



Council Communication

Office of the City Manager

Date February 25, 2008

Agenda Item No. 45
Roll Call No. 08-
Communication No. 08-104
Submitted by: Allen McKinley, Finance
Director

AGENDA HEADING:

Amending the ordinance regarding the sanitary sewer user fees for Wastewater Collection and Treatment Services

SYNOPSIS:

Revisions to Chapter 118 Utilities, Division 4. Rentals (Charges for Wastewater Collection and Treatment Services) approving sanitary sewer rate increases of 6% effective on July 1, 2008; July 1, 2009; and July 1, 2010.

FISCAL IMPACT:

The proposed sewer rate changes are projected to provide three annual revenue increases of 6% to the Des Moines Sanitary Sewer System beginning July 1, 2008. Proposed rates and estimated annual revenue increases follow:

	<u>Current Rates</u>	<u>Proposed Rates</u>	<u>Increased Revenue</u>
Customer Service Charge	\$4.40	\$4.40	
Volume Charge	\$3.74	\$3.96 (7/1/08)	\$1,452,000
(per 1,000 gallons		\$4.20 (7/1/09)	\$1,568,160
of billed water usage)		\$4.45 (7/1/10)	\$1,662,250

ADDITIONAL INFORMATION:

At the October 29, 2007 Council workshop, staff presented an update on the status of operations and capital improvement plans related to the sanitary sewer system. At that time, staff indicated there would be a need for fee increases in the near future to provide for increasing operating and maintenance expenses, maintaining the City's financial commitments related to outstanding sewer revenue bonds, and financing additional capital projects including those necessary to meet the requirement to separate combined sewers. At the January 4, 2008 Council workshop there was a request for staff to update the financial projections of the sanitary sewer system and make recommendations on rate increases for the near future. At the February 4, 2008 Council workshop, staff presented updated financial projections and recommended three annual fee increases of 6% beginning July 1, 2008.

PREVIOUS COUNCIL ACTION(S):

Date: April 25, 2005

Roll Call Number: [05-1006](#)

Action: Amending Chapter 118 of the Municipal Code regarding sanitary sewer fees. Moved by Vlassis that this ordinance do now pass, [#14,434](#). Motion Carried 6-1. Nays: Brooks.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Second and third readings of the ordinance.