

WATER, SEWER AND STORMWATER RATES

ORDINANCE TO AMEND SECTIONS 2:61 THROUGH 2:64, AND 2:69, AND TO REPEAL SECTION 2:73 OF CHAPTER 29 (Water, Sewer and Stormwater Rates) OF TITLE II OF THE CODE OF THE CITY OF ANN ARBOR

The City of Ann Arbor ordains:

Section 1. That Sections 2:61 through 2:64, and 2:69 of Chapter 29 of Title II of the Code of the City of Ann Arbor be amended to read as follows:

2:61. - Definitions.

Unless the context specifically indicates otherwise, the meanings of terms used in this chapter shall be as follows:

- ~~(1) *Capital charge* shall mean charges levied to customers of the wastewater system and which are used to pay principal, interest and administrative costs of retiring the debt incurred for construction and/or capital improvements to the wastewater system. The capital charge shall be in addition to the user charge (including surcharges).~~
- ~~(2) *Person* shall mean any individual, firm, association, public or private corporation or public agency or instrumentality.~~
- ~~(3) *Premises* shall mean each lot or parcel of land, building or premises having any connection to the water distribution system of the city, or the sanitary sewer system of the city, or the stormwater system of the city.~~
- ~~(4) *Customer charge* shall mean a monthly or quarterly base charge that recovers costs for billing, collection, customer service, and public involvement and public education activities.~~
- ~~(5) *Residential 1 rate* shall mean the rate applied to the domestic meter usage for residential customers where 4 or fewer dwelling units are served off of the same meter.~~
- ~~(6) *Residential 2 rate* shall mean the rate applied to the domestic meter usage for residential customers with both a domestic and a water only meter where 4 or fewer dwelling units are served off of the same meter.~~
- ~~(7) *Multi-family residential customer* shall mean a residential customer where more than 4 dwelling units are served off of the same meter.~~
- ~~(8) *Impervious area* means a surface area which is compacted or covered with material that is resistant to or impedes permeation by water, including but not limited to, most conventionally surfaced streets, roofs, sidewalks, patios,~~

~~driveways, parking lots, and any other oiled, graveled, graded, or compacted surfaces.~~

~~(9) *Property* means any land within the boundary of the City of Ann Arbor, both publicly and privately owned, including public and private rights-of-way, but excluding the Huron River.~~

~~(10) *Peaking factor* shall mean a measure of the additional system capacity needed to deliver peak water volumes. The peaking factor is stated as the ratio of peak consumption to average consumption.~~

~~(11) *Commercial 1 rate* shall mean the rate applied to the domestic meter usage for commercial customers and to multi-family residential customers with a peaking factor of no greater than 5.00.~~

~~(12) *Commercial 2 rate* shall mean the rate applied to the domestic meter usage for commercial customers with a peaking factor of greater than 5.00 and no greater than 8.00 and to multi-family residential customers with a peaking factor greater than 5.00.~~

~~(13) *Commercial 3 rate* shall mean the rate applied to the domestic meter usage for commercial customers with a peaking factor of greater than 8.00.~~

(1) *Blowdown meter* means a meter attached that measures water that has been measured as water only flow by a water only meter or deduct meter, but is discharged to the sewer system. Blowdown meters are used for water flow from cooling towers and similar applications.

(2) *Customer charge* means a monthly or quarterly base charge that recovers costs for billing, collection, customer service, meter programs, public fire protection, and public involvement and public education activities.

(3) *Deduct meter* means a meter that measures water has first been measured by the property's water meter, but is then diverted to water only use and not discharged into the sewer system.

(4) *Dwelling Unit* means one or more rooms with a kitchen and sanitary facilities designed as a unit for occupancy by one family.

(5) *Family* means an individual or group of individuals occupying a dwelling unit as a single housekeeping unit.

(6) *Fire service* means water available through a fire service line for fire protection and used during a fire emergency only.

(7) *Impervious area* means a surface area that is compacted or covered with material that is resistant to or impedes permeation by water, including but not limited to, most conventionally surfaced streets, roofs, sidewalks, patios,

driveways, parking lots, and any other oiled, graveled, graded, or compacted surfaces.

- (8) Multi-family rate means the rate applied to the water usage for a residential customer where three or more dwelling units are served off the same water meter.
- (9) Non-residential rate means the rate applied to the water usage of customers served by meters that are not classified as residential 1, residential 2, multi-family, or water only meters.
- (10) Person means any individual, firm, association, public or private corporation or public agency or instrumentality.
- (11) Premises means each lot or parcel of land, building or premises having any connection to the water distribution system of the city, the sanitary sewer system of the city, or the stormwater system of the city.
- (12) Property means any land within the boundary of the City of Ann Arbor, both publicly and privately owned, including public and private rights-of-way, but excluding the Huron River.
- (13) Residential 1 rate means the rate that applies to the water usage through a single water meter that serves one or two dwelling units that do not have a water only meter.
- (14) Residential 2 rate means the rate that applies to the water usage through a single water meter that serves one or two dwelling units that also have a water only meter.
- (15) Water only rate means the rate applied to the water usage through a water only meter.
- (16) Definitions listed in Chapters 27, 28, 33, and 63 shall also apply to this chapter.

