

## COUNCIL ACTION FORM

**SUBJECT: RURAL WATER ORDINANCE**

**BACKGROUND:**

State law requires Iowa's cities to provide City water service within two miles of the City limits in certain limited situations. Where a rural water agency previously has given a City notice of intent to provide service in that area but the City has responded by reserving right to provide water in that area, the City must provide service within four years of receipt of the water district's notice. Several property owners in areas previously reserved for City water service have requested that the City extend water service to their properties.

In order to provide this rural water service, the Ames Municipal Code must be modified to establish connection fees and ongoing water rates, as well as to adopt metering and cross-connection control provisions. On July 14, 2009, Council received an overview of this need, along with options and recommendations for addressing these issues. Council then directed staff to prepare needed appropriate ordinance language for public hearing and Council consideration.

The amended code language is attached with altered sections highlighted. Key elements include the following:

- Rural Water Connection Fees – Rural water customers will pay the same one-time connection fee paid by property owners within the corporate limits. As shown in Appendix F of the Municipal Code, that fee currently is set at a one-time connection fee of \$18 per lineal foot of frontage, with a minimum of \$650 per lot. This fee would apply to rural customers who can be served by an existing City water main located adjacent to their property.

This charge could be set at the connection fee rate in effect at the time of the initial petition, or else at the connection fee in effect at the time the connection is actually made. Based upon the need to avoid any possible subsidy of rural customers by City customers, staff has included ordinance language that sets the connection fee at the rate in effect at the time the connection is actually made.

For rural households that do not have a City water main in front of their property, the connection fee will be for the rural customer to pay the entire actual cost for design and installation of a small, temporary water line. When a permanent main is later extended to the area (typically after annexation), the rural customer will then pay the standard connection fee shown in Appendix F.

- Rural Water Rates – Rural water customers will have a rate structure that mirrors that used for irrigation accounts inside the corporate limits, with the minimum bill and the unit rates being charged at 1.15 times (or, an additional 15%) that being charged to customers within the corporate limits. The rural water rate will have a seasonally inclined block structure, with a flat rate in the winter and a rate that increases with increasing consumption in the summer.

Additionally, rural water customers will be subject to the restrictions and surcharge rates contained in the water rationing ordinance, with the rural surcharge rates being 1.15 times that charged to customers within the corporate limits.

- Adoption of Metering and Back-flow Protection Requirements and Fees – In order to properly bill for water received, the Code will be amended to provide for appropriate metering of rural water customers' usage. For the protection of the public water supply, rural water customers will be required to install an approved back-flow prevention device to prevent back-siphonage from occurring from the customer's premises into the public water system. That device must then be tested annually to ensure that it continues to provide its intended purpose.

#### **ALTERNATIVES:**

1. Adopt the proposed ordinance amendments establishing fees, rates and requirements for rural water customers.
2. Do not adopt the proposed ordinance amendments.
3. Direct staff to modify the attached ordinance.

#### **MANAGER'S RECOMMENDED ACTION:**

The City has a legal obligation to provide water service outside the City limits under the limited conditions described above. The attached ordinance changes provide rural water connection fees, rural water rates, and metering and back-flow prevention requirements to protect the public water supply.

Therefore, it is the recommendation of the City Manager that the Council adopt Alternative #1, thereby adopting the proposed ordinance amendments establishing fees, rates and requirements for rural water customers.

While this ordinance will apply to all future rural water customers, it should be noted that one individual has been anxiously waiting for several years for the City to adopt these standards and fees. Effective in July 2009, the City raised the connection fee rate from \$10 to \$18 per lineal foot. Out of a sense of fairness in this one individual case, Council may wish to allow this individual to connect at the rate of \$10 per lineal foot.

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY REPEALING SECTIONS 28.201, 28.202, 28.206, 28.601, 28.604(8), AND 28.605(4) AND BY ENACTING NEW SECTIONS 28.201, 28.202, 28.205(6), 28.206, 28.209(2), 28.209A, 28.214(a), 28.501(2), 28.503(a), 28.601, 28.604(8), 28.604(9), 28.605(4) AND 28.605(5) THEREOF, FOR THE PURPOSE OF PROVIDING FOR RURAL WATER SERVICES AND RATES; REPEALING ANY AND ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT TO THE EXTENT OF SUCH CONFLICT; PROVIDING A PENALTY; 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 sections 28.201, 28.202, 28.206, 28.601, 28.604(8), and 28.605(4) and by enacting new sections 28.201, 28.202, 28.205(6), 28.206, 28.209(2), 28.209A, 28.214(a), 28.501(2), 28.503(a), 28.601, 28.604(8), 28.604(9), 28.605(4) and 28.605(5) 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, 2009 are as follows:

(1) **Residential Rates.**

(a) **Availability.** The residential rate shall apply to all customer accounts within the Ames corporate limits serving properties that are intended for occupancy by a single family as defined by the Ames Zoning Ordinance, provided that such accounts consist of no more than two dwelling units served by a single water meter or to multiple unit residential structures (such as apartment buildings) where every dwelling unit is separately metered. The rate does not apply to domestic uses that consist of more than two dwelling units served by a single meter or to water accounts that provide service for common areas such as shared laundry facilities or for general property maintenance.

