



Legislation Details (With Text)

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Enactment date:	6/6/2011	Enactment #:	ORD-11-08		
Title:	An Ordinance to Amend Sections 2:63, 2:64, 2:65 and 2:69 of Chapter 29 (Increase Water, Sewer, and Stormwater Rates and Amend Residential Summer Service Billings) of Title II of the Code of the City of Ann Arbor (Ordinance No. ORD-11-08)				

Sponsors:

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Attachments: 1. 11-08 Briefed & Approved 062011, 2. Chapter 29 Ord-11-08 Briefed, 3. Ord amend chpt 29 2011.pdf

Date	Ver.	Action By	Action	Result
6/20/2011	1	City Council	Held and Closed	
6/20/2011	1	City Council	Adopted on Second Reading	Pass
6/6/2011	1	City Council	Approved on First Reading	Pass

An Ordinance to Amend Sections 2:63, 2:64, 2:65 and 2:69 of Chapter 29 (Increase Water, Sewer, and Stormwater Rates and Amend Residential Summer Service Billings) of Title II of the Code of the City of Ann Arbor (Ordinance No. ORD-11-08)

Your approval is requested to amend Sections 2:63, 2:64, 2:65 and 2:69 of Chapter 29 of Title II of the Code of the City of Ann Arbor to adjust water, sewer and stormwater rates due to debt service coverage and capital improvement requirements in all three systems. The amendments will provide revenue increases of 3.36% in water, 4% in sewer and 3.35% in stormwater. In addition, we are recommending changing the base period that is used for setting the summer sanitary sewer calculation to the same period for the entire city. This change in the calculation will make the discount more equitable to the users of the system.

The recommended rate changes in water, sewer and stormwater are projected to increase revenues in water, sewer, and stormwater by \$664,993.00, \$829,481.00 and \$176,915.00 respectively. These rate increases are needed to maintain debt service coverage and to maintain funding for required capital improvements.

The impact of these increases on the single family customer with typical usage is \$4.73 per quarter or \$18.92 per year, a net increase of 3.2%. The typical single family bill represents 21 units of water usage per quarter, is in the second tier for stormwater and receives the 10% discount for payment on or before the due date.

This ordinance is recommended to take effect ten (10) days after legal publication or on July 1, 2011, whichever is later.

Prepared by: Marti Praschan, Financial Manager, Public Services

Reviewed by: Sue F McCormick, Public Services Administrator
ORDINANCE NO. ORD-11-08

First Reading : June 6, 2011
Public Hearing : June 20, 2011

Approved: June 20, 2011
Published: June 23, 2011
Effective: July 3, 2011

INCREASE WATER, SEWER AND STORMWATER RATES
AND AMEND RESIDENTIAL SUMMER SERVICE BILLINGS

AN ORDINANCE TO AMEND SECTIONS 2:63, 2:64, 2:65 AND 2:69 OF CHAPTER 29 OF TITLE II OF THE CODE OF THE CITY OF ANN ARBOR (Water, Sewer and Stormwater Rates)

The City of Ann Arbor ordains:

Section 1. That Sections 2:63, 2:64, 2:65 and 2:69 of Chapter 29 of Title II of the Code of the City of Ann Arbor be amended to read as follows:

2:63. Water rates.

(1) The commodity charges for water service shall be as follows. A unit shall constitute 100 cubic feet. The rates shown are per unit.

	Residential 1	Residential 2	Water Only
1--7 units	\$1.23 ²⁷	1.23 ²⁷	\$4.31 ⁵⁰
8--28 units	2.53 ⁶⁴	2.53 ⁶⁴	4.31 ⁵⁰
29--45 units	4.23 ⁵⁰	2.53 ⁶⁴	4.31 ⁵⁰
Over 45 units	6.10 ⁵⁰	2.53 ⁶⁴	4.31 ⁵⁰

	Commercial 1 (including multi-family residential)	Commercial 2 (including multi-family residential)	Commercial 3
All Units	\$2.85 ⁹¹	\$5.21 ⁵⁵	\$8.90 ^{9.50}

Commercial Customer Charge per Quarter:

5/8" meter	\$12.90
3/4" meter	19.00
1" meter	30.30
1 1/2" meter	\$ 62.00
2" meter	97.00
3" meter	195.00
4" meter	308.00
6" meter	613.00
8" meter	1225.00

10" meter	1960.00
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Residential Customer Charge per Quarter:

5/8" meter \$11.25	
3/4" meter	16.55
1" meter	30.30
1 1/2" meter	\$ 62.00
2" meter	97.00
3" meter	195.00
4" meter	308.00
6" meter	613.00
8" meter	1225.00

Fire Service Charge per Quarter:

1" service\$45.00	
1 1/2" service	45.00
2" service	45.00
3" service	45.00
4" service	89.00
6" service	89.00
8;inch service	89.00

2:64. Sewer rates.

(1) Commodity charge for customers in Ann Arbor shall be \$3.21³⁴ per 100 cubic feet of water flow of which \$1.35⁴⁰ is a user charge for wastewater plant operation, maintenance and replacement, 35³⁷ cents is a user charge for field operation and maintenance of the sewer system, 13¹⁷ cents is a user charge for system planning and administration and \$1.38⁴⁰ is applied toward a portion of capital expenditures. Charges for sewer service provided to Ann Arbor Township, Pittsfield Township and Scio Township shall be as provided per the provisions of their respective wastewater treatment or sewer agreements with the City of Ann Arbor.

