

ITEM#: 31
DATE: 04-26-22

COUNCIL ACTION FORM

SUBJECT: 2022 STORMWATER UTILITY RATE ADJUSTMENTS

BACKGROUND:

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

These proposed rate adjustments were first presented to City Council at the Budget Overview on January 28, 2022 and were discussed during the Council Budget Hearings on February 1, 2022. The increase would be effective for utility bills mailed on and after July 1, 2022. The attached updated Ordinance Section 28.802 accomplishes the adjustments as presented to City Council and supports the stormwater activities previously approved by the City Council. **The proposed rate changes reflected below were reviewed in several steps of the budget process and are included in the 2022-2023 Program Budget.**

Tier	Impervious Area Account Range (sf)	Current Rate Charge/Account (per month)	Adjusted Rate Charge/Account (per month)
1	150 - 10,000	\$ 4.95	\$ 5.20
2	10,000.01 - 30,000	\$ 9.90	\$10.40
3	30,000.01 - 90,000	\$14.85	\$15.60
4	90,000 and above	\$44.55	\$46.80

ALTERNATIVES:

1. Approve the attached rate ordinance on first reading, thereby making the new adjusted rates effective as of July 1, 2022
2. Direct staff to make modifications to the rate ordinance
3. Do not make any changes to the current rate ordinance at this time

CITY MANAGER'S RECOMMENDED ACTION:

The rate increases are necessary to fund the on-going operations budget as well as the anticipated capital improvements projects, **providing approximately \$100,000 in additional revenue.** These rate changes in the ordinance were included in several steps of the budget process. **Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as noted above.**

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 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 enacting a new Section 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, 2022, 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	\$ 5.20
2	10,000.01 - 30,000	\$10.40
3	30,000.01 - 90,000	\$15.60
4	90,000 and above	\$46.80

(Ord. No. 4261, 6-14-16; Ord. No. 4313, 6-27-17).”

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

John A. Haila, Mayor