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

Sara Sexe, City Attorney

### CITY OF GREAT FALLS, MONTANA RESOLUTION 10058, Appendix A

pg 1 of 2 proposed effective date 5/1/2014

					prop	osed e	ffectiv	/e date	5/1/20	14					
Combined		-	Charges	Monthly Service Charges   Not Meter Based - Service Line Size (inches)											
Water & Sev	ver	CCF 1st	/ Mo. Over	Not Meter	(3/4")	T	<del></del>			Meter Based - S	Service Line S	Size (inches)		see 6" if "na"	
		300 cf	300 cf	Based	0.75	1	1.25	1.50	2	3	4	6	8	10	12
RESIDENT WATER	IAL														
	2014 5.00%														
2014	Regular Residential	1.13	1.90		5.84	6.23	11.29	11.29	14.30	38.13	55.18	111.21	167.40	236.71	349.31
	Low Income Residential	1.03	1.71		5.26	5.60	10.15	10.15	12.86	34.31	49.67	100.09	150.66	213.05	314.38
	(90 % of Regular Residential)														
Fire Hyd								4							
	2014 Monthly				2.08	2.38	6.61	6.61	9.14	28.97	43.27	90.00			
	2014 Annual				24.95	28.60	79.32	79.32	109.68	347.63	519.25	1,079.95			
SEWER	2014 0.00%														
2014	Regular Residential	1.70	2.82	7.93											
	-														
	Low Income Residential (90 % of Regular Residential)	1.54	2.54	7.13											
COMMERC WATER	SIAL														
	2014 5.00%														
2014	Regular Commercial	1.41	1.41		5.84	6.23	11.29	11.29	14.30	38.13	55.18	111.21	167.40	236.71	349.31
2014	Black Eagle	1.46	1.46									2 - 8" meters @	167.40		
2014	Malmstrom AFB	1.62	1.62						1 - 4" pl	lus 1 - 10" meter	55.18	plus	 	236.71	
2014	Raw Water	0.24	0.24	[	Γ		Γ		Γ						
Fire Hyd															
	2014 Monthly				2.08	2.38	6.61	6.61	9.14	28.97	43.27	89.99			
	2014 Annual				24.95	28.60	79.32	79.32	109.68	347.63	519.25	1,079.88			
Fire Line					2	2010 -	10.02	10.02	100.00		0.0	1,010.00			
I IIO ENIO	2014 Monthly								2.23	3.38	5.23	9.30	12.60		32.43
	2014 Annual						<u> </u>		26.71	40.57	62.75	111.60	151.20		389.16
SEWER	2014 0.00%							STORM	I DRAIN	2014	0.00	0%			
								A	Single Fa	mily Res.	Sq Ft Cap	15,000			
2014	Regular Commercial	2.42	2.42	7.93	-			2014		1.3198680000	1.31986800	00 Per Sq Ft	0.0003959604	0.0003959604	
								в	Multiple F	Residential	Sq Ft Cap	0			
2014	Black Eagle	2.42	2.42	7.93	-				Base	1.3198680000			0.0004949505	0.0004949505	
2014	Malmstrom AFB	2.10	2.10	7.93				C 2014	Commerce Base	cial 1.3198680000	Sq Ft Cap	0 00 Per Sa Et	0.0006434357	0.0006434357	
					-								0.0000454557	0.0000454557	
	MaltEurop	1.68	1.68	7.20				D 2014	Base	ommercial 1.3198680000	Sq Ft Cap 1.31986800	<b>0</b> 00 Per Sq Ft	0.0008909109	0.0008909109	
PRE-TREA	ATMENT SEWER CHARGE 2014 0.00%	ES						Е	Unimprov		Sq Ft Cap	10,000			
								2014	Base	1.3198680000	1.31986800	00 Per Sq Ft	0.0000989901	0.0000989901	
2014	Regular Charges	1.18	1.18	7.93											
		per pound		0.498											
	-	per pound		0.341											
	-			0.011											
SEWER E	XTRA STRENGTH CHARG 2014 0.00%	123													
BOD > 2	200 mg/L														
2014	Regular Commercial	per pound		0.498											
	inc Malmstrom AFB & Black Ea	agle													
2014	MaltEurop	per pound		0.304											
TSS > 2	50 mg/L														
	Regular Commercial inc Malmstrom AFB & Black Ea	per pound		0.341	_										
		-		0.000											
2014	MaltEurop	per pound		0.286	1										

