

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 12/10/12

AGENDA ITEM: Ordinance Increasing Water, Sewer, and Surface Water Utility Rates	
PREPARED BY: Sandy Langdon, Finance Director & John Nield, Financial Operations Manager DEPARTMENT: Finance	DIRECTOR APPROVAL:
ATTACHMENTS: Proposed Ordinance, Ordinance 2881	
BUDGET CODE:	AMOUNT:

SUMMARY:

Marysville Municipal Code provides the following direction for utility rate adjustments:

14.07.075 Rate adjustments.

(1) Beginning in 2006, as part of the budget process, the rates and fees for water and sewer may be adjusted annually by two percent. Any such adjusted rates and fees shall become effective January 1st of the new budget year. Beginning in 2007, as part of the budget process, surface water fees may be adjusted annually by two percent. Any such adjusted rates and fees shall become effective January 1st of the new budget year.

During the 2013 City budget process the Utility Fund Budget included a 2% adjustment to the water, sewer, and surface water rates for 2013 per MMC 14.07.075(1). The proposed rate table and ordinance will be effective in January 2013.

The 2% annual rate increase assists the Utility in addressing costs and bond covenant requirements. The City has incurred a 7.7% rate increase from city of Everett purchased water in 2012 and anticipates an additional 11.1% increase from Everett water sources in 2013. Due to cost-cutting measures and increased utilization of city sources, the City utility has been able to control expenditures within the 2% annual rate adjustment. In 2013, the City will be pursuing a full rate study for the utility to evaluate overall costs and improvements for the future 6 year period.

RECOMMENDED ACTION:

Staff recommends that City Council adopt an Ordinance of the City of Marysville Increasing Water, Sewer, and Surface Water Utility Rates and Amending Sections 17.07.060, 14.07.070, and 14.19.050 of the Marysville Municipal Code as Allowed Under Section 14.07.075.

- CITY OF MARYSVILLE
Marysville, Washington

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF MARYSVILLE, WASHINGTON INCREASING WATER, SEWER, AND SURFACE WATER UTILITY RATES AND AMENDING SECTIONS 14.07.060, 14.07.070, AND 14.19.050 OF THE MARYSVILLE MUNICIPAL CODE AS ALLOWED UNDER SECTION 14.07.075.

WHEREAS, the City is authorized under RCW 35.92 to establish and maintain water and sewer systems and establish rates for those services.

WHEREAS, pursuant to ordinances codified in part at Chapter 14.07.060, 14.07.070 and 14.19.050 of the Marysville Municipal code, the City established water, sewer, and surface water rates for properties served by the City of Marysville water, sewer, and surface water utility; and

WHEREAS, using generally accepted rate setting techniques, and with the assistance of a qualified consultant, City staff formulated recommended water, sewer, and surface water rates; and

WHEREAS, on January 25, 2010 the Marysville City Council held a public hearing, took public testimony, fully considered the staff recommendation of proposed water, sewer, and surface water rates, and approved Staff recommendation regarding rate adjustments including establishment of storm water connection charge, restructuring of water rate to inclined block volume rate, elimination of overage rate, elimination of summer surcharge, sewer rate increase, and surface water rate increase; and

WHEREAS, the Marysville City Council, during the 2013 Budget process and adoption, finds that the recommended 2% increase of water, sewer, and surface water rates, per MMC 14.07.075 Section 1, are fair, just and reasonable.

THE CITY COUNCIL OF THE CITY OF MARYSVILLE, WASHINGTON DO
ORDAIN AS FOLLOWS:

Section 1. Section 14.07.060 of the Marysville Municipal Code is hereby amended to read as follows:

14.07.060 Water rates.

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(1) Definitions.

(a) "Water rates," as used herein, shall refer to the charge assessed by the city for all water consumed or used on property connected to the city water system. The rates shall be based upon the quantity of water passing through the water meter during each billing period.

(b) The normal "billing period" shall be a two-month cycle and shall be that period falling between two consecutive meter read dates. Charges for periods of less than two months shall be prorated both as to minimum charge and as to consumption; provided, however, the city may, at its discretion, elect to use a monthly billing period for selected accounts. If a monthly billing period is used, the consumption allowance and rate shall be one-half that set forth in the bimonthly rate schedule.

(c) Billing Increments. Charges for water shall be computed on the nearest 1,000 gallons of consumption.

