



Item: 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: 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 10058 Establishing Water, Sewer and Storm Drain Utility Service Rates to include increases of 5%, 0% and 0% respectively to become effective May 1, 2014.”

2. Mayor calls for a second, discussion, and calls for the vote.
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Staff Recommendation: Staff recommends the City Commission conduct the public hearing and adopt Resolution 10058 to establish water, sewer, and storm drain utility service rates effective May 1, 2014.

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 \$1.42 per month average residential increase in water rates, and no increase in sewer and 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. Approximately 33% of the \$42.6 million is required due to regulatory compliance and the remaining 67% is needed for reliability improvements, safety improvements and replacement of dated equipment.

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. 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. The current rates are \$35 during normal business hours and \$60 after normal business hours. The new recommended rates are \$50 during normal business hours and \$75 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 residential utility bill will increase approximately 1.03%, or \$1.42. This is derived from a 5% increase in water rates, and no increase in sanitary sewer and storm drain rates.

Alternatives: The City Commission could choose to not adopt Resolution 10058 and not increase rates. However, the City would be at risk of not meeting permit requirements.

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 15th day of April, 2014.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(SEAL OF CITY)

APPROVED FOR LEGAL CONTENT:

Sara Sexe, City Attorney

Combined Water & Sewer			Quantity Charges CCF / Mo.		Monthly Service Charges											
			Not Meter Based	Meter Based - Service Line Size (inches)												
				(3/4") 0.75	1	1.25	1.50	2	3	4	6	see 6" if "na"				
			1st 300 cf	Over 300 cf								8	10	12		
RESIDENTIAL WATER																
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
2014 Low Income Residential (90 % of Regular 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
Fire Hydrant																
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											
2014 Low Income Residential (90 % of Regular Residential)			1.54	2.54	7.13											
COMMERCIAL WATER																
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" plus 1 - 10" meter		55.18 plus		236.71		
2014 Raw Water			0.24	0.24												
Fire Hydrant																
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 Lines																
2014 Monthly										2.23	3.38	5.23	9.30	12.60	32.43	
2014 Annual										26.71	40.57	62.75	111.60	151.20	389.16	
SEWER						STORM DRAIN										
2014 0.00%						2014 0.00%										
2014 Regular Commercial			2.42	2.42	7.93	A Single Family Res. Sq Ft Cap 15,000										
						2014 Base 1.3198680000 1.3198680000 Per Sq Ft 0.0003959604 0.0003959604										
2014 Black Eagle			2.42	2.42	7.93	B Multiple Residential Sq Ft Cap 0										
						2014 Base 1.3198680000 1.3198680000 Per Sq Ft 0.0004949505 0.0004949505										
2014 Malmstrom AFB			2.10	2.10	7.93	C Commercial Sq Ft Cap 0										
						2014 Base 1.3198680000 1.3198680000 Per Sq Ft 0.0006434357 0.0006434357										
2014 MaltEurop			1.68	1.68	7.20	D Heavy Commercial Sq Ft Cap 0										
						2014 Base 1.3198680000 1.3198680000 Per Sq Ft 0.0008909109 0.0008909109										
PRE-TREATMENT SEWER CHARGES						E Unimproved Areas Sq Ft Cap 10,000										
2014 0.00%						2014 Base 1.3198680000 1.3198680000 Per Sq Ft 0.0000989901 0.0000989901										
2014 Regular Charges			1.18	1.18	7.93											
2014 BOD > 0 mg/L			per pound		0.498											
2014 TSS > 0 mg/L			per pound		0.341											
SEWER EXTRA STRENGTH CHARGES																
2014 0.00%																
BOD > 200 mg/L																
2014 Regular Commercial inc Malmstrom AFB & Black Eagle			per pound		0.498											
2014 MaltEurop			per pound		0.304											
TSS > 250 mg/L																
2014 Regular Commercial inc Malmstrom AFB & Black Eagle			per pound		0.341											
2014 MaltEurop			per pound		0.286											

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

WATER	SEWER
2014	2014
5.00%	0.00%

Water Service Line Size (inches)

	(3/4") 0.75	1.00	1.50	2.00	4.00	6.00	8.00	12.00
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 @ 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 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.

	(3/4") 0.75	1.00	1.50	2.00	4.00	6.00	8.00	12.00
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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:	2014	\$ 417	\$ 438	\$ 660	\$ 833	\$ 393	\$ 410	\$ 427	\$ 460
6 or more taps Fee per Tap:	2014	\$ 373	\$ 409	\$ 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)

Laboratory Fees	Akalinity	Hardness	pH	Specific Conductance	Total Coliform & E. coli. P/A	Total Coliform & E. coli. MPN	Turbidity	HPC
2014	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
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.

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2013	Regular Commercial	2.42	2.42	7.93
2014	Regular Commercial	2.42	2.42	7.93
2013	Black Eagle	2.42	2.42	7.93
2014	Black Eagle	2.42	2.42	7.93
2013	Malmstrom AFB	2.10	2.10	7.93
2014	Malmstrom AFB	2.10	2.10	7.93
2013	MaltEurop	1.68	1.68	7.20
2014	MaltEurop	1.68	1.68	7.20

CITY OF GREAT FALLS, MONTANA
Current Fees vs. Proposed Fees
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WATER				SEWER			
		2013	5.00%			2013	10.00%
		2014	0.00%			2014	0.00%
PRE-TREATMENT SEWER CHARGES				Quantity Charges CCF / Mo.		Not Meter Based	
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CITY OF GREAT FALLS, MONTANA
Current Fees vs. Proposed Fees
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STORM DRAIN

2013 **0.00%**
2014 **0.00%**

A Single Family Res.		Sq Ft Cap 15,000			
2013	Base	1.3198680000	1.3198680000 Per Sq Ft	0.0003959604	0.0003959604
2014	Base	1.3198680000	1.3198680000 Per Sq Ft	0.0003959604	0.0003959604
B Multiple Residential		Sq Ft Cap 0			
2013	Base	1.3198680000	1.3198680000 Per Sq Ft	0.0004949505	0.0004949505
2014	Base	1.3198680000	1.3198680000 Per Sq Ft	0.0004949505	0.0004949505
C Commercial		Sq Ft Cap 0			
2013	Base	1.3198680000	1.3198680000 Per Sq Ft	0.0006434357	0.0006434357
2014	Base	1.3198680000	1.3198680000 Per Sq Ft	0.0006434357	0.0006434357
D Heavy Commercial		Sq Ft Cap 0			
2013	Base	1.3198680000	1.3198680000 Per Sq Ft	0.0008909109	0.0008909109
2014	Base	1.3198680000	1.3198680000 Per Sq Ft	0.0008909109	0.0008909109
E Unimproved Areas		Sq Ft Cap 10,000			
2013	Base	1.3198680000	1.3198680000 Per Sq Ft	0.0000989901	0.0000989901
2014	Base	1.3198680000	1.3198680000 Per Sq Ft	0.0000989901	0.0000989901