



City of Grand Island

Tuesday, November 22, 2016

Council Session

Item F-2

**#9613 - Consideration of Revisions to Chapter 35 of the City Code -
Water**

Staff Contact: Tim Luchsinger, Jerry Janulewicz

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
Jerry Janulewicz, City Attorney

Meeting: November 22, 2016

Subject: Ordinance #9613 – Consideration of Revisions to
Chapter 35 of the City Code - Water

Presenter(s): Timothy Luchsinger, Utilities Director

Background

The Grand Island water system's usage has increased to where additional capacity is required to allow future growth in the City. An elevated storage tank is recommended by the recently completed Water System Master Plan. To fund the cost of the elevated storage tank, a bond issue is proposed.

A cost of service study was completed by the Nebraska Municipal Power Pool in order to support projected revenue requirements of the bond debt service. The results of the study and possible changes to the water system rate structure were provided to the Council for discussion at the Study Session on November 1, 2016.

Discussion

The proposed ordinance changes reflect the rate modifications presented previously to Council. While increasing the meter fee portion of the rates, the commodity charges for the first rate block were lowered significantly, and the minimum monthly charge was eliminated. This first rate block is typical of most residential customers and provides for the water used for personal consumption, cooking, bathing, and cleaning, and should see minimal cost impact.

The next three rate blocks are typical of usage for lawn irrigation, which is the primary driver of the need for the additional system capacity, and therefore increased more than the other rate blocks.

The final four rate blocks were adjusted in accordance with the evaluated cost of service for this usage, and are primarily commercial and industrial customers. The customer charge for unfunded regulatory mandates, which is the backflow program implemented in 2004, was increased from the original charge of \$0.35 per month to \$0.70 per month,

which are the current program costs. Finally, sections 35-36 and 35-37 were revised to allow for the collection of water project permit and plan review fees authorized in the fee schedule.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approved Ordinance 9613 revising Chapter 35, Water, of the City Code.

Sample Motion

Move to approve Ordinance 9613 revising Chapter 35, Water, of the City Code.

ORDINANCE NO. 9613

An ordinance to amend Chapter 35 of the Grand Island City Code specifically, to amend Section 35-30 pertaining to water rates; to amend Sections 35-36 and 35-37; to repeal any ordinance or parts of ordinances in conflict herewith; and to provide for publication and the effective date of this ordinance.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA:

SECTION 1. Chapter 35, Sections 35-30, 35-36 and 35-37 of the Grand Island City Code are hereby amended to read as follows:

§35-30. Schedule of Rates

SCHEDULE OF RATES WITHIN CITY

The rate to be charged for water furnished within the corporate limits of the City shall be as follows:

Monthly Billings	
Cubic feet per month	Rate per 100 cubic feet
First 500.....	\$ 1.49 <u>60.800</u>
Next 500.....	<u>0.700</u> <u>1.040</u>
Next 500.....	<u>0.692</u> <u>1.352</u>
Next 2,500.....	<u>0.767</u> <u>1.352</u>
Next 6,000.....	<u>0.713</u> <u>0.800</u>
Next 90,000.....	<u>0.654</u> <u>0.750</u>
Next 100,000.....	<u>0.574</u> <u>0.700</u>
Over 200,000.....	<u>0.535</u> <u>0.635</u>
<u>Monthly Minimum (500 cu.ft.).....</u>	<u>7.480*</u>

SCHEDULE OF RATES OUTSIDE CITY

The rate to be charged for water furnished outside and beyond the corporate limits of the City shall be as follows:

Approved as to Form ☐ _____
November 17, 2016 ☐ City Attorney

ORDINANCE NO. 9613 (Cont.)

Monthly Billings

Cubic feet per month	Rate per 100 cubic feet
First 500.....	\$1.49 <u>60.800</u>
Next 500.....	0.84 <u>01.248</u>
Next 500.....	0.83 <u>01.622</u>
Next 2,500.....	0.92 <u>01.622</u>
Next 6,000.....	0.85 <u>60.960</u>
Next 90,000.....	0.78 <u>50.900</u>
Next 100,000.....	0.68 <u>90.840</u>
Over 200,000.....	0.64 <u>20.762</u>
<u>Monthly Minimum (500 cu.ft.).....</u>	<u>7.480*</u>

*Plus a customer charge of \$0.350.70 per month for unfunded federal mandates for the Clean Water Act and the City's backflow program, in addition to the regular rates charged for water furnished to the customer.

Amended by Ordinance No. 8935, effective 10-01-2004
 Amended by Ordinance No. 8987, effective 07-27-2005
 Amended by Ordinance No. 9181, effective 10-01-2008
 Amended by Ordinance No. 9371, effective 04-01-2012
 Amended by Ordinance No. 9393, effective 08-02-2012

In addition to consumption, a monthly fee would be charged according to the meter size supplying water to the property:

Meter Size	Monthly Fee
<= 1"	\$2.50 <u>6.50</u>
1 ½"	\$8.00 <u>12.00</u>
2"	\$22.50 <u>28.50</u>
3"	\$40.00 <u>48.50</u>
4"	\$55.00 <u>66.00</u>
6"	\$225.00
8"	\$1,250.00
10"	\$4,000.00

Amended by Ordinance No. 9371(A), effective 04-01-2012

§35-36. Review and Approval of Plans

All water main construction plans and specifications shall be reviewed and approved by the Grand Island Utilities Director, the Fire Department, and Department of Public Works. Prior to commencement of construction, the private person or entity constructing the water main, shall obtain a construction permit and pay a permit fee from the Utilities Director and Building Department Director after the water main construction plans and specifications have been approved as set forth above and before any water main construction work has commenced.

Amended by Ordinance No. 9533, effective 05-05-2015

§35-37. Cost to Review Plans

The Utilities and Building Department may charge to review plans submitted by persons or entities proposing to construct water mains in the planning area. The charge shall be the rate per hour established and published from time to time by the City Fee Schedule.

ORDINANCE NO. 9613 (Cont.)

SECTION 2. Any ordinances or parts of ordinances in conflict herewith be, and hereby are, repealed.

SECTION 3. This ordinance shall be in force and take effect from and after its passage and publication, within fifteen days in one issue of the Grand Island Independent as provided by law.

Enacted: November 22, 2016.

Jeremy L. Jensen, Mayor

Attest:

RaNae Edwards, City Clerk