

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 213-12

AN ORDINANCE

amending Chapter 27 of the City Code as it relates to service fees, security deposits and water service line 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 27 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. 27-18. Service fees.

(a) *Service initiation fee.* Each customer shall be charged a service initiation fee of six dollars (\$6.00) for an initial utility service application which includes water and/or electric service, or five dollars (\$5.00) for utility initiation not including water and electric service.

(b) *Transfer fee.* All customers requesting transfers of services to a new location will be charged a ~~four dollar (\$4.00)~~ five dollar (\$5.00) fee.

(c) *Disconnect/reconnect fees:*

(1) A disconnection fee of ~~fifteen dollars (\$15.00)~~ shall be charged to a customer's account when a worker is dispatched to disconnect the customer's water or electric service for nonpayment. The disconnection fee shall be twenty-five dollars (\$25.00) for residential customers and fifty dollars (\$50.00) for all other customers.

(2) A reconnection fee of ~~fifteen dollars (\$15.00)~~ shall be charged to a customer's account when water or electric service is reconnected on a regular working day in the normal course of business. The reconnection fee on a regular working day in the normal course of business shall be twenty-five dollars (\$25.00) for residential customers and fifty dollars (\$50.00) for all other customers. A reconnection fee of ~~thirty dollars (\$30.00)~~ seventy-five

dollars (\$75.00) shall be charged to a residential customer's account, and a reconnection fee of one hundred fifty dollars (\$150.00) for all other customers, when a—the customer requests and receives same day reconnection service or requests and receives reconnection service on a weekend, a city holiday or any other time outside the regular working hours of the water and light department.

- (3) A fee equal to the actual costs of the city shall be charged to all accounts when it is necessary to utilize city forces to physically disconnect sewer services. Reconnection charges shall also be levied against the affected account on the basis of the actual costs of reconnection.

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Sec. 27-20. Security deposits.

(a) Each new customer shall be required to make a security deposit as a condition of service.

- (1) Customers requesting services to a one-family dwelling or one-family unit of a larger residential building shall deposit the following amounts for receiving utility services:

a.	Electrical service	\$ 65.00 <u>75.00</u>
b.	Water service	25.00
c.	Sewer service.....	20.00
d.	Refuse service	20.00

At the discretion of the finance director, the security deposit may be waived upon the customer establishing one (1) year (twelve (12) consecutive months) good credit or furnishing a letter of good credit from the customer's previous utility provider. The finance director will maintain a written policy that defines good credit.

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Sec. 27-52. Water service lines—Ownership; application; fees.

(a) Water service lines, including the water main tap, the pipe, fittings, and valves between the main and the customer's installation, the water meter, its appurtenances and the meter box shall be and remain the property of the department, which shall be responsible for their perpetual maintenance.

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(c) Water service lines to previously unserved properties or to properties previously served by an inadequate or non-city-owned service line within the water utility service area shall be installed upon application and only after all requirements for water main extension and payment have been met. The required fees for connection, tap and meter installation, where applicable, shall be paid at the time of application or may be billed during the normal billing cycle in the month subsequent to the date of application, at the city's option. The city may demand payment in cash.

- (1) ~~Connection fee~~ System equity charge (applies to all connections) shall be based on meter size under the following schedule:

<i>Size of water meter</i>	<i>Connection fee</i>
Inches	
5/8 and 3/4	\$600.00 <u>500.00</u>
1	645.00 <u>538.00</u>
1½	928.00 <u>773.00</u>
2	997.00 <u>831.00</u>
3	2,439.00 <u>2,033.00</u>
4	3,769.00 <u>3,141.00</u>
6	7,539.00 <u>6,283.00</u>

In the case of a multiple-family facility, or multiple commercial facilities, that chooses to install a single water meter, the connection fee will be the sum of the fees that would have been charged to each unit of the facility, had each unit been separately metered. In calculating this fee, the department shall take into account the meter size that would have been required to separately meter each unit.

- (2) *Tap fee.* This fee shall be in addition to the connection fee and meter fee and shall be assessed for each tap made by the department on public water mains. The tap fee will be waived when the only purpose of the tap is for installing a sprinkler system in a structure built before the requirement of fire sprinklers. On each tap, the customer shall be assessed as follows:

<i>Size of Meter</i>	<i>Charge</i>
1-inch.....	\$160.00 <u>500.00</u>
1½—2-inch	250.00 <u>250.00</u>
4-inch and larger.....	500.00 <u>575.00</u>

For all commercial services or connections larger than one (1) inch, the customer shall be responsible for supplying all materials to department specifications, all necessary permits, preparation of the water main so that the tap may be made (including saw cutting of pavement, if required), site excavation, installation of the service line across the street (if required), and

all applicable site restoration costs. All excavations under pavement must be restored per city public works department, Boone County Public Works, or Missouri Department of Transportation specifications.

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- (4) *Meter fee.* In addition to the connection fee, each customer who requests service to previously unserved properties, or to properties where a meter of greater size than the previous meter is required, shall be assessed a meter fee. All meters installed after October 1, 2004 shall be remote-read meters and fees will be as follows:

<i>Size of Meter</i>	<i>Charge</i>
5/8-inch.....	\$188.00 <u>138.00</u>
3/4-inch.....	210.00 <u>155.00</u>
1-inch.....	242.00 <u>185.00</u>

For meters larger than one (1) inch, the meter fee shall be the actual cost of the meter, plus a markup to cover the actual cost of overhead as determined from cost computed at the end of each fiscal year.

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SECTION 2. The new rates established in this ordinance shall be applied to utility bills after October 1, 2012.

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

PASSED this _____ day of _____, 2012.

