BILL 2014-53

****** First Reading ******

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, City Manager

DATE: November 3, 2014

RE: Water Rate Ordinance

Issues

In March, 2011, our water/wastewater consultants (HDR Engineers) completed a rate review of our water and wastewater rates. It was updated in August, 2014. This work was done, in part, to determine financing needs for upcoming capital improvements at the treatment plant. At this time, we are proposing a small increase to keep up with the cost of operating the water and wastewater systems. The study reports needed increases of about $3.00 per month for the next three years. In the near future, we will need to plan for rates to cover the additional cost of obtaining supplemental water from the Great Northwest Wholesale Water Commission (GNWWC). The rate study could not factor in those costs, since they have not yet been determined.

In order to help us maintain compliance with the Disinfection Byproducts Rule, we are switching our disinfection practice from a free chlorine system to a combined chlorine system. This change will also be necessary in the long term, when the City obtains water from the GNWWC. This is because a combined chlorine system will be used in the GNWWC pipe network. Combined chlorine is able to travel long distances without dissipating as rapidly as free chlorine. In addition, we are looking at installing backup power generators at both our treatment facilities.

The recommendation is for a small increase in water rates to take effect on January 1, 2015. This will amount to a monthly increase of approximately $3.12 per month for a 5,000 gallon user, which is the amount of water used when rates are compared across the nation. In Cameron, the average use is less than 5,000 gallons per month, so those users will experience an increase less than $3.12 per month. Under the current rate, a 5,000 gallon user pays $31.03, and the same usage under the new rate will be $34.15. In the most recent survey done by MPUA (Missouri Public Utility Alliance), the same user in Chillicothe pays $24.50; Kearney $32.31; Liberty $29.55; Grain Valley $41.51 and Oak Grove, $39.89.

Recommendation

Staff recommends that Council pass the ordinance and time is sufficient to allow three readings.

Bill 2014-53

AN ORDINANCE FOR THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI REPEALING THE CURRENT WATER RATES AND ESTABLISHING NEW WATER RATES FOR CONSUMERS OF THE CAMERON MUNICIPAL UTILITIES

WHEREAS, the City of Cameron owns and operates a water supply, treatment and distribution system as a stand-alone non-profit municipal enterprise to serve the citizens of Cameron, and

WHEREAS, the system must maintain sustainability of operations, which includes meeting increasing for flow and/or quality; and

WHEREAS, the revenue received by the City must be sufficient to treat and deliver water to customers.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI AS FOLLOWS:

Section 1. Repeal the existing subsection (c) of Sec. 12-136, Water Rates, and replace it with a new subsection (c), setting new water rates.

(c) User charges shall be as follows:

Water Rates Effective 01-01-2015

Residential and Commercial

1st 200 cubic feet……..$10.51

Next 1400……..$5.04 per 100 cu. ft.

Next 2000……..$3.47 per 100 cu. ft.

Excess……$2.56 per 100 cu. ft.

Outside City Limits

1st 200 cubic feet……..$21.02

Next 1400……..$10.08 per 100 cu. ft.

Next 2000……..$6.94 per 100 cu. ft.

First Reading

Excess……$5.12 per 100 cu. ft.
Minimum Bill…….$21.02

Multiple Dwelling Water

Minimum water charge is $10.51 times the number of units in building.

Clinton County Public Water Supply District #3 (PWSD #3) and WMCC Rate

1st 1600……$5.08 per 100 cu. ft.

Next 2000…….$3.51 per 100 cu. ft.

Excess……...$2.63 per 100 cu. ft.

Public Water Supply District #3 (PWSD #3) Resale rate to Public Water Supply District #2 of Caldwell County (PWSD #2).

$4.07 per 1,000 gallons

Minimum Charge is $407.00 per month

Section 2. This ordinance hereby repeals all other ordinances pertaining to all water rates heretofore established for users of water in the City of Cameron, Missouri, and any and all other ordinances inconsistent herewith. This ordinance shall take effect and be in full force January 1, 2015.

Section 4. The Mayor is authorized to sign this ordinance approving it on behalf of the City.

Section 5. The City Clerk is hereby directed to attest to the Mayor's signature.

Passed and approved on first reading this 3rd day of November, 2014.
Passed and approved on second reading this_____ day of_____2014.
Passed and approved on third and final reading this_____ day _____2014.

_____
Mayor Dennis M. Clark

ATTEST:

_____
City Clerk/Finance Clerk

First Reading