



# **City of Grand Island**

**Tuesday, March 13, 2012**

**Council Session**

## **Item F3**

**#9371 - Consideration of Amendments to Chapter 35 of the Grand Island City Code Relative to Revisions of the Water Rate Schedule**

**Staff Contact: Tim Luchsinger**

# **Council Agenda Memo**

**From:** Timothy Luchsinger, Utilities Director

**Meeting:** March 13, 2012

**Subject:** Ordinance # 9371 - Consideration of Revision of Water Rate Schedule

**Item #'s:** F-3

**Presenter(s):** Timothy Luchsinger, Utilities Director

## **Background**

The City's municipal water system is supplied primarily from its Platte River Well Field. This well field is comprised of 21 wells and a pumping station. Testing for State regulatory requirements indicated composite uranium levels to be approaching the Maximum Containment Level (MCL) established by the EPA. Uranium is not an acute concern but rather is a chronic concern over a lifetime of exposure, and sampling and testing of the Grand Island water system thus far show full compliance with the EPA regulation. Testing of individual wells for uranium has indicated most wells exceed this MCL. To allow use of these wells during high water system demand periods, additional piping was installed in the past year for blending with lower uranium concentration wells. Recent testing of uranium concentrations in the wells indicated a trend towards increasing levels, reducing the effectiveness of well blending to reduce overall levels, therefore, based on Department recommendations, the Utilities Department was authorized by Council on February 22, 2011, to proceed with the procurement and installation of the large-scale pilot uranium removal system. Based on the multiple phase structure of the uranium engineering services RFP, HDR, the City's consultant on this project, was requested to provide a proposal for preparing specifications to issue for bids for an adsorptive media pilot plant. On June 28, 2011, Council awarded the contract for the Uranium Removal System – Equipment Procurement to Water Remediation Technology.

On August 23, 2011, Council approved the proposal of HDR Engineering, Inc., of Lincoln, Nebraska, for Uranium Removal Water Plant – Task Order No. 2. This task order authorized the detailed engineering services which included preparation of specifications for bidding of a new building and foundations, underground piping, well modifications, and installation of the uranium removal equipment. As part of these engineering services, HDR developed the specifications for the pump modifications of well field wells and installation of the uranium removal system equipment. Contracts

have been awarded for the construction of the uranium removal equipment building and for the installation of the equipment. The system is planned to be operational in May of this year. Methods to fund the capital cost and annual operating costs are now required to be finalized to support completion of the uranium removal system project.

## **Discussion**

Possible funding methods for the capital cost and annual operating costs have been previously discussed with Council, and preference during the Study Session of March 6, 2012 included the revision of the Water Rate Schedule by either creating a Meter Fee Schedule or increasing each billing unit rate (100 cubic feet), to fund the uranium removal system's annual operating expense of \$800,000. The proposed Water Rate Schedule indicated in Ordinance A establishes a monthly fee charged based on the size of customer's water meter. The proposed Water Rate Schedule indicated in Ordinance B adds \$0.16 to each rate per 100 cubic feet in the current Schedule of Rates.

## **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 approve Ordinance #9371, version "A" adding a Meter Fee Schedule, or version "B", increasing the Water Rate Schedule by \$0.16 per 100 cubic feet rate (750 gallons).

## **Sample Motion**

Move to approve Ordinance #9371, revising the Water Rate Schedule, (version "A" or version "B").

ORDINANCE NO. 9371 (A)

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:

§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 10-1-2008  
Amended by Ordinance No. 9371, effective 04-1-2012

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

ORDINANCE NO. 9371 (A) (Cont.)

Meter Size	Monthly Fee
<= 1"	\$2.50
1 1/2"	\$8.00
2"	\$22.50
3"	\$40.00
4"	\$55.00
6"	\$225.00
8"	\$1,250.00
10"	\$4,000.00

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.

SECTION 4. That is ordinance shall be in force and take effect April 1, 2012.

Enacted: March 13, 2010.

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Jay Vavricek, Mayor

Attest:

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RaNae Edwards, City Clerk

## ORDINANCE NO. 9371 (B)

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.

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GRAND ISLAND, NEBRASKA;

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### §35-30. Schedule of Rates

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

<b>Monthly Billings</b>	
<b>Cubic feet per month</b>	<b>Rate per 100 cubic feet</b>
First 500.....	\$1.656
Next 500.....	0.860
Next 500.....	0.852
Next 2,500.....	0.927
Next 6,000.....	0.873
Next 90,000.....	0.814
Next 100,000.....	0.734
Over 200,000.....	0.695
Monthly Minimum (500 cu.ft.).....	8.280*

\*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 10-1-2008  
Amended by Ordinance No. 9371, effective 04-1-2012

ORDINANCE NO. 9371 (B) (Cont.)

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