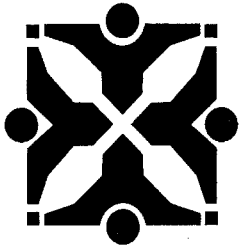
ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor



Source: Water & Light 

Agenda Item No:

To: **City Council**
From: **City Manager and Staff** 

Council Meeting Date: Aug 6, 2012

Proposed FY12 Changes to Connection and Services Fees

Re:

EXECUTIVE SUMMARY:

Staff has prepared for Council consideration ordinance changes to Service Fees, Security Deposits, and Water Service Line fees. All of the fee changes are cost based. Most of the fee changes are proposed to increase, however, reductions are proposed for two fees.

DISCUSSION:

During FY12, the consulting firm Utility Financial Solutions performed an electric cost-of-service study and reviewed various fees charged to customers. The results showed that many fees were set far below the actual costs to perform the related function. In many cases the fee structure is not meant to fully recover the cost related to the service performed, rather it is meant to incentivize customers when a service is requested. For FY13, changes are recommended in the following fees:

- 1.) Transfer Fee - last changed in 1964, this fee covers the cost of transferring accounts from one location to another.
- 2.) Disconnect/Reconnect Fees - last changed in 2001, this fee covers the cost of disconnecting or reconnecting service due to non-payment. During normal business hours, service trucks with two personnel are utilized for disconnection/reconnection. The total cost of this procedure is significantly more than the proposed \$25 charge. Currently there is no distinction between residential customers and non-residential (primarily commercial). Most commercial account disconnect/reconnects require a line-truck and a three person crew. The associated costs are much greater in time and equipment. A higher disconnect/reconnect fee is proposed for non-residential accounts. Charges for non-business hour reconnection are proposed to be increased. The proposed rate is well below the actual cost as personnel are paid a minimum of three hours when called in for after-hours duty.
- 3.) Security Deposit - last changed in 2005, the recommended deposit amount is for electric only. The average monthly electric cost for a residential customer is \$90. The proposed increase would set the deposit at \$75. Upon request, deposits are refunded to customers after two years of good payment history.
- 4.) Water System Connection Fees:
 - a. System Equity Charge, currently called Connection Fee - last changed in 2008, it is proposed that the current name be changed to System Equity Charge because the fee is based on the per meter value (equity) of the existing water infrastructure. Based on the current per meter value, a reduction is proposed for this fee.
 - b. Tap Fee - last changed in 2005, this fee is designed to recover the cost associated with tapping a water main and constructing the water service line from the main to the meter box. This proposed fee is below the actual average cost, but does move the charge closer to the actual cost.
 - c. Meter Fee - last changed in 2004, this fee is designed to cover the cost of the water meter only. Based on current meter costs, a reduction is proposed for this fee.

Detail of Proposed Fee Changes: The following information provides more detail of the individual change proposed for each fee.

Transfer Fee - Increase from \$4.00 to \$5.00.

Residential Disconnect Fee - Increase from \$15.00 to \$25.00.

Non-Residential Disconnect Fee - Establishes a fee of \$50.00, previously charged the same as Residential customers.

Residential Reconnection Fee during normal business hours - Increase from \$15.00 to \$25.00.

Residential Reconnection Fee outside of normal business hours - Increase from \$30.00 to \$75.00.
 Non-Residential Reconnection Fee during normal business hours - Establishes a fee of \$50.00, previously charged the same as Residential customers.
 Non-Residential Reconnection Fee outside of normal business hours - Establishes a fee of \$150.00, previously charged the same as Residential customers.
 Residential Electric Security Deposit - Increase from \$65.00 to \$75.00.
 Connection Fee - Change name to System Equity Charge and reduce by meter size as follows: 5/8 and 3/4 inch from \$600.00 to \$500.00; 1 inch from \$645.00 to \$538.00; 1 & 1/2 inch from \$928.00 to \$773.00; 2 inch from \$997.00 to \$831.00; 3 inch from \$2,439.00 to \$2,033.00; 4 inch from \$3,769.00 to \$3,141.00; and, 6 inch from \$7,539.00 to \$6,283.00.
 Tap Fee - Increase 1 inch fee from \$160.00 to \$500.00, and increase 4 inch and larger fee from \$500.00 to \$575.00.
 Meter Fee - Reduce by meter size as follows: 5/8 inch from \$188.00 to \$138.00; 3/4 inch from \$210.00 to \$155.00; and 1 inch from \$242.00 to \$185.00.

FISCAL IMPACT:

The proposed fee changes will have a minor impact on the overall budgets of the water and electric utilities. It is estimated that the changes to the Water System Connection Fees will have the largest impact. Given the current economic conditions it is estimated that revenues will increase less than \$20,000 for FY13. Revenues from the disconnect/reconnect fees may decrease as customers have a greater incentive to avoid these charges. The transfer fee will increase revenues by a few thousand dollars.

VISION IMPACT:

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

None

SUGGESTED COUNCIL ACTIONS:

Staff recommends Council approve the FY13 Connection and Service Fee changes.

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost	\$0.00	New Program/ Agency?	No	Federal or State mandated?	No
Amount of funds already appropriated	\$0.00	Duplicates/Epands an existing program?	No	Vision Implementation impact	
Amount of budget amendment needed	\$0.00	Fiscal Impact on any local political subdivision?	No	Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	No
One Time	\$0.00	Requires add'l FTE Personnel?	No	Primary Vision, Strategy and/or Goal Item #	
Operating/ Ongoing	\$0.00	Requires add'l facilities?	No	Secondary Vision, Strategy and/or Goal Item #	
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	