

**COUNCIL ACTION FORM**

**SUBJECT: 2015 WATER AND SEWER RATE ADJUSTMENTS**

**BACKGROUND:**

On March 17, 2015, staff presented Council with an overview of the Water and Sewer Funds. At the end of the presentation, Council directed staff to prepare a rate increase ordinance that would increase water rates by 4%, and sewer rates by 5%. Both rate increases were to be “across-the-board” and be effective for utility bills mailed on and after July 1, 2015. The attached ordinance accomplished the Council’s direction and is ready for Council approval.

**ALTERNATIVES:**

1. Approve the attached rate ordinance on first reading, thereby increasing water rates by 4% and sewer rates by 5% effective July 1, 2015.
2. Direct staff to make modifications to the rate ordinance.
3. Do not take any action to adjust water and sewer rates at this time.

**MANAGER’S RECOMMENDED ACTION:**

The proposed rate increases are necessary to fund the on-going operations and maintenance budget plus the anticipated capital improvements projects.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving on first reading the attached rate ordinance increasing water rates by 4% and sewer rates by 5% effective July 1, 2015.

**ORDINANCE NO.**

**AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY REPEALING CHAPTER 28, SECTION 201(1)(b)(ii)(a)(b), 2(b)(ii)(a)(b), 3(b)(ii)(a)(b), 4(b)(ii)(a)(b), 5(b)(ii)(a)(b), 7, 8 AND SECTION 204(3). ENACTING A NEW CHAPTER 28, SECTION 201(1)(b)(ii)(a)(b), 2(b)(ii)(a)(b), 3(b)(ii)(a)(b), 4(b)(ii)(a)(b), 5(b)(ii)(a)(b), 7, 8 AND SECTION 204(3). THEREOF, FOR THE PURPOSE OF INCREASE OF WATER AND SEWER RATES; REPEALING ANY AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT TO THE EXTENT OF SUCH CONFLICT; AND ESTABLISHING AN EFFECTIVE DATE.**

**BE IT ENACTED**, by the City Council for the City of Ames, Iowa, that:

Section One. The Municipal Code of the City of Ames, Iowa shall be and the same is hereby amended by repealing Chapter 28, Section 201(1)(b)(ii)(a)(b), 2(b)(ii)(a)(b), 3(b)(ii)(a)(b), 4(b)(ii)(a)(b), 5(b)(ii)(a)(b), 7, 8 and Section 204(3). Enacting a new Chapter 28, Section 201(1)(b)(ii)(a)(b), 2(b)(ii)(a)(b), 3(b)(ii)(a)(b), 4(b)(ii)(a)(b), 5(b)(ii)(a)(b), 7, 8 and Section 204(3) as follows:

**“Sec. 28.201. WATER RATES AND CHARGES**

The rates and charges for water supplied to consumers by the water utility of the city, to be billed on or after July 1, 2015 are as follows:

**(1) Residential Rates.**

(b) **Rate per billing period.** For each monthly billing period a residential rate customer:

- (ii) shall be charged for water usage during the billing periods as follows:
  - (a) for bills mailed on or between July 1 and October 31 (summer period):  
\$0.0215 per cubic foot for the first 1000 cubic feet of usage  
\$0.0379 per cubic foot for the next 1500 cubic feet of usage  
\$0.0570 per cubic foot for all usage over 2500 cubic feet
  - (b) for bills mailed on or between November 1 and June 30 (winter period):  
\$0.0215 per cubic foot.

**(2) Non-residential (Commercial) Rates**

(b) **Rate per billing period:** For each monthly billing period a non-residential customer:

- (ii) shall be charged for water usage during the billing periods as follows:
  - (a) for bills mailed on or between July 1 and October 31 (summer period):  
\$0.0281 per cubic foot
  - (b) for bills mailed on or between November 1 and June 30 (winter period):  
\$0.0215 per cubic foot

(3) **Non-Peaking Industrial Rate.**

(b) **Rate per Billing Period.** For each monthly billing period a non-peaking industrial rate customer:

- (ii) shall be charged for water usage during the billing periods as follows:
  - (a) for bills mailed on or between July 1 and October 31 (summer period):  
\$0.0215 per cubic foot
  - (b) for bills mailed on or between November 1 and June 30 (winter period):  
\$0.0215 per cubic foot

