ITEM # <u>53</u>

DATE: <u>07-14-09</u>

COUNCIL ACTION FORM

SUBJECT: REVISION OF SEWER UTILITY ORDINANCE TO ELIMINATE 5,000 CUBIC FOOT PER CALENDAR YEAR LIMIT ON SEWER RATE EXEMPTIONS

BACKGROUND:

At its June 9, 2009 meeting, the City Council directed staff to prepare a sewer rate ordinance revision removing the 5,000 cubic foot total calendar year exemption from Section 28.304.9 of the Ames Municipal Code.

The sewer ordinance allows for an exemption from sewer charges if, in any month, more than 2,000 cubic feet of water is used in such a way that the water does not reach the sanitary sewer system. The current ordinance limits the exemption to 5,000 cubic feet in a calendar year with the entire exemption granted over no more than two consecutive billing periods. The exemption is based on the premise that the water does not reach the sanitary sewer system so the Sewer Utility does not incur any costs. The proposed revision will delete the 5,000 cubic feet limitation.

The revised Section 28.304.9 will read:

"Where a "yard meter" is not installed, but it appears in any month that more than two thousand (2,000) cubic feet of water was used in a way that the water did not reach the sanitary sewer, that amount of water shall be exempt from the sewer rate on application to the City Manager or the City Manager's designee. The total exemption allowed under this provision shall not exceed 5,000 cubic feet per calendar year, with the entire exemption be granted over no more than two consecutive billing periods."

ALTERNATIVES:

- 1. Approve the proposed sewer rate ordinance revision which eliminates the 5,000 cubic feet per calendar year limit on sewer rate exemptions.
- 2. Do not approve the proposed sewer rate ordinance revision.

MANAGER'S RECOMMENDED ACTION:

The Sewer Utility does not incur any costs for water used in such a way that the water does not reach the sanitary sewer system. The purpose of the current ordinance provision is to provide customers with relief from sewer charges for one-time events

where water is used in such a way that the water does not reach the sanitary sewer system. The purpose can still be achieved by limiting the exemption to no more than two consecutive billing periods within a 12-month period without limiting the total exemption to 5,000 cubic feet.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the proposed sewer rate ordinance revision which eliminates the 5,000 cubic feet per calendar year limit on sewer rate exemptions.

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AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY REMOVING THE 5,000 CUBIC FOOT TOTAL CALENDAR YEAR EXEMPTION FROM SECTION 28.304(9); 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 amending Section 28.304(9) as follows:

"SEC. 28.304. SEWER RATES ESTABLISHED.

(9) Where a "yard meter" is not installed, but it appears in any month that more than two thousand (2,000) cubic feet of water was used in a way that the water did not reach the sanitary sewer, that amount of water shall be exempt from the sewer rate on application to the City Manager or the City Manager's designee. The total exemption allowed under this provision shall be granted over no more than two consecutive billing periods."

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

<u>Section Three</u>. 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	y Clerk	Ann H. Campbell, Mayor
O1020		

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