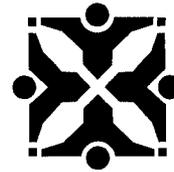


# City of Columbia

701 East Broadway, Columbia, Missouri 65201



**Agenda Item Number:** B 225-15

**Department Source:** Public Works

**To:** City Council

**From:** City Manager & Staff

**Council Meeting Date:** 08/03/2015

**Re:** Amend Chapter 22 to Increase Sanitary Sewer Utility Connection Fees and Residential Default Winter-Quarter Average Calculation

## Documents Included With This Agenda Item

Council memo, Resolution/Ordinance

**Supporting documentation includes:** None

## Executive Summary

Staff is proposing to amend Chapter 22 of the City Code to implement changes to the sanitary sewer connection fees and the residential winter-quarter average calculation for new customers and for customers who have not been active for the appropriate number of billing periods.

## Discussion

In order to provide adequate funding to meet current bond obligations, and to operate and maintain the sanitary sewer system and treatment works, staff is recommending to amend Chapter 22 of the City Code to implement the second year of the proposed four year sewer connection fee increases. In addition, staff recommends defining the method of calculating the residential winter-quarter average for new customers, and for customers who have not been active for the appropriate number of billing periods, from a minimum default value of two (2) ccfs (100 cubic feet), to calculating the minimum volume usage by using the average water usage for all residential city metered water customers for the most recent months of November through March, removing the highest and lowest usage months and rounding to the nearest whole number.

### Sewer Connection Fees:

- One-time charge assessed to new connections to recover unit cost of capacity used to serve growth.
- Used to pay for expansion-related capital costs and minimize the burden upon existing ratepayers for those facilities.
- Basis of Analysis: reconstruction cost new less depreciation of existing assets and expansion-related projects in five-year CIP.
- Discretionary fees that can be adopted at partial cost recovery, phased-in over time, or even waived/discounted. For 5/8 inch meters, Council approved an increase to \$1,200 in FY15. Staff proposes to continue year 2 of the proposed 4 year phase-in by increasing to \$1,600 in FY16; \$2,000 in FY17, and a final increase to \$2,400 in FY18.

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## Fiscal Impact

**Short-Term Impact:** The anticipated additional revenue from this FY16 rate increase to the connection fee is \$416,625. The anticipated additional revenue from the the change in default usage is \$198,824.76.

**Long-Term Impact:** Sewer Connection fees: for 5/8 inch meters, proposing to increase to \$2,000 in FY17, and a final increase to \$2,400 in FY18.

## Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Environment, Health, Social Services and Affordable Housing

Strategic Plan Impact: Health, Safety and Wellbeing

Comprehensive Plan Impact: Environmental Management, Infrastructure, Livable & Sustainable Communities

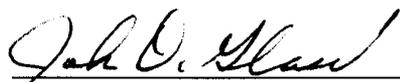
## Suggested Council Action

Pass the ordinance amending Chapter 22 relating to sewer utility connection fees and the residential winter quarter average calculation for new customers, and for customers who have not been active for the appropriate number of billing periods.

## Legislative History

7/16/12 (B160-12) Council approved a minimum volume usage of two (2) CCF for residential users that do not have the appropriate number of billing periods necessary for calculating a winter-quarter average.

9/15/14 (B235-14) Council approved an increase to Sewer connection fees from \$800 for a 5/8" connection to \$1,200 for a 3/4" connection

A handwritten signature in black ink, appearing to read "John D. Glaw".

Department Approved

A handwritten signature in black ink, appearing to read "Mike Matt".

City Manager Approved

Introduced by \_\_\_\_\_

First Reading \_\_\_\_\_

Second Reading \_\_\_\_\_

Ordinance No. \_\_\_\_\_

Council Bill No. B 225-15

**AN ORDINANCE**

amending Chapter 22 of the City Code as it relates to sanitary sewer utility connection fees; and fixing the time when this ordinance shall become effective.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. Chapter 22 of the Code of Ordinances of the City of Columbia, Missouri, is hereby amended as follows:

Material to be deleted in ~~strikeout~~; material to be added underlined.

Sec. 22-263. Charges for sewage service.

(a) There is hereby levied on each wastewater system user having any sewer connection with the wastewater system of the city or otherwise discharging sewage, industrial waste, or other liquids, either directly or indirectly into the city's wastewater system, a sewage service charge. The sewage service charge shall have the following components:

...

(b) The monthly volume charges for residential classification shall be based on the average monthly billing of water usage during the calendar months of November, December, January, February and March dropping out the highest and lowest usage months and rounded to two decimals. If the calculated average usage results in an average of less than one (1) CCF, the average will be recalculated using the water usage for the previous twelve (12) month billing periods, April through March, rounded to two decimals. If the residential user does not have the appropriate number of billing periods necessary for calculating a winter-quarter average, a minimum volume usage of ~~two (2) CCF~~ will be billed until a winter-quarter average can be established. The minimum volume usage charge will be calculated by using the average water usage for all residential city metered water customers, for the most recent months of November through March, removing the highest and lowest usage months and rounded to the nearest whole number. Winter-quarter average shall transfer to any residential customer who moves to a new residential address. The monthly volume charges for all other customers shall be based on one hundred (100) percent of the monthly metered water used, except as otherwise provided in this Code.

...

Sec. 22-264. Connection fees.

(a) The following definitions apply to this section:

...

(b) Each new user of the wastewater system shall pay a wastewater system connection fee. The fee shall be one thousand ~~two~~<sup>six</sup> hundred dollars (~~\$1,200.00~~\$1,600.00) per dwelling unit. If there are uses on the property other than dwelling units, the new user of the wastewater system shall pay a wastewater system connection fee based on the size of the water meter that shall serve the property in accordance with the following table:

Size of Water Meter Inches	Connection Fee
5/8 .....	<del>\$1,200.00</del> <u>1,600.00</u>
3/4 .....	<del>1,800.00</del> <u>2,400.00</u>
1 .....	<del>3,000.00</del> <u>4,000.00</u>
1 1/2 .....	<del>6,000.00</del> <u>8,000.00</u>
2 .....	<del>9,600.00</del> <u>12,800.00</u>
3 .....	<del>19,200.00</del> <u>25,600.00</u>
4 .....	<del>30,000.00</del> <u>40,000.00</u>
6 .....	<del>60,000.00</del> <u>80,000.00</u>
8 .....	<del>96,000.00</del> <u>128,000.00</u>
10 .....	<del>138,000.00</del> <u>184,000.00</u>
12 .....	<del>258,000.00</del> <u>344,000.00</u>

...

SECTION 2. The new rates established in this ordinance shall take effect on October 1, 2015.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor and Presiding Officer

APPROVED AS TO FORM:

\_\_\_\_\_  
City Counselor