



City of Ann Arbor

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Ann Arbor, MI 48104
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Legislation Text

File #: 09-0439, **Version:** 1

An Ordinance to Amend Sections 2:61, 2:62, 2:63, 2:64 and 2:69 of Chapter 29 (Increase Water, Sewer, and Stormwater Rates) of Title II of the Code of the City of Ann Arbor - Water, Sewer and Stormwater Rate Adjustments due to Capital Improvement Requirements (Ordinance No. ORD-09-19)

Your approval is requested to amend Sections 2:61, 2:62, 2:63, 2:64 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 for capital improvement requirements in all three systems. The amendments will provide revenue increases of 3.6% in water, 3% in sewer and 1.6% in stormwater.

The recommended rate changes in water, sewer, and stormwater are projected to increase revenues by \$663,821, \$605,358, and \$182,494 respectively. This additional revenue is needed to fund capital improvement requirements. The impact of these increases on the average single family customer is \$3.56 per quarter or \$14.11 per year, a net increase of 2.54%. The typical single family uses 21 units per quarter, is in the second tier for stormwater and receives the 10% discount for payment on or before the due date.

Residential accounts where more than 4 dwelling units are served from the same meter are defined and are placed in the tier for either commercial 1 rate or commercial 2 rate based on the peaking factor for the account.

This ordinance is recommended to take effect ten (10) days after legal publication or on July 1, 2009, whichever is later.

Prepared by: Marti Praschan, Public Service Area

Reviewed by: Sue F. McCormick, Public Service Administrator

Approved by: Roger W. Fraser, City Administrator

ORDINANCE NO. ORD-09-19

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Public Hearing : June 1, 2009

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Effective: June 17, 2009

INCREASE WATER, SEWER AND STORMWATER RATES
(Adjustments due to Capital Improvement Requirements)

AN ORDINANCE TO AMEND SECTIONS 2:61, 2:62, 2:63, 2:64 AND 2:69 OF CHAPTER 29 OF TITLE II OF THE CODE OF THE CITY OF ANN ARBOR

The City of Ann Arbor ordains:

Section 1. That Sections 2:61, 2:62, 2:63, 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.

(78) "*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.

(89) "*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.

(910) "*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.

(1011) "*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.

(1112) "*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](#).

(1213) "*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.

(1314) 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 one 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. A unit shall constitute 100 cubic feet. The rates shown are per unit.

	Residential 1	Residential 2	Water Only
1--7 units	\$1.14	1.14	\$4.08
8--28 units	2.43	2.43	4.08
29--45 units	3.99	2.43	4.08
Over 45 units	5.75	2.34	4.08

	Commercial 1 (including multi-family residential)	Commercial 2 (including multi-family residential)	Commercial 3
All Units	\$2.60	\$4.90	\$8.39

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

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 \$4237.00	
1 1/2" service	4237.00
2" service	4237.00
3" service	4237.00
4" service	8273.00
6" service	8273.00
8;inch service	8273.00

2:64. Sewer rates.

(1) Commodity charge for customers in Ann Arbor shall be \$3.103.01 per 100 cubic feet of water flow of which \$1.398 is a user charge for wastewater plant operation, maintenance and replacement, 4548 cents is a user charge for field operation and maintenance of the sewer system, 0911 cents is a user charge

for system planning and administration and \$1.1803 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

2:69 Stormwater Rates.

(1) Except as provided in this section and Section 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 \$314.68309.79 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	\$12.5939
Greater than 2,187 square feet to less than or equal to 4,175 square feet	0.07 acres	\$22.041.69

Greater than 4,175 square feet to less than or equal to 7,110 square feet	0.12 acres	\$37.7817
Greater than 7,110 square feet	0.21 acres	\$66.125.06

(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)	\$1.8279	
Rain Gardens / Cisterns / Dry Wells	\$2.8580	
RiverSafe Homes	\$1.2624	
Chapter 63-Compliant Stormwater Control	\$7.2716	
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 \$0.30 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, 2009, whichever is later.