



Item: Set public hearing for Resolution 10097 Establishing Residential and Commercial Water, Sewer and Storm Drain Utility Service Rates effective May 1, 2015

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 21, 2015, on Resolution 10097 to establish residential and commercial water, sewer, and storm drain utility service rates effective May 1, 2015.”

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 21, 2015, on Resolution 10097 to establish residential and commercial water, sewer, and storm drain utility service rates effective May 1, 2015.

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 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 7% increase in water rates, a 3% increase in sewer rates and a 10% 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 2005-2014 is 4.2% for water, 5.1% for sewer and .1% for storm drain.

The rate increase for water is due to the approximately \$81 million in capital improvements needed over the next 5 years in which approximately \$63.5 million or 78% is attributed to direct and indirect regulatory compliance issues.

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.

The rate increase for sewer is due to the approximately \$13 million in capital improvements needed over the next 5 years. \$1.3 million will be used to meet state and federal regulations, \$3.4 million will be used for sewer line projects and the remaining \$8.4 million will be used for equipment and upgrades to the system to prevent future violations.

The rate increase for storm drain is due to the approximately \$22.6 million in capital improvements needed over the next 5 years.

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. The current rates are \$50 during normal business hours and \$75 after normal business hours. The new recommended rates are \$75 during normal business hours and \$100 after normal business hours, and \$150 during normal business hours and \$200 after normal business hours for subsequent occurrences due to non-payment.

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, 2015 the average monthly residential utility bill will increase 5.63% or \$3.22.

Alternatives: The City Commission could choose to not set the public hearing and thereby deny Resolution 10097.

Attachments/Exhibits: Resolution 10097 w/ Appendix A
Public Notice (for mailing and publication)
Current Rates vs. Proposed Rates

RESOLUTION NO. 10097

**A RESOLUTION ESTABLISHING RESIDENTIAL AND COMMERCIAL
WATER, SEWER, AND STORM DRAIN UTILITY SERVICE RATES
EFFECTIVE MAY 1, 2015**

WHEREAS, an annual review is performed of the water and wastewater cost of service for the municipal water and wastewater utilities, and rate and fee schedules prepared to generate sufficient revenue to pay all costs for the operation and maintenance, administration, and routine functions of the existing and such future facilities as may be established within the service area;

WHEREAS, the cost of service review indicates a need for extension, repair, improvement, and continued operation and maintenance of existing and proposed water and wastewater system facilities for the providing of water and wastewater services to inhabitants of the City of Great Falls; and

WHEREAS, pursuant to Title 13 of the Official Code of the City of Great Falls, the City of Great Falls is authorized to regulate the City's municipal water and wastewater utility and to establish all rates, fees and charges for use of the utility systems or for permits, licenses, connections or inspections; and

WHEREAS, it is essential to the public health, welfare and safety of the inhabitants of the City of Great Falls to provide an adequate public water and wastewater system and to provide adequate funding to meet the cost of constructing, maintaining, and operating the same; and

WHEREAS, notice having been provided as required by law, the City Commission of the City of Great Falls conducted a public hearing on Tuesday, April 21, 2015, at the Civic Center, 2 Park Drive South, Commission Chambers Room 206, 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 Utility systems.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, that:

Water, Sewer, and Storm Drain Utility Service Rates are hereby established as set forth in Appendix A, attached hereto and made a part hereof.

PASSED AND ADOPTED by the City Commission of the City of Great Falls, Montana, this 21st day of April, 2015.

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 10097, Appendix A
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proposed effective date 5/1/2015**

Combined Water & Sewer	Quantity Charges CCF / Mo.		Not Meter Based	Monthly Service Charges											
				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															
2015 7.00%															
2015 Regular Residential	1.21	2.03	6.25	6.66	12.08	12.08	15.30	40.80	59.04	118.99	179.12	253.28	373.76		
2015 Low Income Residential (90 % of Regular Residential)	1.10	1.83	5.63	5.99	10.86	10.86	13.76	36.71	53.15	107.10	161.21	227.96	336.39		
Fire Hydrant															
2015 Monthly			2.23	2.55	7.07	7.07	9.78	31.00	46.30	96.30					
2015 Annual			26.69	30.60	84.87	84.87	117.36	371.97	555.59	1,155.54					
SEWER															
2015 3.00%															
2015 Regular Residential	1.75	2.90	8.17												
2015 Low Income Residential (90 % of Regular Residential)	1.59	2.62	7.34												
COMMERCIAL WATER															
2015 7.00%															
2015 Regular Commercial	1.51	1.51	6.25	6.66	12.08	12.08	15.30	40.80	59.04	118.99	179.12	253.28	373.76		
2015 Black Eagle	1.56	1.56							2 - 8" meters @		179.12				
2015 Malmstrom AFB	1.73	1.73	1 - 4" plus 1 - 10" meter		59.04	plus		253.28							
2015 Raw Water	0.26	0.26													
Fire Hydrant															
2015 Monthly			2.23	2.55	7.07	7.07	9.78	31.00	46.30	96.30					
2015 Annual			26.69	30.60	84.87	84.87	117.36	371.97	555.59	1,155.54					
Fire Lines															
2015 Monthly			na	na	na	na	2.38	3.62	5.60	9.95	13.48	na	34.70		
2015 Annual			na	na	na	na	28.58	43.41	67.14	119.41	161.78	na	416.40		
SEWER															
2015 3.00%															
2015 Regular Commercial	2.49	2.49	8.17												
2015 Black Eagle	2.49	2.49	8.17												
2015 Malmstrom AFB	2.16	2.16	8.17												
2015 MaltEurop	1.73	1.73	7.42												
STORM DRAIN															
2015 10.00%															
A Single Family Res. Sq Ft Cap 15,000															
2015 Base			1.4518548000	1.4518548000 Per Sq Ft		0.0004355564		0.0004355564							
B Multiple Residential Sq Ft Cap 0															
2015 Base			1.4518548000	1.4518548000 Per Sq Ft		0.0005444456		0.0005444456							
C Commercial Sq Ft Cap 0															
2015 Base			1.4518548000	1.4518548000 Per Sq Ft		0.0007077793		0.0007077793							
D Heavy Commercial Sq Ft Cap 0															
2015 Base			1.4518548000	1.4518548000 Per Sq Ft		0.0009800020		0.0009800020							
E Unimproved Areas Sq Ft Cap 10,000															
2015 Base			1.4518548000	1.4518548000 Per Sq Ft		0.0001088891		0.0001088891							
PRE-TREATMENT SEWER CHARGES															
2015 3.00%															
2015 Regular Charges	1.21	1.21	8.17												
2015 BOD > 0 mg/L	per pound		0.51												
2015 TSS > 0 mg/L	per pound		0.35												
SEWER EXTRA STRENGTH CHARGES															
2015 3.00%															
BOD > 200 mg/L															
2015 Regular Commercial inc Malmstrom AFB & Black Eagle	per pound		0.51												
2015 MaltEurop	per pound		0.31												
TSS > 250 mg/L															
2015 Regular Commercial inc Malmstrom AFB & Black Eagle	per pound		0.35												
2015 MaltEurop	per pound		0.29												

**PUBLIC NOTICE
PUBLIC HEARING ON RESOLUTION 10097
TO ESTABLISH WATER, SEWER, AND STORM DRAIN
RESIDENTIAL AND COMMERCIAL UTILITY SERVICE RATES**

The City of Great Falls is proposing to raise residential and commercial water, sewer and storm drain utility service rates, effective May 1, 2015. The increases are necessary to provide adequate revenue to finance the capital improvements program, to meet debt service coverage requirements and to maintain appropriate reserves.

Residential and Commercial customers would see rate increases of 7% for all water services, 3% for all sewer services, and 10% for storm drain services.

Typical Residential Customers

Residential customers with a lot size of 7,500 square feet and a 1" meter who use 1,250 cubic feet of water per month and have a winter quarter average of 650 cubic feet per month to calculate their sewer rate would see rate increases as follows:

- A water bill would increase \$2.10 or 7%, from \$30.05 to \$32.15 per month;
- A sewer bill would increase \$.69 or 3%, from \$22.90 to \$23.59 per month; and
- A storm drain bill would increase \$.43 or 10%, from \$4.27 to \$4.70.