(2) Customer Charge per Quarter:

5/8" meter \$10.57	
3/4" meter	15.60
1" meter	26.50
1 1/2" meter	53.00
2" meter	84.50
3" meter	169.00
4" meter	265.00

6" meter	528.00
8" meter	1055.00
10" meter	1055.00

2:65 Residential summer service billings.

The charge established in Section 2:64 shall be applicable to [quarterly](#) residential bills rendered in each month, January to June, inclusive, except as hereinafter provided. To eliminate water consumed but not disposed of in public sanitary sewers [during "summer" months, sanitary sewer consumption on quarterly bills](#) rendered in each month, July to December, inclusive, shall be based [on average daily water consumption during a 30 day winter time period](#). The 30 day base period will be set from mid-November to mid-December or as close to that time period as possible based on the availability of meter reads. If the calculated consumption for a summer bill is greater than the actual consumption for the period covered by that bill, the customer will be charged based on actual consumption.

Bill Rendered:	Charges to be Same as Bill Rendered
July	April
August	May
September	June
October	April
November	May
December	June

Where premises are billed on a monthly basis, the bills [for six consecutive months during the period](#) due in May through October shall be [charged for summer sanitary service using the calculated consumption or actual consumption, whichever is less, as describe in the preceding paragraph](#). the same as the bill rendered in April of the same year. Where sanitary sewer service or water service was not used by any premises during the [30 day base period](#) month or quarter on which the charges [calculated consumption is based](#) for any subsequent month or quarter are to be based [the customer's "summer" billing periods](#), this section shall not be applicable but the charges for such subsequent [the "summer" months or quarters](#) shall be based on the rates established in Section 2:64. [The summer calculation of charges under this section shall not be used unless the calculated average daily consumption is at least 1 unit](#). Whenever, in the discretion of the Public Services Area Administrator, application of [this section](#) the foregoing table would be inequitable because any customer [premises](#) consumes abnormal amounts of water during the winter months or consumes amounts of water of which an abnormal amount or proportion is returned to the public sanitary sewers during the summer months, the Director [Public Service Area Administrator](#), may bill such customer on the basis of water [actually](#) consumed during each [the](#) month or quarterly period [for which the customer is billed](#) and apply the rates specified in Section 2:64. Any customer may, at his/her option, elect to be billed for sanitary sewer service on the basis of water actually consumed during each month or quarterly period. Both water service charges and sanitary sewer service charges shall, however, be billed on the same basis, either quarterly or monthly.

2:69 Stormwater Rates.

(1) Except as provided in this section and Chapter 33, all property shall be subject to the stormwater utility charge.

(2) *Stormwater Discharge Rate.* Each property shall be billed at a quarterly stormwater discharge rate of \$33121.00 per acre multiplied by the representative impervious area of the property. The representative impervious area of the property shall be the measured impervious area, rounded to the nearest 0.01 acre, of the portion of the property discharging to the City's stormwater system, except for single-family and two-family residential properties and properties considered residential for storm and sewer. These properties have been grouped into the following categories based upon their measured impervious area:

Single-Family and Two-Family Residential		
Measured impervious area	Representative Impervious Area	Quarterly charge
Less than or equal to 2,187 square feet	0.04 acres	\$13.2412.84
Greater than 2,187 square feet to less than or equal to 4,175 square feet	0.07 acres	\$23.1722.47
Greater than 4,175 square feet to less than or equal to 7,110 square feet	0.12 acres	\$39.7238.52
Greater than 7,110 square feet	0.21 acres	\$69.5167.41

(3) *Customer Charge.* Each property shall be billed a customer charge of \$6.77 per quarter.

(4) *Credits to Stormwater Discharge and Customer Charges.* The City shall offer the following credits per quarter to property owners fully satisfying pertinent criteria established in Chapter 33 and in regulations promulgated by the Administrator:

Single-Family and Two-Family Residential	Reduce Total Charge by	
Rain Barrels (One or more)	\$1.881.85	
Rain Gardens / Cisterns / Dry Wells	\$2.942.90	
RiverSafe Homes	\$1.301.28	
Chapter 63-Compliant Stormwater Control	\$7.807.41	
Other Properties	Reduce Stormwater Discharge Rate by	Reduce Customer Charge by

Community Partners for Clean Streams	0.0%	17.3%
Chapter 63-Compliant Stormwater Control	29.5%	0.0%
Other Approved Stormwater Controls	6.4%	17.3%

(5) *Charges for permitted non-stormwater discharges.* The charges for non-stormwater discharges to the stormwater system that are permitted by the public services area administrator according to Chapter 33, Section 2:217, shall be \$0.6031 per 1,000 gallons. If non-stormwater discharges to the stormwater system are controlled such that the discharges cease during periods of precipitation, then the above rate shall be multiplied by a factor of 0.3. For any month in which the user discharges into the stormwater system, there shall be a minimum bill for 100,000 gallons. Stormwater discharges exempt from discharge prohibitions under Section 2:216 (3) are not subject to this charge.

Section 2. This ordinance shall take effect on the tenth day following legal publication or on July 1, 2011, whichever is later.