(d) "City rates" are those which shall be charged to all properties connected to the water system which are located within the city limits of Marysville.

(e) "CWSP rates" are those which shall be charged to all properties connected to the water system which are located outside the city limits of Marysville but are within the coordinated water system planning boundary.

(f) "OCWSP rates" are those which shall be charged to all properties connected to the water system which are located outside the city's coordinated water system planning boundary.

(g) "Multiple residential units" shall be defined as attached dwelling units which share a common water meter, including duplexes, townhouses, apartments and condominiums, and shall be defined as including mobile home parks.

(h) "Single-family residential units" shall refer exclusively to detached single-family dwelling units.

(2) Bi Monthly Minimum Water Rates. Minimum charges for each billing period, and consumption allowances for such minimums are established as follows (**effective January 1, 2013**):

Meter Size	AWWA Meter Factor	City Rate	Rural Rate	Outside UGA Rate
Tier = factor *base rate				
Multiple Residential Units (Per Unit)	N/A	\$ 20.94	\$ 31.42	\$ 41.88
5/8"	1.0	\$ 20.94	\$ 31.42	\$ 41.88
3/4"	1.5	\$ 31.42	\$ 47.11	\$ 62.81
1"	2.5	\$ 52.36	\$ 78.52	\$ 104.69
1-1/2"	5.0	\$ 104.69	\$ 157.04	\$ 209.38
2"	8.0	\$ 167.50	\$ 251.26	\$ 335.00
3"	16.0	\$ 335.00	\$ 502.50	\$ 670.01
4"	25.0	\$ 523.45	\$ 785.18	\$ 1,046.89
6"	50.0	\$ 1,046.89	\$ 1,570.32	\$ 2,093.76
8"	80.0	\$ 1,675.01	\$ 2,512.52	\$ 3,350.03
10"	115.0	\$ 2,407.83	\$ 3,611.75	\$ 4,815.66
12"	200.0	\$ 4,187.53	\$ 6,281.29	\$ 8,375.06

Residential & Multi-Family	City Rate	Rural Rate	Outside UGA Rate
Volume Tiers (1,000 gal)			
0 to 6	\$ 1.13	\$ 1.69	\$ 2.25
7 to 20	\$ 3.94	\$ 5.92	\$ 7.89
21 to 30	\$ 4.50	\$ 6.75	\$ 9.02
31 and higher	\$ 5.07	\$ 7.60	\$ 10.14

Commercial	City Rate	Rural Rate	Outside UGA Rate
Volume Tiers (1,000 gal)			
0 to 6	\$ 1.13	\$ 1.69	\$ 2.25
7 and higher	\$ 2.82	\$ 4.23	\$ 5.63

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- (a) Private hydrants, each: \$40.41 per year;
- (b) Wet standpipe systems: \$40.41 per year;
- (c) Dry standpipe systems: None;
- (d) Automatic sprinkler systems:

1. Each owner of an automatic sprinkler system shall be charged a monthly rate based upon the size of the water service line that serves the system. The following are the bimonthly rates:

Size of Line	Bimonthly Charge
2-inch	\$43.95
3-inch	\$54.10
4-inch	\$66.46
6-inch	\$83.36
8-inch	\$109.31
10-inch	\$137.46
12-inch	\$158.77

2. As of 1/1/2010 automatic sprinkler systems without a separate meter and where the line is under 2 inches, will become part of the minimum water rate as a result of the rate restructuring.

(6) Reduced Utility Charges in Special Cases. Upon application by a utility customer, the Chief Administrative Officer or designee shall have the discretion to make reasonable and equitable reduction in utility accounts, on a case-by-case basis, in the following circumstances:

(a) If a private water line, valve, fixture, or other appurtenance is verified to be leaking as a result of accidental damage or natural deterioration of the same, and not as a result of abuse or willful neglect, the water bill for the subject property during the period of the leak may be reasonably and equitably reduced; provided, that a customer shall be required to pay the base rate plus at least 50 percent of the applicable overage rate for all water which was lost by reason of the leak. The sewer bill for the subject property during the period of the leak may also be reasonably and equitably reduced to an amount not less than the bill charged for the corresponding period the previous year.

(9) Calculation of Water Bill for School Facilities. The city rate for water as set forth in subsection (2) of this section shall apply to all school facilities, whether such facilities are within the city limits or not. (Ord. 2181 §§ 1, 2, 1998; Ord. 2130 § 1, 1997; Ord. 2117 §§ 1, 2, 1997; Ord. 2109 § 1, 1996; Ord. 1840 § 1, 1991; Ord. 1809 § 1, 1990; Ord. 1789, 1990; Ord. 1434, 1985).

