

**COUNCIL ACTION FORM**

**SUBJECT: 2016 STORM WATER UTILITY RATE ADJUSTMENTS**

**BACKGROUND:**

The development of land in the City has resulted in an expanded amount of impervious surface which has increased the cost of both operations and capital for the Storm Water utility. The increased expenditures will help to reduce overland flooding and maintain compliance with storm water runoff regulations.

On February 2, 2016, staff presented City Council with an overview of the Storm Water Drainage Utility Fund. At the end of the discussion, City Council directed staff to prepare a rate increase ordinance. The increase would be effective for utility bills mailed on and after July 1, 2016. The attached rate table from Ordinance Section 28.802 accomplishes the City Council's direction and supports the CIP projects previously approved by the City Council.

The proposed rate changes in the ordinance were reviewed in several steps of the budget process including the budget public hearing. **City staff presented several options to Council and direction was provided to maintain the established rate tier structure and proceed with a single rate increase. While the percentage increase in rates will be over 30%, the dollar impact and percentage increase associated with a customer's total City utility bill will be small.**

**ALTERNATIVES:**

1. Approve the attached rate ordinance on first reading, thereby increasing storm water utility rates effective July 1, 2016.
2. Direct staff to make modifications to the rate ordinance.
3. Do not take any action to adjust storm water utility 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 storm water utility rates effective July 1, 2016.

**ORDINANCE NO.**

**AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY REPEALING CHAPTER 28, SECTION 802(1) AND ENACTING A NEW SECTION 28.802 (1) THEREOF, FOR THE PURPOSE OF STORM WATER DRAINAGE UTILITY RATE ADJUSTMENTS ; 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 Section 28.802(1) enacting a new Section 28.802(1) as follows:

**“SEC. 28.802. RATES ESTABLISHED.**

(1) The rate charged for the storm water drainage system provided to customers of City utility services to be billed on or after July 1, 2016, is as follows: for each utility account which is billed for one or more City utility services, a monthly rate shall be charged, paid and collected as a rate for a storm water drainage system according to the following table:

Tier	Impervious Area/Account Range (SF)	Charge per Account
1	150 - 10,000	\$4.70
2	10,000.01 - 30,000	\$9.40
3	30,000.01 - 90,000	\$14.10
4	90,000 and above	\$42.25

”

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