BILL 2011-50

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

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, Interim City Manager

DATE: July 5, 2011

RE: Water Rate Ordinance

Issues

On Tuesday, June 14, 2011, the Council Water/Sewer/Storm Water Committee met to discuss several items, one of which was water rates. Staff recommended water rates be adjusted slightly to help cover increased cost for water treatment and delivery. Several things involved with the pumping, treatment and distribution of drinking water have increased operating costs.

- Chemical costs represent approximately 30% of the production budget (Est. year-end 09/10). Prices for chemicals have increased approximately 6.1%. My guess is that it is largely due to environmental and fuel charges.
- Coagulant residuals disposal. This expense has increased considerably over the years. It is a capital item and regulations for residual disposal have become more stringent over the years. We have researched innovative methods of dewatering this material, which may help reduce costs in upcoming years. We are experimenting with one dewatering method currently, and hopefully, our long-term costs will not increase as quickly with this method.
- Electricity expense (21% of the budget-Est. year-end 09/10) is a large expense item for a treatment facility, because of pumping from the reservoirs and from the plant to the system. We installed variable frequency drives on the high service pumps and the reservoir aerations system, which has lowered the kilowatt hour demand. This has helped keep the increases lower than what they would have been had we not made the improvements.

The recommendation is for a small increase in water rates to take effect on September 1, 2011. This will amount to a monthly increase of only $0.80 per month for a 5,000 gallon user ($26.02 to $26.82). The percentage equivalent is 3%.

Recommendation

The Water/Sewer/Storm Water Committee recommends that the Council approve the water rates as listed in the proposed ordinance. Three readings are recommended.

Bill 2011-50

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 09-01-2011

Residential and Commercial

1st 200 cubic feet……..$8.27

Next 1,400……..$3.96 per 100 cu. ft.

Next 2,000……..$2.72 per 100 cu. ft.

Excess……$2.02 per 100 cu. ft.

Outside City Limits

1st 200 cubic feet……..$16.54

Next 1,400……..$7.92 per 100 cu. ft.

Next 2,000……..$5.44 per 100 cu. ft.

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Excess……$4.04 per 100 cu. ft.
Minimum Bill…….$16.54

Multiple Dwelling Water

Minimum water charge is $8.27 times the number of units in building.

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

1st 1,600……$4.00 per 100 cu. ft.

Next 2,000…….$2.76 per 100 cu. ft.

Excess……...$2.06 per 100 cu. ft.

Public Water Supply District #3 (PWSD #3) Resale rate to Public Water Supply District #2 of Caldwell County (PWSD #2, per 1,000 gallons) $3.20

Minimum Charge is $320.00 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 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 18th day of July 2011.
Passed and approved on third and final reading this _____ day of _____ 2011.

_____
Mayor Frank A. Buck

ATTEST:

_____
City Clerk

Second reading