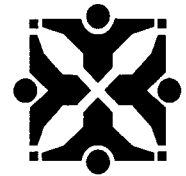


# City of Columbia

701 East Broadway, Columbia, Missouri 65201



**Agenda Item Number:** B 242-14

**Department Source:** Water & Light

**To:** City Council

**From:** City Manager & Staff

**Council Meeting Date:** August 4, 2014

**Re:** Amending Chapter 27 of the City Code as it relates to rates for water service lines

## Documents Included With This Agenda Item

Council memo, Resolution/Ordinance

**Supporting documentation includes:** None

## Executive Summary

The FY15 proposed budget includes fee changes for new connections to the Water System. These Water Service Fees consist of four different charges: System Equity Charge, Tap Fee, Meter Box and Appurtenances Fee and Meter Fees.

## Discussion

All of the fee changes, except the System Equity Charge, are cost based and reflect the cost incurred by the water utility for the service provided. The System Equity Charge is a "buy in" to existing system facilities at a rate that reflects per unit cost of existing assets.

### 1. System Equity Charge

- a. Based on the calculation of current system equity (value of capital assets plus cash and inventory minus depreciation and outstanding bond debt) that is allocated on a per meter basis. Larger meters are allocated based on the equivalent number of smaller meters each large meter represents.
- b. Last changed in 2012, this fee is based on the per meter value (equity) of the existing water infrastructure. The following changes in System Equity Charges are proposed:
  - i. 5/8 and 3/4 inch from \$500 to \$576
  - ii. 1 inch from \$538 to \$576
  - iii. 1-1/2 inch from \$773 to \$1,296
  - iv. 2 inch from \$831 to \$2,303
  - v. 3 inch from \$2,033 to \$5,182
  - vi. 4 inch from \$3,141 to \$9,213
  - vii. 6 inch from \$6,283 to \$20,729

### 2. Tap Fee

- a. Designed to recover the cost associated with tapping a water main and constructing the water service line from the main to the meter box.
- b. Last changed in 2012, the following changes in Tap Fee are proposed:
  - i. 1 inch fee from \$500 to \$750

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## 3. Meter Box and Appurtenances Fee

- a. Designed to recover the cost associated with the materials and installation of the housing for the water meter.
- b. Last changed in 2009, the following changes in Meter Box and Appurtenances Fees are proposed:
  - i. 5/8 inch fee from \$400 to \$450
  - ii. 1 inch fee from \$410 to \$450

## 4. Meter Fee

- a. Designed to cover the cost of the water meter only
- b. Last changed in 2012, the following changes in Meter Fees are proposed
  - i. 5/8 inch meter from \$138 to \$250
  - ii. 3/4 inch meter from \$155 to \$270
  - iii. 1 inch meter from \$185 to \$300

### Fiscal Impact

Short-Term Impact: Estimated annual revenue from proposed changes is \$244,000

Long-Term Impact: Estimated annual revenue from proposed changes is \$244,000

### Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Not Applicable

Strategic Plan Impact: Financial Health


Comprehensive Plan Impact: Not Applicable

### Suggested Council Action

Staff recommends Council approve the FY15 changes to Water Service Fees

### Legislative History

7/30/14 Reviewed by Water & Light Advisory Board

  
Department Approved

  
City Manager Approved

Introduced by \_\_\_\_\_

First Reading \_\_\_\_\_

Second Reading \_\_\_\_\_

Ordinance No. \_\_\_\_\_

Council Bill No. B 242-14

### AN ORDINANCE

amending Chapter 27 of the City Code as it relates to rates for water service lines; and fixing the time when this ordinance shall become effective.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. Chapter 27 of the Code of Ordinances of the City of Columbia, Missouri, is hereby amended as follows:

Material to be deleted in ~~strikeout~~; material to be added underlined.

Sec. 27-52. Water service lines—Ownership; application; fees.

...

(c) Water service lines to previously unserved properties or to properties previously served by an inadequate or non-city-owned service line within the water utility service area shall be installed upon application and only after all requirements for water main extension and payment have been met. The required fees for connection, tap and meter installation, where applicable, shall be paid at the time of application or may be billed during the normal billing cycle in the month subsequent to the date of application, at the city's option. The city may demand payment in cash.