#### CITY OF GREAT FALLS, MONTANA RESOLUTION 10058, Appendix A pg 2 of 2 proposed effective date 5/1/2014

WATER SEWER 2014 5.00% 2014 0.00% Water Service Line Size (inches) (3/4") 1.50 8.00 12.00 0.75 1.00 2.00 4.00 6.00 **CONNECTION FEES** WATER 2014 \$ 389 \$ 432 \$ 525 \$ 568 \$ 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 2014 \$ 240 Commercial & Multi Family Units 2014 \$ 240 \$ 448 \$ 879 \$ 1,844 \$ 6,332 \$ 9,150 \$ 14,036 \$ 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 @ 406-455-8430 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 wil 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. (3/4") 0.75 1.00 1.50 2.00 4.00 6.00 8.00 12.00 TAPPING FEES (Water) Fee for any new or replacement tap being made on a water main. 1 to 5 taps Fee per Tap: 2014 \$ 417 \$ 438 \$ 660 \$ 833 \$ 393 \$ 410 \$ 427 460 \$ 6 or more + Fee per Tap 2014 \$ 409 \$ 373 \$ 660 \$ 833 N/A N/A N/A N/A 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 : After Hours 2014 \$ 50 2014 \$ 75 WATER TREATMENT PLANT (WTP) Total Coliform & E. Total Coliform & Specific Laboratory Fees Conductance coli. P/A E. coli. MPN Akalinitv Hardness bН Turbidity HPC 2014 N/A 26 \$ 10 \$ N/A \$ 10 N/A \$ 21 \$ 30 WASTEWATER TREATMENT PLANT (WWTP) Industrial Discharge Permit Application Fees (Based upon Wastewater Discharge Quantity) Gallons per Day (GPD) per 100,000 GPD, or portion 10.001 to 25.001 to Over 100 000 +PLUS 0 to 10,000 25 000 100.000 thereof 2014 \$ 124 \$ 201 \$ 257 \$ 257 \$ 76 Hauled Waste Disposal Fees 0 to 100 Gallons 2014 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

2014 \$ 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 10058 TO ESTABLISH WATER, SEWER, AND STORM DRAIN UTILITY SERVICE RATES

The City of Great Falls is proposing to raise water utility service rates, effective May 1, 2014. 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 \$1.42, from \$28.63 to \$30.05 per month;
- A sewer bill will not increase, remaining at \$22.90 per month; and
- A storm drain bill will not increase, remaining at \$4.27.

These monthly bills include base service charges of \$6.23 for water, \$2.38 for fire hydrant, \$7.93 for sewer, and \$1.32 for storm drain.

The metered water rates will increase:

From \$1.08 to \$1.13 per hundred cubic feet for the first 300 cubic feet per month, and from \$1.81 to \$1.90 per hundred cubic feet for all water over 300 cubic feet per month.

The sewer rates will remain the same:

# \$1.70 per hundred cubic feet for the first 300 cubic feet per month, and \$2.82 per hundred cubic feet for anything over 300 cubic feet per month.

#### The storm drain rates will not increase.

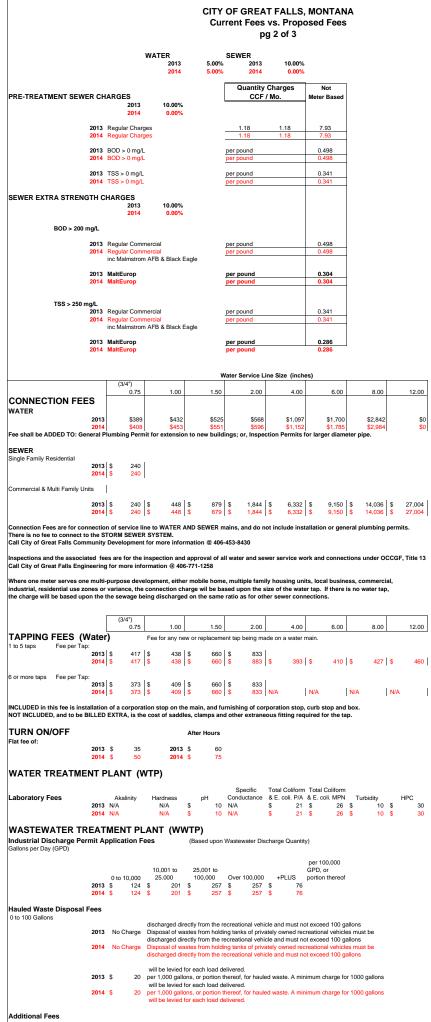
Commercial customers will see rate increases of 5% for all water services and 0% for sanitary sewer services.