The average monthly Residential utility bill would increase \$3.22 or 5.63%.

Typical Commercial Customers

Commercial customers with a lot size of 7,500 square feet with a 1" meter and consumption of 1,250 cubic feet of water and sewer per month would see rate increases as follows:

- A water bill would increase \$1.84 or 7%, from \$26.24 to \$28.08 per month;
- A sewer bill would increase \$1.15 or 3%, from \$38.18 to \$39.33 per month; and
- A storm drain would increase \$.50 or 10%, from \$5.03 to \$5.53.

The average monthly Commercial utility bill would increase \$3.49 or 5.03%.

Public Hearing

The public hearing will be held on Tuesday, April 21, 2015, at 7:00 p.m. in the Civic Center Commission Chambers, 2 Park Drive S. 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 (406) 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															
2014		5.00%													
2015		7.00%													
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	
2015	Regular Residential	1.21	2.03	6.25	6.66	12.08	12.08	15.30	40.80	59.04	118.99	179.12	253.28	373.76	
2014	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	
2015	Low Income Residential	1.10	1.83	5.63	5.99	10.86	10.86	13.76	36.71	53.15	107.10	161.21	227.96	336.39	
		(90 % of Regular Residential)													
Fire Hydrant															
2014		Monthly		2.08	2.38	6.61	6.61	9.14	28.97	43.27	90.00				
2015		Monthly		2.23	2.55	7.07	7.07	9.78	31.00	46.30	96.30				
2014		Annual		24.95	28.60	79.32	79.32	109.68	347.63	519.25	1,079.95				
2015		Annual		26.69	30.60	84.87	84.87	117.36	371.97	555.59	1,155.54				
SEWER															
2014		0.00%													
2015		3.00%													
2014	Regular Residential	1.70	2.82	7.93											
2015	Regular Residential	1.75	2.90	8.17											
2014	Low Income Residential	1.54	2.54	7.13											
2015	Low Income Residential	1.59	2.62	7.34											
		(90 % of Regular Residential)													
COMMERCIAL WATER															
2014		5.00%													
2015		7.00%													
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	
2015	Regular Commercial	1.51	1.51	6.25	6.66	12.08	12.08	15.30	40.80	59.04	118.99	179.12	253.28	373.76	
2014	Black Eagle	1.46	1.46	2 - 8" meters @ 167.40											
2015	Black Eagle	1.56	1.56	2 - 8" meters @ 179.12											
2014	Malmstrom AFB	1.62	1.62	1 - 4" plus 1 - 10" meter					55.18	plus		236.71			
2015	Malmstrom AFB	1.73	1.73	1 - 4" plus 1 - 10" meter					59.04	plus		253.28			
2014	Raw Water	0.24	0.24												
2015	Raw Water	0.26	0.26												
Fire Hydrant															
2014		Monthly		2.08	2.38	6.61	6.61	9.14	28.97	43.27	90.00				
2015		Monthly		2.23	2.55	7.07	7.07	9.78	31.00	46.30	96.30				
2014		Annual		24.95	28.60	79.32	79.32	109.68	347.63	519.25	1,079.95				
2015		Annual		26.69	30.60	84.87	84.87	117.36	371.97	555.59	1,155.54				
Fire Lines															
2014		Monthly		na	na	na	na	2.23	3.38	5.23	9.30	12.60	na	32.43	
2015		Monthly		na	na	na	na	2.38	3.62	5.60	9.95	13.48	na	34.70	
2014		Annual		na	na	na	na	26.71	40.57	62.75	111.60	151.20	na	389.16	
2015		Annual		na	na	na	na	28.58	43.41	67.14	119.41	161.78	na	416.40	
SEWER															
2014		0.00%													
2015		3.00%													
2014	Regular Commercial	2.42	2.42	7.93											
2015	Regular Commercial	2.49	2.49	8.17											
2014	Black Eagle	2.42	2.42	7.93											
2015	Black Eagle	2.49	2.49	8.17											
2014	Malmstrom AFB	2.10	2.10	7.93											
2015	Malmstrom AFB	2.16	2.16	8.17											
2014	MaltEurop	1.68	1.68	7.20											
2015	MaltEurop	1.73	1.73	7.42											

