



**CITY COUNCIL Agenda Item #18-271(c)**

**Date: September 26, 2018**

**Consent X Discussion**

**SUBJECT:** Adopt Water and Sewer Rates

**SUBMITTING DEPARTMENT:** Finance Department

**RECOMMENDED ACTION:** Adopt the Water and Sewer Rate Resolution as planned in the Water/Sewer Master Plan. The annual fixed charges for water and sewer users will be \$216.00. Water usage rates will be \$8.30 per one thousand gallons for the first 50,000 gallons per quarter, \$8.95 per thousand gallons for usage between 50,000 and 250,000 gallons used per quarter and \$14.00 per thousand gallons for usage over 250,000 gallons per quarter. The sewer usage rate will be \$9.50 per one thousand gallons used.

**RELATED COUNCIL GOAL/PRIOR ACTION:**

- A: Environmental Stewardship
- B: Sustainable infrastructure
- C: Responsive and Responsible Government

**EXPENDITURE REQUIRED:** None

**SOURCE OF FUNDS:** N/A

**LEGAL REQUIREMENTS:** City Council adopts rates as deemed necessary to be in the best interest of the city.

**BACKGROUND INFORMATION:** The proposed rate increases of 3.5% are consistent with the existing Water/Sewer Master Plan.

**SUPPORTING DOCUMENTS:** Rate history spreadsheet with proposed rates and Water Sewer Rate Resolution

**INTERESTED PARTIES:** City Council, Residents, Voters, City Staff

**CITY MANAGER'S APPROVAL:**

A handwritten signature in black ink, appearing to read "W. J. Fran", is written over the City Manager's Approval line.

CITY OF MONTPELIER  
WATER SEWER RATES  
HISTORY

Fiscal Year	WATER STEP 1 Metered Rate per 1,000 Gallons (First 50,000 per quarter)	STEP 1 % Increase (Decrease)	WATER STEP 2 Metered Rate per 1,000 Gallons (Between 50,000 and 250,00 gallons per quarter)	STEP 2 % Increase (Decrease)	Water STEP 3 Metered Rate per 1,000 Gallons (Exceeding 250,000 per quarter)	STEP 3 % Increase (Decrease)	WATER FIXED COST ANNUAL	WATER FIXED COST % Increase (Decrease)	Annual Flat Rate SEWER (only 38 accounts)	SEWER (Metered Water) Rate per 1,000 Gallons	% Increase (Decrease)	SEWER FIXED COST ANNUAL	% Increase (Decrease)	Total Annual WATER & SEWER Fixed Costs	% Increase (Decrease)
<b>Proposed Rates 2019</b>	<b>\$8.30</b>	<b>3.7%</b>	<b>\$8.95</b>	<b>3.5%</b>	<b>\$14.00</b>	<b>3.6%</b>	<b>\$216.00</b>	<b>5.9%</b>	<b>\$780.00</b>	<b>\$9.50</b>	<b>3.3%</b>	<b>\$216.00</b>	<b>5.9%</b>	<b>\$432.00</b>	<b>5.9%</b>
2018	\$8.00	2%	\$8.65	3%	\$13.52	2%	\$204.00	9%	\$752.00	\$9.20	1.5%	\$204.00	9%	\$408.00	9%
2017	\$7.88	2%	\$8.40	2%	\$13.32	0%	\$188.00	10%	\$725.00	\$9.06	2.0%	\$188.00	10%	\$376.00	10%
2016	\$7.73	0%	\$8.21	0%	\$13.32	0%	\$170.00	8%	\$725.00	\$8.89	2.0%	\$170.00	4%	\$340.00	6%
2015	\$7.73	0%	\$8.21	0%	\$13.32	0%	\$158.00	5%	\$725.00	\$8.72	0.0%	\$164.00	31%	\$322.00	17%
2014	\$7.73	0%	\$8.21	0%	\$13.32	0%	\$150.00	4%	\$690.00	\$8.72	0.0%	\$125.00	1%	\$275.00	3%
2013	\$7.73	3%	\$8.21	3%	\$13.32	3%	\$144.00	3%	\$690.00	\$8.72	3.0%	\$124.00	3%	\$268.00	3%
2012	\$7.51	0%	\$7.97	0%	\$12.93	0%	\$140.00	40%	\$630.00	\$8.47	0.0%	\$120.00	0%	\$260.00	18%
2011	\$7.51	0%	\$7.97	0%	\$12.93	0%	\$100.00	0%	\$630.00	\$8.47	0.0%	\$120.00	0%	\$220.00	0%
2010	\$7.51	3%	\$7.97	3%	\$12.93	3%	\$100.00	22%	\$630.00	\$8.47	3.0%	\$120.00	15%	\$220.00	18%

## RESOLUTION

Water and Sewer Rates established by the City Council of the City of Montpelier.

### WATER USE RATES RESIDENTIAL:

Unless metered, each residential unit, including apartments, duplex, multi-family and similar type housing units which contain bathroom and/or kitchen facilities, shall be charged at the rate of \$1,200.00 per unit, per year. No reduction in annual rates will occur due to the seasonal occupancy and/or extended discontinuance of service.

### SEASONAL:

An annual seasonal flat rate of \$216.00 will apply to the following properties: Recreation Department-Hubbard Park Shelter; Cemetery-Lincoln Avenue property.

### FIRE PROTECTION SPRINKLER SYSTEMS:

Fire protection sprinkler systems for commercial, industrial, and governmental units shall be charged at the rate of \$0 per year.