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

(i) shall be charged a minimum charge based on meter size, and in addition

(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):

\$0.0157 per cubic foot for the first 1000 cubic feet of usage

\$0.0278 per cubic foot for the next 1500 cubic feet of usage

\$0.0417 per cubic foot for all usage over 2500 cubic feet

(b) for bills mailed on or between November 1 and June 30 (winter period):

\$0.0157 per cubic foot

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

(a) **Availability.** The non-residential rate shall apply to all accounts that do not meet the criteria for residential, irrigation and yard water, rural water, or preferred industrial rates.

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

(i) shall be charged a minimum charge based on meter size, and in addition

(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):

\$0.0206 per cubic foot

(b) for bills mailed on or between November 1 and June 30 (winter period):

\$0.0157 per cubic foot

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

(a) **Availability.** The non-peaking industrial rate shall be available to all non-residential rate customers who submit an acceptable application and meet the following criteria:

(i) Average winter usage greater than 100,000 cubic feet per billing period.

Average winter usage per billing period will be calculated by taking the sum of the usage during the most previous December, January, and February billing periods and dividing by three.

(ii) A summer peaking factor equal to or less than 120%. The summer peaking factor shall be computed by taking the largest consumption from the previous June, July, August, and September billing periods and dividing it by the average winter usage, with the result expressed as a percentage.

(b) **Application for Non-peaking Industrial Rate.** It is the responsibility of the customer to apply for the non-peaking industrial rate each calendar year. The application shall be on a form provided by the Utility Customer Service Division. Approved applications will be valid for one summer season after which the customer shall be moved back to the non-residential rate.

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

(i) shall be charged a minimum charge based on meter size, and in addition

(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):

\$0.0157 per cubic foot

(b) for bills mailed on or between November 1 and June 30 (winter period):

\$0.0157 per cubic foot

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

(a) **Availability.** The irrigation and yard water rate shall apply to all separately metered water uses that meet one of the following criteria:

(i) Serves primarily outdoor water uses, such as irrigation systems and outside hose bibs.

(ii) Serves cooling towers, spray ponds, evaporative condensers, chillers, or such similar uses where water is used as a medium for cooling.

(iii) Serves as a temporary water service, whether for irrigation purposes or for other outdoor uses.

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

(i) shall be charged a minimum charge as described below, and in addition

(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):

\$0.0227 per cubic foot for the first 2000 cubic feet of usage

\$0.0417 per cubic foot for the next 3000 cubic feet of usage

\$0.0695 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):

\$0.0157 per cubic foot

(5) **Rural Water Rate.**

(a) **Availability.** The rural water rate shall apply to all customer accounts outside the Ames corporate limits, except those covered by a separate wholesale contract or agreement for service.

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

(i) shall be charged a Rural water minimum charge based on meter size.

(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):  
 \$0.0261 per cubic foot for the first 2000 cubic feet of usage  
 \$0.0480 per cubic foot for the next 3000 cubic feet of usage  
 \$0.0799 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):

\$0.0181 per cubic foot for all consumption.

(6) **Water Rate and Charge Adjustments.** It shall be the duty of the director of water and pollution control to review and recommend to the city council revisions of the rates and charges established and set out in this division at intervals appropriate to provide for the funding needs of the utility.

(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 three dollars and eighty-five cents (\$3.85). 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"	8.05	3.05	9.25
3/4 inch	16.10	4.70	18.50
1 inch	32.20	6.60	37.00
1-1/2 inch	64.40	9.10	74.05
2 inch	128.80	12.10	148.10
2 inch, battery of 2	249.55	--	287.00
2 inch, battery of 3	370.30	--	425.85
3 inch	257.60	15.70	296.25
4 inch	434.70	19.55	499.90
6 inch	724.50	23.40	833.20
8 inch	1,449.00	27.25	1,666.00
10 inch	2,173.50	31.10	2,500.00

(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 calculates as follows:

For a 5/8 inch meter serving 2 or more dwelling units . . . . .	2.30/month/unit
For a 3/4 inch meter serving 4 or more dwelling units . . . . .	2.30/month/unit
For a 1 inch meter serving 8 or more dwelling units . . . . .	2.30/month/unit
For a 1-1/2 inch meter serving 16 or more dwelling units . . . . .	2.30/month/unit
For a 2 inch meter serving 30 or more dwelling units . . . . .	69.30/month
for the first 30 units plus \$3.60/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 . . . . .	3.20/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.