2:62. - Basis of charges.

Except for minimum charges that may be specified by ordinance, all water service shall be charged for on the basis of water consumed as determined by the meter installed in the premises of water or sewage disposal service customers by the city public services area. Except for minimum charges that may be specified by ordinance, all sanitary sewer service shall be charged for on the basis of water consumed, to the extent that such consumption reflects the return of water to the sanitary sewers as herein provided. Except for minimum charges that may be specified by ordinance, all stormwater service shall be charged for on the basis of the impervious area of every property within the city. No free water service, sanitary sewer service or stormwater service shall be furnished to any person.

~~Consumption data utilized for rate analysis shall reflect a 12-month period of water usage. This 12-month period shall be established by the Public Services Area Administrator or his/her designee. Classification into commercial tiers is based on the peaking factor of the building, regardless of the number of meters in the building and may be adjusted quarterly if the customer experiences a significant event. A significant event shall be 1 or more of the following: (1) a change in size of the connection, (2) a change in meter size, (3) a change in the number of meters or (4) other comparable change. A request for reclassification shall be made in writing to the office of the Public Services Area Administrator. Such reclassification shall apply prospectively from the date of the request. In the absence of a written request, the Public Services Area Administrator may, but is not required to, reclassify a property prospectively based on a significant event. Commercial customers without 12 months of representative consumption data shall be placed in the commercial tier best representing "like" customers with similar peaking factors.~~

~~The procedures used for placing a multi-family residential customer into a commercial tier based on the peaking factor of the account and for adjustment of the classification shall be the same as for a commercial customer.~~

2:63. - Water rates.

- (1) The commodity charges for water service shall be as follows. The rates shown are per unit. One unit equals 100 cubic feet (1 CCF).

| | Residential-1 | Residential-2 | Water Only |
|--------------------------|----------------------|----------------------|-------------------|
| 1—7 units | \$1.55 | \$1.55 | \$5.89 |
| 8—28 units | 3.37 | 3.37 | 5.89 |
| 29—45 units | 5.89 | 3.37 | 5.89 |
| Over 45 units | 5.89 | 3.37 | 5.89 |

| | Commercial 1 (including multi-family residential) | Commercial 2 (including multi-family residential) | Commercial-3 |
|-----------|--|--|---------------------|
| All Units | \$3.81 | \$7.26 | \$12.44 |

| | <u>Residential 1</u> | <u>Residential 2</u> |
|----------------------|-----------------------------|-----------------------------|
| <u>1—9 units</u> | <u>\$1.77</u> | <u>\$1.77</u> |
| <u>10—18 units</u> | <u>2.83</u> | <u>2.83</u> |
| <u>19—36 units</u> | <u>6.57</u> | <u>2.83</u> |
| <u>Over 36 units</u> | <u>14.08</u> | <u>2.83</u> |

| | <u>Non-Residential</u> | <u>Multi-Family</u> | <u>Water Only</u> |
|------------------|------------------------|---------------------|-------------------|
| <u>All Units</u> | <u>\$3.83</u> | <u>\$2.13</u> | <u>\$8.73</u> |

Commercial Customer Charge per Quarter

| | |
|---------------------|-----------------|
| <u>5/8" meter</u> | <u>\$12.90</u> |
| <u>3/4" meter</u> | <u>19.00</u> |
| <u>1" meter</u> | <u>30.30</u> |
| <u>1 1/2" meter</u> | <u>62.00</u> |
| <u>2" meter</u> | <u>97.00</u> |
| <u>3" meter</u> | <u>195.00</u> |
| <u>4" meter</u> | <u>308.00</u> |
| <u>6" meter</u> | <u>613.00</u> |
| <u>8" meter</u> | <u>1,225.00</u> |
| <u>10" meter</u> | <u>1,960.00</u> |

(2) Customer charges per quarter for water shall be as follows, based on the size of the water meter, including water only and deduct meters, but excluding blowdown meters, or based on the size of a fire service line:

Residential Customer Charge per Quarter

| | |
|---------------------|-----------------------|
| <u>5/8" meter</u> | <u>\$20.8911.25</u> |
| <u>3/4" meter</u> | <u>22.4316.55</u> |
| <u>1" meter</u> | <u>25.2630.30</u> |
| <u>1 1/2" meter</u> | <u>33.0962.00</u> |
| <u>2" meter</u> | <u>41.9097.00</u> |
| <u>3" meter</u> | <u>88.47195.00</u> |
| <u>4" meter</u> | <u>115.48308.00</u> |
| <u>6" meter</u> | <u>176.75613.00</u> |
| <u>8" meter</u> | <u>257.211,225.00</u> |
| <u>10" meter</u> | <u>343.11</u> |