### FIRE PROTECTION STANDBY CHARGE:

For fire protection for buildings that are located within the City water supply area, but are not connected to such water supply, or are connected to a private water supply in addition to the City water supply, a standby or capacity charge is set at \$0.

### HYDRANT USE:

For the use of the hydrant at the DPW garage on Dog River Road, a hydrant use application and applicable fee shall be submitted prior to drawing water. The fee schedule shall be per truck and as follows:

\$100 up to 2,500 gallons, \$125 up to 5,000 gallons and \$150 up to 7,500 gallons.

### METERED:

All Metered units shall be charged at the rate of \$8.30 per 1,000 gallons for the first 50,000 gallons, at the rate of \$8.95 per 1,000 gallons for usage between 50,000 and 250,000 gallons and at the rate of \$14.00 per 1,000 gallons for usage over 250,000 gallons during a three-month billing period except for multi-unit elderly housing as defined in the Vermont State Statutes, Title 24, Section 4002 (11).

In addition, a readiness-to-serve charge of \$54.00 per meter per billing period shall be imposed on each residential, commercial, industrial, and governmental metered premise to partially offset the fixed costs of the water system.

### ON/OFF FEES:

During regular working hours, a charge of \$40.00 shall be made for turning off water service, and a charge of \$40.00 shall be made for turning on water service at the City curb stop. During non-working hours, these fees will be \$120.00 respectively.

#### ON DEMAND WATER METER READING FEE:

During regular working hours, a charge of \$75.00 shall be made for individual meter readings requested outside the normal billing period.

### SEWER USE RATES

#### RESIDENTIAL:

Unless metered, each residential unit, including apartments, duplex, multi-family and similar type housing units which contain bathroom and/or kitchen facilities, shall be charged at the rate of \$195.00 per quarter. No reduction in annual rates will occur due to seasonal occupancy and/or extended discontinuance of service.

#### METERED:

Metered residential, commercial, industrial, and governmental units shall be charged at the rate of \$9.50 per 1,000 gallons of water usage.

In addition, an administrative charge of \$54.00 per meter per billing period shall be imposed on each residential, commercial, industrial, and governmental metered premise to fully offset fixed administrative costs of the sewage facilities.

Further, a credit may be granted toward the sewer bill of any business that diverts substantial amounts of metered water from the sanitary sewer system continually, such as a cooling tower or other similar structure. The Director of Public Works may grant a credit to any commercial or industrial user who installs a separate meter to measure the volume of water that is not discharged into the City's wastewater disposal system. The credit shall be equal to the sewer use charges for such volume of water.

### NEW WATER CONNECTIONS

It is hereby resolved by the City Council of the City of Montpelier, acting as the Board of Water Commissioners, that all new service connections to the Montpelier water system will be made as outlined in Section 3-305 of the Montpelier City Ordinances.

### SEWER CONNECTIONS

It is hereby resolved by the City Council of the City of Montpelier, acting as the Board of Sewer Commissioners, that an application/inspection fee of \$500 shall be charged for sanitary sewer connections and \$100 for storm water sewer connections. A new sewer service charge shall not pertain to properties already serviced by the system unless an indirect connection is proposed. An indirect connection is defined as any change in the structure currently or proposed to be served through an existing connection which will result in additional dwelling units, and for each unit to be served by a common new or existing service, or in the case of non-residential and tax exempt space, where such

change will result in additional building square footage. All connections for sanitary lines shall be performed by the applicant under City inspection and all costs thereof shall be borne by the applicant. The applicant is responsible for obtaining all construction and access permits as necessary to make the connection.

#### WATER AND SEWER RATES - DELINQUENCIES

A penalty of eight percent (8%) shall attach to any rate charge for water and sewer service or connection if not paid when due. In addition, interest at the rate of one percent (1.0%) per month, or any part thereof, shall be charged for the first three months - and at a rate of one and one-half percent (1.5%) thereafter - on any unpaid balance from the due date of any water or sewer charge, or connection charge, until date of payment. Collection of all delinquent rate charges and service connections, together with penalty and interest and costs, shall be as provided by law.

#### WATER AND SEWER RATES - REFUNDS

It is the ultimate responsibility of the water and sewer user to verify the accuracy of their account and billing information. Water and sewer rates charged and collected in error shall be refundable up to one (1) year from the date billed.

#### WATER & SEWER UTILITY BILL ADJUSTMENT

In the event that a customer (per account) receives a utility bill that is based on consumption greater than 2.5 times the average of the last four (4) consecutive readings, within the same billing cycle (example fall cycles or spring cycles to account for seasonal variation), due to a water leak or other problems associated with the customer's plumbing, then said customer (per account) will be eligible for a one-time adjustment to their utility bill based on the following:

- Customer has made appropriate repairs to plumbing. Evidence of repair shall be in the form of receipt from a plumber or subsequent water readings indicating that the problem has been corrected;
- In applying for adjustment, the customer shall swear that he or she had no knowledge of the plumbing problem prior to incurring the charges;
- As an adjustment, the customer shall pay a sum equal to 2.5 times the average of the last four (4) consumption readings within the same billing cycle;

EFFECTIVE DATES

Water and Sewer Rates for Metered use and all other rates are made effective July 1, 2018 and shall remain in effect until amended.

Adopted this 26<sup>th</sup> day of September, 2018

SIGNED:

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Anne Watson, Mayor

Council Members:

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CITY SEAL:

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John Odum, City Clerk