(a) For rural customer accounts outside the Ames corporate limits, the multiple unit charges shown above shall be multiplied by a factor of 1.15.

**(9) Yard meter minimum charges.**

For each monthly billing after July 1, 2000 each customer shall be charged a minimum monthly charge based on the size of the yard meter (s) at each location. The minimum monthly charge for each yard meter location shall be as follows:

Size of Meter	Minimum Monthly Charged
5/8 inch or 5/8" x 3/4"	3.05
3/4 inch	4.70
1 inch	6.60
1-1/2 inch	9.10
2 inch	12.10
3 inch	15.70
4 inch	19.55
6 inch	23.40
8 inch	27.25
10 inch	31.10

*(Ord. No. 2338, Sec. 1, 4-28-70; Ord. No. 2412, Sec. 2, 9-5-72; Ord. No. 2461, Sec. 3, 12-18-73; Ord. No. 2653, Sec. 2, 5-2-78; Ord. No. 3167, Sec. 1, 4-28-92; Ord. No. 3199, Sec. 1, 9-24-92; Ord. No. 3278, Sec. 1, 5-24-94; Ord. No. 3326, Sec. 1, 5-9-95; Ord. No. 3568, 6-27-00; Ord. No. 3995 06-23-09).*

**Sec. 28.202. WATER SERVICE, CONNECTION CHARGE.**

(1) **Generally.** There is established hereby, as a fee for connection to the water main, such charge as the City Council shall by resolution set for the property served by and adjacent to the main, provided that no water utility special assessment connection fee has been imposed previously with respect to said land and the main was financed with funds of the City.

(a) **Rural water connections.** If an existing water main is adjacent to a rural property, rural water customers shall pay a fee for connection to the water main as provided generally above. If no main is adjacent to the property, the City will construct a temporary water service line to property to be used until such time as a water main is constructed adjacent to the property. The rural customer shall pay the entire actual cost for design and installation of the temporary line in accord with the City's engineering fee schedule then in effect. Additionally, at such time as a main becomes adjacent to the property, the rural customer shall be required to connect to that main and shall pay a fee for connection to that main in accordance with the connection fee schedule then in effect.

**Sec. 28.205. LOCATION AND ACCESSIBILITY**

(6) **Access Granted.** As a condition of service, all customers must consent to provide access to the property for the purposes of meter reading, and to perform routine and emergency service and maintenance of the water meter. Failure or refusal to grant access may result in termination of water service.

**Sec. 28.206. METER VALVES**

There shall be an inverted key, ringstyle, locking-type water meter valve of 'Ford KV-23-W' pattern, or its equivalent, attached to every water service pipe inside the building wall, the valve to be set not less than two and one-half feet above the finished floor. There shall also be a valve installed on the discharge side of each meter.

*(Ord. No. 3199, Sec. 1, 9-24-92)*

**Sec. 28.209. REMOTE READING DEVICE**

(2) **Rural Water customer remote readers.** Rural customers shall provide a mounting location for the remote meter reading device that will facilitate easy access for meter reading. For locations that are served by the City of Ames municipal electric utility, the remote reading device shall be placed within three feet of the electric meter wherever practical. Alternate locations and installation requirements shall be approved by the Water Meter Division prior to installation of the water meter.

It shall be the responsibility of the customer to maintain an adequate clearance around the remote reading device to prevent landscaping, snow drifts or piles, or other obstructions from interfering with access to the remote reading device for meter reading, service, or maintenance.

**Sec. 28.209A. RURAL CUSTOMER BACKFLOW PREVENTION.** For all water customers outside the Ames corporate limits, a testable backflow prevention device shall be required.

(1) **Location.** The backflow prevention device shall be installed directly after the meter.

(2) **Installation.** It is the responsibility of the customer to provide this device, and it shall be installed by a plumber licensed by the City of Ames pursuant to a plumbing permit acquired from the City of Ames, and installed in compliance with all Plumbing codes applicable in the City of Ames.

(3) **Maintenance/Testing.** The device shall be tested upon installation and at least annually thereafter by a registered backflow prevention assembly technician. Results of all backflow prevention assembly test reports shall be submitted to the Water Meter Division within 10 working days of when the device was tested.

It is the responsibility of the customer to maintain the backflow prevention device.

If backflow occurs at a rural water location, the customer shall comply with provisions of Ames Municipal Code Sec. 21.501(47)(b)(xii).

Failure to perform the required testing at least annually, or to maintain the device in good repair, may result in termination of service.

