

★ Roll Call Number

Agenda Item Number

56

March 10, 2008

Date

An Ordinance entitled "AN ORDINANCE to amend the Municipal Code of the City of Des Moines, Iowa, 2000, adopted by Ordinance No. 13,827, passed June 5, 2000, and amended by Ordinance No. 14,434 passed April 25, 2005, by amending Section 118-149 thereof, regarding sewer service charges",

which was considered and voted upon under Roll Call No. 08- 332 of February 25, 2008, again presented.

Moved by _____ that this ordinance be considered and given second vote for passage.

(Second of three required readings)

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				

MOTION CARRIED

APPROVED

.....
Mayor

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk

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**Council
Communication**
Office of the City Manager

Date	February 25, 2008
Agenda Item No.	45
Roll Call No.	08-352
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.

ORDINANCE NO. _____

45/36
08/332

AN ORDINANCE to amend the Municipal Code of the City of Des Moines, Iowa, 2000, adopted by Ordinance No. 13,827, passed June 5, 2000, and amended by Ordinance No. 14,434 passed April 25, 2005, by amending Section 118-149 thereof, regarding sewer service charges.

Be It Ordained by the City Council of the City of Des Moines, Iowa:

Section 1. That the Municipal Code of the City of Des Moines, Iowa, 2000, adopted by Ordinance No. 13,827, passed June 5, 2000, and amended by Ordinance No. 14,434 passed April 25, is hereby amended by amending Section 118-149 regarding sewer service charges, as follows:

Sec. 118-149. Sewer service charges--Volume charge and customer service charge.

- (a) Every customer shall pay to the city the rates and charges as hereinafter established and specified for the purpose of contributing toward the costs of construction, maintenance and operation of the wastewater treatment system.
- (b) Except as hereinafter provided, each customer whose property lies within the corporate limits of the city shall pay to the city, either directly or, at the direction of the city manager, through its collection agent at the agent's office, at the same time payment for city water service is made, a volume charge for domestic wastewater contribution. The volume charge shall be calculated as follows: (1) for the period ending June 30, 2005, the volume charge shall be calculated on the basis of \$2.97 for each 1,000 gallons of water; (2) for the period July 1, 2005 through June 30, 2006, the volume charge shall be calculated on the basis of \$3.21 for each 1,000 gallons of water; (3) for the period July 1, 2006 through June 30, 2007, the volume charge shall be calculated on the basis of \$3.46 for each 1,000 gallons of water; and (4) for the period July 1, 2007 ~~and thereafter~~ through June 30, 2008, the volume charge shall be calculated on the basis of \$3.74 for each 1,000 gallons of water, or fraction thereof, consumed by each customer each month; and (5) for the period July 1, 2008 through June 30, 2009, the volume charge shall be calculated on the basis of \$3.96 for each 1,000 gallons of water, or fraction thereof, consumed by each customer each

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month; and (6) for the period July 1, 2009 through June 30, 2010, the volume charge shall be calculated on the basis of \$4.20 for each 1,000 gallons of water, or fraction thereof, consumed by each customer each month; and (7) for the period July 1, 2010 and thereafter, the volume charge shall be calculated on the basis of \$4.45 for each 1,000 gallons of water, or fraction thereof, consumed by each customer each month. The volume charge assessed monthly to all such customers shall be in addition to those charges specified in subsection (c) of this section, and in addition to the charges, surcharges, and penalties provided in section 118-151.

- (c) Except as hereinafter provided, each customer whose property lies within the corporate limits of the city shall pay to the city, either directly or, at the direction of the city manager, through its collection agent at the agent's office, at the same time payment for city water service is made, a monthly customer service charge of \$4.40. The customer service charge assessed monthly to all such customers shall be in addition to those charges specified in subsection (b) of this section, and in addition to the charges, surcharges, and penalties provided in section 118-151.
- (d) The director shall periodically review the volume charge and the customer service charge in conjunction with the preparation of the budget for the city sanitary sewer system. If at any time the director determines that the volume charge, the customer service charge, and/or the budget for the city sanitary sewer system requires adjustment, the director shall report such determination to the city manager and city council. The city council may at any time adjust the volume charge or the customer service charge by adoption of an ordinance amending this section, and may at any time adjust the budget for the city sanitary sewer system by adoption of an appropriate resolution.
- (e) Contributors whose properties lie outside the corporate limits of the city and which are served or otherwise provided sewer service pursuant to contract with the city, shall pay to the city a fee as set forth in section 118-154(d).

Sec. 2. This ordinance shall be in full force and effect from and after its passage and publication as provided by law.

FORM APPROVED:

Ann DiDonato
Ann DiDonato
Assistant City Attorney