Fire Service Charge per Quarter

| | |
|-----------------------|---------------------|
| <u>1" service</u> | <u>\$34.8275.00</u> |
| <u>1 1/2" service</u> | <u>34.8275.00</u> |

| | |
|------------|--------------------|
| 2" service | <u>34.8275.00</u> |
| 3" service | <u>34.8275.00</u> |
| 4" service | <u>69.64150.00</u> |
| 6" service | <u>69.64150.00</u> |
| 8" service | <u>69.64150.00</u> |

(3) Charges for water for resale provided to Ann Arbor Township and Scio Township shall be as provided per the provisions of their respective agreements with the City of Ann Arbor.

(4) Customer charges for water only meters on premises where the customer pays Residential 2 water rates shall be applied only to water only meters installed on or after July 1, 2018.

2:64. - Sewer rates.

(1) The commodity charge for customers in Ann Arbor shall be \$5.194.58 per 100 cubic feet (1 CCF) of water flow, of which \$1.832.04 is a user charge for wastewater plant operation, maintenance and replacement, 4852 cents is a user charge for field operation and maintenance of the sewer system, 4953 cents is a user charge for system planning and administration and \$2.934.49 is applied toward a portion of capital expenditures. No commodity charge for sewer service will be charged based on water flow through a water only or deduct meter, or through a fire service line. 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 charges Per-per Quarterquarter for sewer shall be as follows, based on the size of the water meter, including blowdown meters but excluding deduct and water only meters:

| | |
|-------------------|---------------------|
| <u>5/8" meter</u> | <u>\$13.0911.25</u> |
| <u>3/4" meter</u> | <u>13.4716.55</u> |
| <u>1" meter</u> | <u>13.9830.30</u> |
| <u>1½" meter</u> | <u>16.0162.00</u> |
| <u>2" meter</u> | <u>17.8497.00</u> |
| <u>3" meter</u> | <u>45.86195.00</u> |
| <u>4" meter</u> | <u>51.98308.00</u> |
| <u>6" meter</u> | <u>55.22613.00</u> |

| | |
|-----------|----------------------|
| 8" meter | <u>66.071,225.00</u> |
| 10" meter | <u>70.741,225.00</u> |

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~~ - Rate.* Each property shall be billed at a quarterly stormwater discharge rate of \$678.81595.45 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 0.0001 acre, of the portion of the property discharging to the city's stormwater system, ~~except for single-family and two-family residential customers, properties and properties considered residential for storm and sewer. These Single-family and two-family residential properties~~
- (3) Properties with a single-family dwelling, a two-family dwelling, or a single-family dwelling with an accessory dwelling unit, all as defined in Chapter 55, are grouped into the following categories for purposes of calculating stormwater charges based upon their measured and representative 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 | 0.03706 acres | <u>\$25.1622.07</u> |
| Greater than 2,187 square feet to less than or equal to 4,175 square feet | 0.06486 acres | <u>44.0338.62</u> |
| Greater than 4,175 square feet to less than or equal to 7,110 square feet | 0.11117 acres | <u>75.4666.20</u> |
| Greater than 7,110 square feet | 0.19456 acres | <u>132.07415.85</u> |

- (~~34~~) *Customer Charge.* Each property shall be billed a customer charge of \$3.993.94 per quarter.
- (~~54~~) *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 (1 or more) | \$ 2.712.38 |
| Rain gardens/cisterns/dry wells | 5.624.93 |
| RiverSafe homes | 1.031.01 |
| Chapter 63—Compliant stormwater control | 14.9713.13 |

| Other Properties | Reduce Stormwater Discharge Rate by | Reduce Customer Charge by |
|---|-------------------------------------|---------------------------|
| Community Partners for Clean Streams | 0.0% | 25.83% |
| Chapter 63—Compliant Stormwater Control | 28.87% | 0.0% |
| Other Approved Stormwater Controls | 8.17% | 25.83% |

- (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 ~~\$1.401.23~~ 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. That Section 2:73 of Chapter 29 of Title II of the Code of the City of Ann Arbor be repealed as follows:

2:73. - ~~Revision of sewer rates; notification. Reserved.~~

~~An annual audit shall be prepared. Based on said audit, rates for sewage services shall be reviewed annually and revised as necessary to meet system expenses and to insure that all user classes pay their proportionate share of operation, maintenance and equipment replacement cost. Each user shall be notified annually, in conjunction with a regular bill, of the rate and portion of charges attributable to wastewater operation, maintenance and replacement services.~~

Section 3. That this ordinance shall take effect on July 1, 2018.