

COUNCIL ACTION FORM

SUBJECT: SANITARY SEWER RATE INCREASE

BACKGROUND:

On April 15, 2014, 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 sewer rates by 8%. The attached ordinance accomplishes the Council's direction by increasing both the minimum bill component and the 'per cubic foot' component by 8%. The new rates will be effective for utility bills mailed on or after July 1, 2014.

ALTERNATIVES:

1. Approve the attached rate ordinance, thereby increasing sewer rates by 8% effective July 1, 2014.
2. Direct staff to make modifications to the rate ordinance.
3. Do not take any action to sewer rates at this time.

MANAGER'S RECOMMENDED ACTION:

The proposed rate increase is necessary to fund the Sanitary Sewer utility's on-going operations and maintenance budget, as well as anticipated capital improvement projects financed from the Sanitary Sewer Fund. While Council is taking no action at this time on future-year rate increases, it is important to note that additional increases in future years will also be necessary to fully fund the approved Capital Improvements Plan.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the attached rate ordinance increasing sewer rates by 8% effective July 1, 2014.

ORDINANCE NO.

AN ORDINANCE TO AMEND THE MUNICIPAL CODE OF THE CITY OF AMES, IOWA, BY REPEALING CHAPTER 28, SECTION 28.304(3) AND ENACTING A NEW CHAPTER 28, SECTION 28.304(3) THEREOF, FOR THE PURPOSE OF ESTABLISHING 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 28.304(3) and enacting a new Chapter 28, Section 28.304(3) as follows:

“Sec. 28.304. SEWER RATES ESTABLISHED.

(3) For each monthly billing on or after July 1, 2014, each customer shall be charged a minimum monthly charge. The minimum charge for each location shall be ten dollars and twenty cents (\$10.20). 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 three dollars and ninety-two cents (\$3.92). In addition, for all water metered beginning with the first cubic foot each month, each user shall pay two dollars and sixty-one cents (\$2.61) per 100 cubic feet.

(Ord. No. 3168, Sec. 1, 4-28-92; Ord. No. 3326, Sec. 2, 5-9-95; Ord. No. 3834, 5-24-05; Ord. No. 3956, 06-10-08; Ord. No. 4037, 5-11-10; Ord. No. 4144, 5-14-13).”

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

Ann H. Campbell, Mayor