(10) Rate Relief. Low-income senior citizens and low-income disabled persons may be eligible for water and/or sewer rate relief pursuant to Chapter 3.63 MMC.

Section 2. Section 14.07.070 of the Marysville Municipal Code is hereby amended to read as follows:

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14.07.070 Sewer rates.

(1) Definitions.

(a) The normal “billing period” shall be a two-month cycle and shall be that period falling between two consecutive water meter read dates. Charges for periods of less than two months shall be prorated; provided, however, the city may, at its discretion, elect to use a monthly billing period for selected accounts. If a monthly billing period is used, the rate shall be one-half that set forth in the bimonthly rate schedule.

(b) “City rates” are those which shall be charged to all properties connected to the sewer system which are located within the city limits of Marysville.

(c) “UGA rates” are those which shall be charged to all properties connected to the sewer system which are located outside of the city limits of Marysville but are within the urban growth area of the city of Marysville or that portion of the city of Arlington urban growth area which Marysville has agreed by interlocal agreement to provide service.

(d) “OUGA rates” are those which shall be charged to all properties connected to the sewer system which are located outside the Marysville city limits and outside area where “UGA rates” apply.

(e) “Single-family residences” shall refer exclusively to detached single-family dwelling units.

(f) “Multiple residential units” shall be defined as attached dwelling units which share a common water meter, including duplexes, townhouses, apartments, and condominiums, and shall be defined as including mobile home parks.

(g) “Commercial/industrial” refers to all nonresidential land uses which are not specifically itemized or defined as being included within other classifications.

(h) “Satellite system rate” refers to that rate charged to the city by Lake Stevens Sewer District for the “overlap” area as described in the interlocal agreement between the parties dated April 22, 1999, plus an administrative overhead cost of 15 percent.

(2) Calculation of Commercial/Industrial Sewer Rates. Commercial/industrial sewer rates shall be based upon the quantity of water consumed or used on the premises during the billing period, as determined by the water meter reading and the strength of the discharge as measured by total suspended solids (TSS) and biochemical oxygen demand (BOD); provided, that a property owner may, at his own expense, arrange the plumbing on commercial premises so as to separate water which will be discharged into the sewer system from water which will not be so discharged, and a separate meter shall be installed to measure the amount of actual sewage discharged. In such a case the sewer rate shall be based only on the actual sewer use. The installation of such plumbing and meters must be inspected and approved by the city utility department.

Where a commercial property is connected to sewer service but not to water service, the city council shall determine the sewer rate to be charged on a case-by-case basis, using an estimated figure for water consumption.

(3) Sewer Rates. Bi Monthly Sewer rates are established as follows (**effective January 1, 2013**):

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Classification	City Rate	Rural Rate	Outside UGA Rate
Single-family residential	\$ 78.05	\$ 117.09	\$ 156.12
Multiple residential units per unit	\$ 74.23	\$ 111.33	\$ 148.45
Hotels/Motels per unit	\$ 54.68	\$ 82.02	\$ 109.35
Commercial Minimum	\$ 78.05	\$ 117.09	\$ 156.12
Class 1 (31 to 100 mg/l) per 1,000 gallons	\$ 1.64	\$ 2.46	\$ 3.27
Class 2 (101 to 200 mg/l) per 1,000 gallons	\$ 2.25	\$ 3.38	\$ 4.50
Class 3 (201 to 300 mg/l) per 1,000 gallons	\$ 2.88	\$ 4.32	\$ 5.76
Class 4 (301 to 400 mg/l) per 1,000 gallons	\$ 3.50	\$ 5.24	\$ 7.00
Class 5 (401 to 500 mg/l) per 1,000 gallons	\$ 4.12	\$ 6.17	\$ 8.23
Class 6 (501 to 600 mg/l) per 1,000 gallons	\$ 5.98	\$ 8.98	\$ 11.95
Overnight camping			
Individual connections per unit	\$ 54.68	\$ 82.02	\$ 109.35
Other connections each	\$ 74.23	\$ 111.33	\$ 148.44
Schools			
Minimum	\$ 78.05		
Per 1,000 Gallons	\$ 4.44		
Restaurants w/o grease trap surcharge	\$ 3.74		

