BILL 2011-51

****** Second Reading ******

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, Interim City Manager

DATE: July 5, 2011

RE: Sewer Rate Ordinance

Issues

The City is in the process of making sewer system improvements in an effort to reduce infiltration and inflow, along with the elimination of sanitary sewer overflows. The first phase of work involving the sewer basin served by Lift Station #1 (Basin # F-0001) has begun. I/I reduction for the entire system will take place over a period of several years, however.

This work is required by the Missouri Department of Natural Resources as a permit condition for continued operation of the facility in accordance with existing regulations. In addition, the City reviews rates on annual basis, in accordance with City Ordinance Section 12-293. Rates should be adjusted when the cost of operating or maintaining the system justify it. Sewer rates have not increased since 1992, while costs of operation and construction do not remain stagnant. We have created a multi-year plan that keep rate increases small if enacted annually.

The proposed rate adjustment will impact the average Cameron residential user by $1.92 per month. The average residential unit now pays an average of $12.76 per month for sewer usage, and under the new rate, the user charge will be $14.68.

Sewer rates are generally estimated for a 5,000 gallon per month user as an average. This makes a uniform number so comparison can be made with other municipalities. Cameron's average user is slightly less than that. For comparison a 5,000 gallon user in Cameron will pay $17.50 per month, from a previous charge of $15.22. In contrast, a survey done by HDR Engineering, Inc. shows the same user in St. Joseph paying $28.03; Kearney $16.08; Liberty $36.95; Grain Valley $31.56 and Oak Grove, $22.25. We do not expect Cameron's sewer rate to reach the $30.00 per month level until about 2015. Rates will be evaluated on an annual basis, however. In addition, we do not know if the rates for the other towns include any additional I/I work that they might be doing, as well. It is likely that their rates will be increasing from the amounts shown above.

Surcharge rates for industrial users who exceed BOD and TSS limits will also be adjusted by the same percentages. Currently, there are no users who are required to pay these surcharges. It is important, however, to keep the rates current for these charges, as well.

Recommendation

The Council Water/Sewer/Storm Water Committee met on this issue and recommends that the Council approve the sewer use rates as listed in the proposed ordinance. Three readings are recommended.

Bill 2011-51

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

WHEREAS, the City of Cameron owns and operates a wastewater collection and treatment system as a stand-alone non-profit municipal enterprise to serve the citizens of Cameron; and

WHEREAS, the City of Cameron City Council has elected to make necessary sanitary sewer system improvements to reduce infiltration and inflow; and

WHEREAS, current sewer revenue is not sufficient to fund such improvements.

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 (b) of Sec. 12-289, Rates, and replace it with a new subsection (b), *Monthly rates*, setting new sewer use rates.

(b) *Monthly rates.*

(1) For residential contributors, monthly user charges for the collection and treatment of sewage will be based on monthly water usage. The minimum charge per month for the collection and treatment of sewerage shall be seven dollars eighty-seven cents ($7.87) for the first two hundred (200) cubic feet for residential contributors and seven dollars eighty-seven cents ($7.87) for the first two hundred (200) cubic feet for other than residential contributors. In addition, each contributor shall pay a user charge rate of two dollars six cents ($2.06) per one hundred (100) cubic feet of water (or wastewater) above the minimum as determined in the preceding section.

(2) For industrial and commercial contributors, user charges for the collection and treatment of sewerage shall be based on water used during the current month. If a commercial or industrial contributor has a consumptive user of water, or in some other manner uses water which is not returned to the wastewater collection system, the user charge for that contributor may be based on a wastewater meter or separate water meters installed and maintained at the contributor's expense and in a manner acceptable to the City.

Second reading

Section 2. Repeal the existing subsection (c) of Sec. 12-289, Surcharge, and replace it with a new subsection (c), *Surcharge*, setting new surcharge rates.

(c) *Surcharge.* For those contributors who contribute wastewater, the strength of which is greater than normal domestic sewage, a surcharge in addition to the normal user charge will be collected. The surcharge is:

(1) $0.53 per pound BOD; and
(2) $0.37 per pound TSS.

Section 3. This ordinance hereby repeals all other ordinances pertaining to all sewer rates heretofore established for users of the sewer system in the City of Cameron, Missouri, and any and all other ordinances inconsistent herewith. This ordinance shall take effect and be in full force September 1, 2011.

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 5th day of July 2011.
Passed and approved on second reading this_____day of_____2011.
Passed and approved on third and final reading this____ day of_____2011.

_____
Mayor Frank A. Buck

ATTEST:

_____
City Clerk

Second reading