CITY OF GREAT FALLS, MONTANA
Current Fees vs. Proposed Fees
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WATER **SEWER**
 2014 5.00% 2014 0.00%
 2015 7.00% 2015 3.00%

PRE-TREATMENT SEWER CHARGES

2014 0.00%
 2015 3.00%

Quantity Charges CCF / Mo.		Not Meter Based
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2014 Regular Charges
 2015 Regular Charges

1.18	1.18	7.93
1.21	1.21	8.17

2014 BOD > 0 mg/L
 2015 BOD > 0 mg/L

per pound		0.498
per pound		0.51

2014 TSS > 0 mg/L
 2015 TSS > 0 mg/L

per pound		0.341
per pound		0.35

SEWER EXTRA STRENGTH CHARGES

2014 0.00%
 2015 3.00%

BOD > 200 mg/L

2014 Regular Commercial
 2015 Regular Commercial
 inc Malmstrom AFB & Black Eagle

per pound		0.498
per pound		0.51

2014 MaltEurop
 2015 MaltEurop

per pound		0.304
per pound		0.31

TSS > 250 mg/L

2014 Regular Commercial
 2015 Regular Commercial
 inc Malmstrom AFB & Black Eagle

per pound		0.341
per pound		0.35

2014 MaltEurop
 2015 MaltEurop

per pound		0.286
per pound		0.29

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	
2015	\$416	\$462	\$562	\$608	\$1,174	\$1,819	\$3,041	\$6,096	

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
2015	\$ 247

Commercial & Multi Family Units

2014	\$ 240	\$ 448	\$ 879	\$ 1,844	\$ 6,332	\$ 9,150	\$ 14,036	\$ 27,004
2015	\$ 247	\$ 461	\$ 905	\$ 1,899	\$ 6,522	\$ 9,424	\$ 14,457	\$ 27,814

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 @ 406-453-8430

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

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
2015	\$ 446	\$ 469	\$ 706	\$ 891	\$ 421	\$ 439	\$ 457	\$ 492

6 or more taps

Fee per Tap:

2014	\$ 373	\$ 409	\$ 660	\$ 833	N/A	N/A	N/A	N/A
2015	\$ 399	\$ 438	\$ 706	\$ 891	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

After Hours

After Hours

Flat fee of:

2014	\$ 50	2014	\$ 75	REOCCURRENCE	2015	\$ 150	2015	\$ 200
2015	\$ 75	2015	\$ 100	FOR NON PAY				

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
2015	N/A	N/A	\$ 10	N/A	\$ 22	\$ 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	
2015	\$ 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.
2015	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.
2015	\$ 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

2014 **0.00%**
2015 **10.00%**

A	Single Family Res.		Sq Ft Cap	15,000		
2014	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0003959604	0.0003959604
2015	Base	1.4518548000	1.4518548000	Per Sq Ft	0.0004355564	0.0004355564
B	Multiple Residential		Sq Ft Cap	0		
2014	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0004949505	0.0004949505
2015	Base	1.4518548000	1.4518548000	Per Sq Ft	0.0005444456	0.0005444456
C	Commercial		Sq Ft Cap	0		
2014	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0006434357	0.0006434357
2015	Base	1.4518548000	1.4518548000	Per Sq Ft	0.0007077793	0.0007077793
D	Heavy Commercial		Sq Ft Cap	0		
2014	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0008909109	0.0008909109
2015	Base	1.4518548000	1.4518548000	Per Sq Ft	0.0009800020	0.0009800020
E	Unimproved Areas		Sq Ft Cap	10,000		
2014	Base	1.3198680000	1.3198680000	Per Sq Ft	0.0000989901	0.0000989901
2015	Base	1.4518548000	1.4518548000	Per Sq Ft	0.0001088891	0.0001088891