The public hearing will be held on April 15, 2014 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 GRE	AT FALI	LS, MON	TANA							
				Curre		s vs. Pro pg 1 of 3	oposed   3	Rates							
Combined		Quantitu	01												
Combined Water & Sewer		Quantity Charges CCF / Mo.		Not						ervice Ch Service L	ine Size	(inches)			
		1st 300 cf	Over 300 cf	Meter Based	(3/4") 0.75	1	1.25	1.50	2	3	4	6	8	ee 6" if "r 10	na" 12
RESIDENTIAL														1	<u> </u>
	013 5.00% 014 5.00%														
2013 Regula 2014 Regula		1.08 1.13	1.81 1.90	<u> </u>	5.56 5.84	5.93 6.23	10.75 11.29	10.75 11.29	13.62 14.30	36.31 38.13	52.55 55.18	105.91 111.21	159.43 167.40	225.44 236.71	332.68 349.32
	come Residential come Residential	0.98 1.03	1.63 1.71	}	5.01 5.26	5.33 5.60	9.67 10.15	9.67 10.15	12.26 12.87	32.68 34.31	47.30 49.66	95.32 100.09	143.49 150.66	202.90 213.04	299.41 314.38
(90 % Fire Hydrant	of Regular Residential)														
20	013 Monthly 014 Monthly				1.98 2.08	2.27 2.38	6.30 6.61	6.30 6.61	8.71 9.14	27.59 28.97	41.21 43.27	85.71 89.99	4		
20	013 Annual 014 Annual				23.76	27.24 28.60	75.60 79.38	75.60 79.38	104.52	331.08 347.63	494.52	1,028.52	-		
SEWER					21.00	20.00	10.00	10.00	100.10	011.00	010.20	1,010.00	4		
20	013 10.00% 014 0.00%														
2013 Regula 2014 Regula		1.70 1.70	2.82 2.82	7.93 7.93	]										
2014 Low In	come Residential come Residential of Regular Residential)	1.54 1.54	2.54 2.54	7.13 7.13											
COMMERCIAL															
	013 5.00% 014 5.00%														
	ar Commercial ar Commercial	1.34 1.41	1.34 1.41	}	5.56 5.84	5.93 6.23	10.75 11.29	10.75 11.29	13.62 14.30	36.31 38.12	52.55 55.18	105.91 111.20	159.43 167.40	225.44 236.71	332.68 349.32
2013 Black I 2014 Black I		1.39 1.46	1.39 1.46									3" meters @ 3" meters @			
2013 Malms 2014 Malms		1.54 1.62	1.54 1.62							10" meter		plus <mark>plus</mark>		225.44 236.71	
2013 Raw W 2014 Raw W		0.23 0.24	0.23 0.24	}											
Fire Hydrant															
	013 Monthly 014 Monthly				1.98 2.08	2.27 2.38	6.30 6.61	6.30 <mark>6.61</mark>	8.71 9.14	27.59 28.97	41.21 43.27	85.71 <mark>89.99</mark>	-		
	013 Annual 014 Annual				23.76 24.95	27.24 28.60	75.60 79.38	75.60 79.38	104.52 109.75	331.08 347.63	494.52 519.25	1,028.52 1,079.95	-		
Fire Lines															
	013 Monthly 014 Monthly				na na	na na	na na	na na	2.12 2.23	3.22 3.38	4.98 5.23	8.86 9.30	12.00 12.60	na na	30.89 32.43
	013 Annual 014 Annual				na na	na na	na na	na na	25.45 26.72	38.65 40.58	59.72 62.71	106.28 111.60	144.05 151.20	na na	370.67 289.16
	013 10.00%														
2013 Regula	014 0.00% ar Commercial ar Commercial	2.42	2.42	7.93 7.93	4										
2014 Regula 2013 Black I 2014 Black I	Eagle	2.42 2.42 2.42	2.42 2.42 2.42	7.93 7.93 7.93	_ -										
2014 Black 2013 Malms 2014 Malms	trom AFB	<u>2.42</u> <u>2.10</u> <u>2.10</u>	2.42 2.10 2.10	7.93 7.93 7.93	-										
2013 MaltEu	ırop	1.68	1.68	7.20	_ -										
2014 MaltEu	νιομ	1.68	1.68	7.20	1										

F



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											
STORI	M DRAIN 2013 2014	0.00% <mark>0.00%</mark>									
	Single Family Res.   Base 1.3198680000   Base 1.3198680000	Sq Ft Cap 1.3198680000 Pe 1.3198680000 Pe		0.0003959604 0.0003959604	0.0003959604 0.0003959604						
	Multiple ResidentialBase1.3198680000Base1.3198680000	1.3198680000 Pe		0.0004949505 0.0004949505	0.0004949505 0.0004949505						
	Commercial   Base 1.3198680000   Base 1.3198680000			0.0006434357 0.0006434357	0.0006434357 0.0006434357						
	Heavy CommercialBase1.3198680000Base1.3198680000			0.0008909109 0.0008909109	0.0008909109 0.0008909109						
E	Unimproved Areas	Sq Ft Cap	10,000								
	Base1.3198680000Base1.3198680000			0.0000989901 0.0000989901	0.0000989901 0.0000989901						