*(Code 1956, Sec. 31-29.1; Ord. No. 2073, Sec. 1, 5-11-65; Ord. No. 2416, Sec. 2, 9-26-72; Ord. No. 3199, Sec. 1, 9-24-92)*

**Sec. 28.214. OWNERSHIP, REPAIR, AND CODE REQUIREMENTS FOR WATER SERVICE CONNECTIONS**

(a) **Code Requirements for Rural Water Service.** The service connection for a rural water account, from the tap at the main through the outlet of the backflow prevention device, shall comply in all respects with the requirements of the Ames Plumbing Code. Installation, alteration, repair, or other work performed on any part of the water service shall be done only pursuant to a permit from the City of Ames Inspections Division and all work shall be completed in compliance with the permit and any other requirements of the Inspections Division.

**Sec. 28.501. UNAUTHORIZED ALTERATION OF LINES AND METERS, BYPASSING.**

(2) For rural water accounts, no person shall interfere with, tamper with, alter, or bypass any water meters, lines, pipes, or conduits installed or owned by the City of Ames outside of the Ames corporate limits without express authorization of the City. No change, modification, replacement, or other alteration shall occur to the service line from the main through the outlet of the backflow prevention device without the express approval of the City.

**Sec. 28.503. MUNICIPAL UTILITY SERVICE CONNECTIONS OUTSIDE CITY.**

(a) For properties outside the corporate limits where the City has previously denied a rural water association or district the right to serve the property, the City will provide service within four years of the rural water denial in accordance with Iowa Code § 357A.2 and § 364.4.

**Sec. 28.601. WATER SHORTAGES.**

From time to time, circumstances may cause the ability of the Ames Municipal Water Utility to supply water to become so diminished that there will not then be a sufficient supply of potable processed water to meet all customary and usual demand indefinitely. Under those conditions the City Council may find, and declare by resolution, the existence of a public water shortage emergency. During such emergency, the City Council shall establish, by resolution, one or more of the water rationing stages described in Sections 28.602 through 28.605. The emergency water rationing measures shall apply to all customers of the Ames Municipal Water Utility.

*(Ord. No. 2777, Sec. 1, 7-21-81; Ord. No. 3199, Sec. 1, 9-24-92, Ord. No. 3620, 6-26-01)*

**Sec. 28.604. STAGE II: MODERATE MANDATORY RATIONING.**

(8) For each water utility service location within the Ames corporate limits, the water utility customer shall pay a surcharge rate of \$0.075 per cubic foot (approximately 1¢ per gallon) of water metered to the location during a billing cycle that is in excess of 1.5 times the average amount of water that was metered to the location during the billing cycles corresponding to the previous December, January, and February.

(9) Rural Customer surcharge rates. When the City Council has declared a water emergency and instituted moderate mandatory rationing, rural customers shall pay a surcharge rate that is 1.15 times the rate established under Section 28.604(8) for customers in the city limits.

*(Ord. No. 3927, 10-01-07)*

**Sec. 28.605. STAGE III: SEVERE MANDATORY RATIONING.**

(4) For each water utility service location within the Ames corporate limits, the water utility customer shall pay a surcharge of \$0.225 per cubic foot (approximately 3¢ per gallon) of water metered to the location during a billing cycle that is in excess of 1.1 times the average amount of water that was metered to the location during the billing cycles corresponding to the previous December, January, and February.

(5) Rural Customer surcharge rates. When the City Council has declared a water emergency and instituted severe mandatory rationing, rural customers shall pay a surcharge rate that is 1.15 times the rate established under Section 28.605(4) for customers in the city limits.

*(Ord. No. 3927, 10-01-07)."*

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  
001027

\_\_\_\_\_  
Ann H. Campbell, Mayor



2725 South Riverside Drive  
Ames, Iowa 50010  
September 18, 2009

The Honorable Mayor and City Council Members  
City of Ames  
515 Clark Avenue  
Ames, Iowa 50010

RE: Rural Water Ordinance

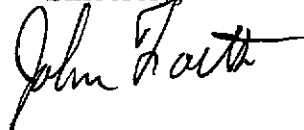
Dear Mayor and City Council:

I respectfully request that the rules governing the adoption of an ordinance be suspended and the ordinance above-referenced be approved at your meeting scheduled for September 22, 2009.

This request is being made for the following reasons:

1. Seven years have passed since I first made application to receive water service from Xenia Rural Water System. That application was subsequently denied due to the City of Ames not allowing Xenia to service my property.
2. I have received bids for installation of service from the water main into my house. If the ordinance is not adopted before late October, the work could not be performed until early November. There then would be the possibility of the ground freezing and the installation not being made until spring. If that occurs, the bids that I have already received will likely no longer be valid and the price likely will increase, causing me further hardship.
3. I feel that, because I should have been able to hook on three years ago, the \$10/foot for connection, which I was told would be the price (instead of 18), would be the more appropriate and fair fee. Also, if weather does not permit hooking up, the price should remain the same until installation is possible.

Sincerely,



John Forth