

CITY OF WARRENSBURG
FINANCE

August 27, 2018

Honorable Mayor and
Members of the City Council
City of Warrensburg, Missouri

Dear Mayor and Council Members:

SUBJECT: An Ordinance Establishing Sewer Base Rate Charges for the FY19 Budget Year
in the City of Warrensburg, Missouri

BACKGROUND:

During the July 23, 2018 Council meeting, Council chose Alternative 3 to increase the fixed rate portion of the sewer utility charges based on the HDR Engineering Annual Sewer Rate Review. If the Council were to pass this ordinance, the first bills with updated base charges will be for October readings in Zone 1 which will be billed the first week of November.

Alternative 3 – Fixed Rate Increase

Residential sewer accounts:

Base Rate + Volume charge A for each of the first 2 CCF used + Volume charge B for each CCF used over 2 CCF's.

Base Rate is set at \$13.00 per month
Volume Charge A is set at \$2.70 per CCF
Volume Charge B is set at \$5.11 per CCF

Commercial sewer accounts:

Base Rate + (Volume charge C x Actual CCF usage)

Base Rate is set according to water meter size:
Water meters less than 1" size = \$13.00 per month
Water meters at or between 1" – 4" size = \$65.00 per month
Water meters greater than 4" size = \$156.00 per month

Volume Charge C is set at \$4.56 per CCF

CCF is defined as 100 cubic feet of water. Actual monthly usage will be used for commercial sewer accounts.

ISSUE:

Consideration of the Sewer Rate Fixed Charges for the Upcoming FY19 Budget Year based on the HDR Engineering Annual Sewer Rate Review.

STRATEGIC PLAN:

Focus I: Investment in Infrastructure, Goal: Allocate resources efficiently to maintain existing infrastructure, while forecasting future needs and properly providing standards that ensure quality infrastructure for future growth.

FISCAL IMPACT:

The funding is required for operations and maintenance of the sewer system along with future funding of required Sewer Capital Improvement Projects.

ECONOMIC BENEFITS/IMPACT:

Review of sewer rates and increase will allow for payment of debt service and reserve funds for future governmental mandates.

RECOMMENDATIONS:

Staff recommends the approval of the ordinance.

Sincerely,



Matthew Lue
Director of Finance

CC: City Manager

CC: Director of Public Works

Attachment: 1. Ordinance

BILL NO. _____

ORDINANCE NO. _____

AN ORDINANCE ESTABLISHING SEWER BASE RATE CHARGES FOR THE FY19 BUDGET YEAR IN THE CITY OF WARRENSBURG, MISSOURI

WHEREAS, the necessary to periodically adjust sewer service rates in order to maintain revenues sufficient to operate the sewer system; and

WHEREAS, the sewer utility and City of Warrensburg have an Annual sewer rate study in 2018 for the above purpose.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WARRENSBURG AS FOLLOWS:

Section 1. Effective October 1, 2018, monthly service charges for residential sewer accounts is established as follows:

Base Rate + Volume charge A for each of the first 2 CCF used + Volume charge B for each CCF used over 2 CCF's.

Base Rate is set at \$13.00 per month

Volume Charge A is set at \$2.70 per CCF

Volume Charge B is set at \$5.11 per CCF

CCF is defined as 100 cubic feet of water. The monthly CCF usage is determined by Sec.24-39.1 of the Code of City Ordinances.

Section 2. Effective October 1, 2018, monthly service charges for commercial sewer accounts is established as follows:

Base rate + (Volume charge C x actual CCF usage)

Base rate is set according to water meter size:

Base Rate is set according to water meter size:

Water meters less than 1" size = \$13.00 per month

Water meters at or between 1" – 4" size = \$65.00 per month

Water meters greater than 4" size = \$156.00 per month

Volume Charge C is set at \$4.56 per CCF

CCF is defined as 100 cubic feet of water. Actual monthly usage will be used for commercial sewer accounts

Section 3. For single family or duplex dwelling units not having a water meter, the current average residential user water volume is set at 800 CCF.

Section 4. This ordinance shall be in full force and effect from and after its passage by the City Council.

Read and passed by the City Council for the City of Warrensburg, Missouri, this day of _____, 2018.

ATTEST:

Danielle Johnston, Mayor

Cindy Gabel, City Clerk