- (1) System equity charge (applies to all connections) shall be based on meter size under the following schedule:

Size of water meter Inches	<del>Connection fee</del> <u>System Equity Charge</u>
5/8 and 3/4 .....	<del>\$500.00</del> <u>576.00</u>
1 .....	<del>538.00</del> <u>576.00</u>
1½ .....	<del>773.00</del> <u>1,296.00</u>
2 .....	<del>831.00</del> <u>2,303.00</u>
3 .....	<del>2,033.00</del> <u>5,182.00</u>
4 .....	<del>3,141.00</del> <u>9,213.00</u>
6 .....	<del>6,283.00</del> <u>20,729.00</u>

In the case of a multiple-family facility, or multiple commercial facilities, that chooses to install a single water meter, the ~~connection fee~~ system equity charge will be the sum of the fees that would have been charged to each unit of the facility, had each unit been separately metered. In calculating this fee, the department shall take into account the meter size that would have been required to separately meter each unit.

- (2) Tap fee. This fee shall be in addition to the ~~connection fee~~ system equity charge and meter fee and shall be assessed for each tap made by the department on public water mains. The tap fee will be waived when the only purpose of the tap is for installing a sprinkler system in a structure built before the requirement of fire sprinklers. On each tap, the customer shall be assessed as follows:

Size of Meter	<del>Charge</del> <u>Tap Fee</u>
1-inch.....	<del>\$500.00</del> <u>750.00</u>
1½—2-inch <u>or 1-inch commercial</u> .....	250.00
4-inch and larger.....	575.00

For all commercial services or connections larger than one (1) inch, the customer shall be responsible for supplying all materials to department specifications, all necessary permits, preparation of the water main so that the tap may be made (including saw cutting of pavement, if required), site excavation, installation of the service line across the street (if required), and all applicable site restoration costs. All excavations under pavement must be restored per city public works department, Boone County Public Works, or Missouri Department of Transportation specifications.

- (3) Meter box and appurtenances fee. On properties (generally industrial, commercial or multiple-family residential in use) served by private water mains or private water service lines, where one or more water meter is required and the meter box(es) and appurtenances are to be installed by a plumbing, mechanical or general contractor, the meter box(es) and appurtenances shall be furnished by the customer, based on department specifications, and no fees shall be assessed. On properties served by public mains, the customer shall be assessed per meter as follows:

Size of Meter	<del>Charge</del> <u>Meter Box and Appurtenances Fee</u>
5/8-inch.....	<del>\$400.00</del> <u>450.00</u>
1-inch.....	<del>410.00</del> <u>450.00</u>

This fee shall be in addition to the ~~connection fee~~ system equity charge, tap fee (which shall be assessed if the department taps a public water main and whether or not a valve/stop and valve box are installed) and meter fee. The department may, at its option, provide single or double meter settings per meter box, with no adjustment to the meter box and appurtenance fee.

The customer shall provide and install to department specifications the meter box for meters having inlet and outlet openings larger than one (1) inch in diameter and no fees shall be assessed.

- (4) Meter fee. In addition to the ~~connection fee~~ system equity charge, each customer who requests service to previously unserved properties, or to properties where a meter of greater size than the previous meter is required, shall be assessed a meter fee. All meters installed after October 1, 2004 shall be remote-read meters and fees will be as follows:

Size of Meter	<del>Charge</del> <u>Meter Fee</u>
5/8-inch.....	<del>\$138.00</del> <u>250.00</u>
¾-inch.....	<del>155.00</del> <u>270.00</u>
1-inch.....	<del>185.00</del> <u>300.00</u>

For meters larger than one (1) inch, the meter fee shall be the actual cost of the meter, plus a markup to cover the actual cost of overhead as determined from cost computed at the end of each fiscal year.

...

SECTION 2. This ordinance shall be in full force and effect from and after October 1, 2014.

PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor and Presiding Officer

APPROVED AS TO FORM:

\_\_\_\_\_  
City Counselor