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(4) Calculation of Sewer Rates for Mobile Home Parks. The total sewer bill for mobile home parks shall be calculated by applying the rate schedule above to the total number of pads or mobile home sites on the premises which are in a condition ready for occupancy, regardless of whether the same are occupied during the billing period; provided, that for the first 24 months after a mobile home park, or a new addition thereto, is opened and connected to city utilities, the sewer bill shall be calculated by applying the rates only to such pads or mobile home sites as are actually occupied by mobile homes during each billing period; provided, however, for mobile home parks whose utility meter with the city was first activated less than three years preceding June 9, 1997, the effective date of Ordinance 2130, and for which billing on all pads or mobile home sites has occurred for less than two years preceding June 9, 1997, such mobile home parks shall be granted an additional 12 months from June 9, 1997, to pay only for such pads or mobile home sites which are actually occupied during each billing period; provided further, that all fees, charges and rates paid by such mobile home parks to the city under prior provisions of this section and MMC 14.07.060, as such sections originally read or as subsequently amended, shall be nonrefundable notwithstanding the provisions of this subsection.

(5) Restaurants, for the purpose of sewer rates, shall be classified as Class 3 strength as described in subsection (3) of this section. Restaurants without approved grease traps, including those restaurants where a variance has been granted eliminating the necessity of a grease trap, shall be surcharged effective January 1, 2013 \$3.74 per 1,000 gallons and effective January 1, 2014 \$3.81 per 1,000 gallons.

(6) Satellite System Rate. Notwithstanding any other rate established by this section, for that area defined as the satellite system area, the city shall charge the same rate as charged by Lake Stevens Sewer District plus an administrative fee of 15 percent. This rate shall be in effect for such properties until such time as the city's sewer collection system is constructed and sewer flows are diverted from the Lake Stevens Sewer District system to the city's sewer collection system.

(7) Calculation for Sewer Rates for Schools. Schools sewer rates shall be based upon the quantity of water consumed or used on the premises during the billing period, as determined by the water meter reading; provided; if the water service is supplied to a school by other than the City of Marysville water system, the school district shall notify the City billing department of the total consumption as billed by other such water purveyor. The city rate for sewer as set forth in subsection (3) of this section shall apply to all school facilities, whether such facilities are within the city limits or not and whether public or privately operated. (Ord. 2284 § 1, 1999; Ord. 2130 § 2, 1997; Ord. 2117 § 3, 1997; Ord. 2109 § 2, 1996; Ord. 1840 § 2, 1991; Ord. 1809 § 2, 1990; Ord. 1798, 1990; Ord. 1434, 1985).

(8)Rate relief.

Low-income senior citizens and low-income disabled persons may be eligible for water and/or sewer rate relief pursuant to MMC 3.63.

Section 3. Section 14.19.050 of the Marysville Municipal Code is hereby amended to read as follows:

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14.19.050 Surface water utility rates.

Surface water utility rates shall be based on a commonly accepted rate unit for surface water utilities, the equivalent residential unit (ERU). The ERU is used to relate a base rate fee charged to a single-family residential parcel to that which is charged to a nonresidential parcel. The ERU is determined by using the current best available method, which may include analyzing digital photographs, utilizing satellite imagery, performing field checks for verification purposes of a representative sample of single-family residences within the city limits and/or utilizing civil design and construction plans or record drawings. Using this methodology, the director shall determine the amount of impervious area on each nonresidential parcel. The city’s standard ERU amount is 3,200 square feet of impervious surface area. The specific ERU calculation for each parcel will be rounded to the nearest one hundredth, will be established for each such parcel as the impervious surface information becomes available for such parcel, and will be calculated in accordance with the following table:

Effective January 1, 2013

Customer Class	Rate Calculation	2013 Monthly Rate
	(1 ERU = 3,200 sq ft)	
Residential	1 ERU	\$10.61
Nonresidential	(sq ft of impervious surface (1	\$10.61
Connection Charge	1 ERU	\$96.90

Section 3. Effective Date. This Ordinance and the rate schedules provided herein shall be effective January 1, 2013.

PASSED by the City Council and APPROVED by the Mayor this ____ day of December, 2012.

CITY OF MARYSVILLE

By _____
JON NEHRING, Mayor

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ATTEST:

By _____
City Clerk

Approved as to form:

By _____
GRANT K. WEED, City Attorney

Date of Publication: _____

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