



City of Grand Island

Tuesday, September 09, 2008

Council Session

Item F1

**#9181 - Consideration of Water Rate Change for Fiscal Year
2008 - 2009**

Staff Contact: Gary R. Mader

Council Agenda Memo

From: Gary R. Mader, Utilities Director
Meeting: September 9, 2008
Subject: Ordinance #9181 - Water Rate Change
Item #'s: F-1
Presenter(s): Gary R. Mader, Utilities Director

Background

The Water Department has seen unusually steep increases in the costs of materials over the last few years. This increase is reflective of the world wide increases in metal materials and energy dependent industries. Additionally, the Water Department continues to see substantial pressure to expand the distribution system to meet the growth needs of the City for a potable water supply and fire protection, and continued pressure for expansion into already developed areas that historically have not had city water supply. In order to continue to meet the needs of the community, the Department will be required to continue to purchase the materials required for expansion and will need to meet the expenses of increasing power costs.

Discussion

Costs of the materials necessary for the expansion, maintenance and operation of the water system have continued to increase. Valves, fire hydrants, pipe, fittings and other materials have generally increased in just the last few years by amounts ranging from 35% to 90%. The '07-'08 Water Department budget includes a rate increase to keep pace with increasing costs. The proposed change is a 3% increase. With that change, the minimum bill at 500 cu. ft. would increase 22¢ per month.

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 Ordinance No. 9181 be approved to increase water rates by 3% in all rate blocks.

Sample Motion

Move to approve Ordinance #9181.

ORDINANCE NO. 9181

An ordinance to amend Chapter 35 of the Grand Island City Code specifically, to amend Section 35-30 pertaining to water rates; to repeal Sections 35-30 as now existing, and 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. Section 35-30 of the Grand Island City Code is hereby amended to read as follows:

§35-30. Schedule of Rates

The rate to be charged for water furnished shall be as follows:

Monthly Billings	
Cubic feet per month	Rate per 100 cubic feet
First 500.....	\$1.496
Next 500.....	0.700
Next 500.....	0.692
Next 2,500.....	0.767
Next 6,000.....	0.713
Next 90,000.....	0.654
Next 100,000.....	0.574
Over 200,000.....	0.535
Monthly Minimum (500 cu.ft.).....	7.480*

*Plus a customer charge of \$0.35 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 10-1-2004
Amended by Ordinance No. 8987, effective 7-27-2005
Amended by Ordinance No. 9181, effective 10-1-08

SECTION 2. Section 35-30 as existing prior to this amendment, and any ordinances or parts of ordinances in conflict herewith, are repealed.

SECTION 3. The validity of any section, subsection, sentence, clause, or phrase of this ordinance shall not affect the validity or enforceability of any other section, subsection, sentence, clause, or phrase thereof.

Approved as to Form <input type="checkbox"/> _____ September 3, 2008 <input type="checkbox"/> City Attorney
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ORDINANCE NO. 9181 (Cont.)

SECTION 4. That this ordinance shall be in force and take effect October 1, 2008.

Enacted: September 9, 2008.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk