



Legislation Text

File #: 19-0048, **Version:** 1

An Ordinance to Amend Section 2:63 of Chapter 29 (Change Water Rates) of Title II of the Code of the City of Ann Arbor

Your approval is requested to amend Sections 2:63 and 2:64 of Chapter 29 of Title II of the Code of the City of Ann Arbor to adjust water and sewer rates and charges. The price adjustments for water and sewer are a result of a need for additional revenue for capital reinvestment in the infrastructure in the water supply system fund as well as to maintain good financial health given the recent completion of major capital work in the sanitary sewer fund.

In addition to rate changes, some language has been edited for consistency and to enhance readability of the ordinance.

In July 1, 2018, a new rate structure was put into place based on a Cost of Service Study to align rates with the cost to serve each customer class. To give customers an opportunity to adjust to the new structure, rate increases were postponed until January 2019.

The changes represent an overall revenue requirement rate increase 6% increase in the water supply system fees and charges and a 7% increase in the sanitary sewer system to all customer classifications.

The impact of these increases on an average single-family residential customer's utility bill is \$10.05 per quarter or \$40.20 per year, an effective rate increase of 5.15%, if consumption remains the same. For the purpose of this comparison, the single-family bill is calculated with 18 units per quarter, is in the second tier for stormwater, and receives the 10% discount for payment on or before the due date. Stormwater is also included in the comparison, however, there are no rate adjustments being made at this time.

Other changes include the numbering of subsections and edits for consistent sentence structure for the operative parts of subsections.

This ordinance will take effect on January 1, 2019 or ten (10) business days following the amendment date.

Note: This ordinance amendment was separated by City Council on January 7, 2019 to include two separate ordinances for Section 2:63 and 2:64.

Submitted by: Marti Praschan, Public Services Chief of Staff

Reviewed by: Craig Hupy, Public Services Administrator

Approved by: Howard S. Lazarus, City Administrator

(See Attached Ordinance)