(4) **Irrigation and Yard Water Service Rate.**

(b) **Rate per Billing Period.** For each monthly billing period an irrigation and yard water rate customer:

- (ii) shall be charged for water usage during billing periods as follows:
  - (a) for bills mailed on or between July 1 and October 31 (summer period):  
\$0.0310 per cubic foot for the first 2000 cubic feet of usage  
\$0.570 per cubic foot for the next 3000 cubic feet of usage  
\$0.0949 per cubic foot for all usage greater than 5000 cubic feet.
  - (b) for bills mailed on or between November 1 and June 30 (winter period):  
\$0.0215 per cubic foot

(5) **Rural Water Rate.**

(b) **Rate per billing period.** For each monthly billing period, a rural water rate customer:

- (ii) shall be charged for water usage during billing periods as follows:
  - (a) for bills mailed on or between July 1 and October 31 (summer period):  
\$0.0356 per cubic foot for the first 2000 cubic feet of usage  
\$0.0655 per cubic foot for the next 3000 cubic feet of usage  
\$0.1092 per cubic foot for all usage greater than 5000 cubic feet.
  - (b) for bills mailed on or between November 1 and June 30 (winter period):  
\$0.0247 per cubic foot for all consumption.

(7) **Minimum charges.** For each monthly billing, each customer shall be charged a minimum monthly charge based on the size of the water meter (s) and/or irrigation meter (s) at each location. The minimum monthly charge may be prorated, based on a 30-day billing period, for the customer's initial and/or final bills, provided that in no case shall the minimum monthly charge be less than five dollars and twenty-seven cents (\$5.27).

The minimum monthly charge for each water meter location shall be as follows:

Size of Meter	Residential, Non-residential, Non-peaking Industrial, and Irrigation Accounts	Yard Water Accounts	Rural Water Accounts
5/8" or 5/8"x3/4"	10.98	4.16	12.63
3/4 inch	21.96	6.46	25.26
1 inch	43.93	9.00	50.52
1-1/2 inch	87.86	12.41	101.04
2 inch	175.72	16.49	202.08
2 inch, battery of 2	340.35	--	391.40
2 inch, battery of 3	505.06	--	580.81
3 inch	351.35	21.46	404.06
4 inch	592.88	26.68	681.82
6 inch	988.14	31.95	1,136.36
8 inch	1,976.27	37.22	2,272.71
10 inch	2,964.41	42.10	3,409.07

(8) **Multiple dwellings – Mobile home parks.** Multiple dwellings, including mobile home parks, may be serviced from a single water meter. However, there shall be a surcharge added to the water rates set forth above, to be calculated as follows:

For a 5/8 inch meter serving 2 or more dwelling units.....	3.16/month/unit
For a 3/4 inch meter serving 4 or more dwelling units.....	3.16/month/unit
For a 1 inch meter serving 8 or more dwelling units.....	3.16/month/unit
For a 1-1/2 inch meter serving 16 or more dwelling units.....	3.16/month/unit
For a 2 inch meter serving 30 or more dwelling units.....	94.60/month
for the first 30 units plus \$4.91/month per unit for	
each additional unit in excess of 30 units	
For a 3 inch or larger meter serving any number of dwelling units .....	4.35/month/unit

For the purposes of this section, a dwelling unit is defined as a self-contained living facility (i.e., including kitchen and bath) such as an apartment or a licensed independent mobile home space.

**Sec. 28.304. SEWER RATES ESTABLISHED.**

(3) For each monthly billing on or after July 1, 2015, each customer shall be charged a minimum monthly charge. The minimum charge for each location shall be ten dollars and seventy-one cents (\$10.71). The minimum monthly charge may be prorated, based on a 30-day billing period, for the customer's initial and/or final bills, provided that in no case shall the prorated minimum monthly charge be less than four dollars and twelve cents (\$4.12). In addition, for all water metered beginning with the first cubic foot each month, each user shall pay two dollars and seventy-four cents (\$2.74) per 100 cubic feet."

Section Two. All ordinances, or parts of ordinances, in conflict herewith are hereby repealed to the extent of such conflict, if any.

Section Three. This ordinance shall be in full force and effect from and after its passage and publication as required by law.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Diane R. Voss, City Clerk

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Ann H. Campbell, Mayor