



Board of Aldermen Request for Action

MEETING DATE: 10/17/2023

DEPARTMENT: Administration/Finance

AGENDA ITEM: Approve Bill No. 3010-23, Amending Utility Rates for Non-Residents. 2nd reading.

REQUESTED BOARD ACTION:

A motion to approve Bill No. 3010-23, Amending Utility Rates for Non-Residents for second reading by title only.

SUMMARY:

During the FY2024 Budget process, staff reviewed changes to the Comprehensive Schedule of Fees with the Board of Aldermen. During this review, staff proposed to change the monthly flat service charge of \$64 for "sewer only" customers who live outside of the Smithville City limits from \$64 to \$81.68 per month. This rate is one and a half times higher than the average residential usage. This rate will be effective November 1, 2023.

In addition, staff are proposing to reinstate charging "water only" customers, who live outside of the Smithville City limits, a rate which is one and a half times higher than the monthly residential water charge and volume rate.

For these water only customers outside the corporate limits, the Schedule of Fees lists this proposed fee at the monthly fee of \$22.05 per month and a usage rate of \$15.60 per 1,000 gallons used, which will be one and a half times the newly proposed rate of \$14.70 per month and \$10.40 per 1,000 gallons used for City residents. These rates will be effective November 1, 2023.

Changing this fee requires revisions to revisions to Section 705.040 Rates for Service. Currently, this ordinance outlines that sewer customers (that are not water customers) who are outside the corporate City limits shall be charged a rate of \$64.00 per month. The reason for the increase is that this flat rate of \$64 has not been increased since October 2013, while customers inside city limits have seen multiple increases during the last 10 years.

Proposed language eliminates listing the charge and simply states that the monthly quantity charges and monthly service charges for customers outside the corporate City limits shall be one and one-half times the charges applicable to City customers. For those sewer customers outside the corporate City limits with no regular water usage data available, they shall be charged a flat rate based upon the average sewer usage of customers within the City.

PREVIOUS ACTION:

POLICY OBJECTIVE:

Click or tap here to enter text.

FINANCIAL CONSIDERATIONS:

ATTACHMENTS:

☒ Ordinance

☐ Resolution

☒ Staff Report

☐ Other:

☐ Contract

☐ Plans

☐ Minutes

AN ORDINANCE AMENDING UTILITY RATES FOR NON-RESIDENTS

WHEREAS, SECTION 705.040 RATES FOR SERVICE currently reads as follows:

- A. The monthly quantity charges and monthly service charges for City water and sewerage services shall be as set forth in the City's Schedule of Fees. Wholesale water sales may be set by special contract at the discretion of the Board of Aldermen.
- B. For sewer customers outside the corporate City limits that are also water customers, a rate of one and one-half (1.5) times the applicable rate of customers within the corporate City limits shall apply. Sewer customers that are not water customers shall be charged a rate of sixty-four dollars (\$64.00) per month.
- C. Sewer customers connected to the City sewer system, both inside and outside the City limits, shall pay an inflow and infiltration sump pump surcharge in the amount of ten dollars (\$10.00) per month, except those customers who have been adjudged exempt from such fee by certification that no direct or indirect sump pump connection to the sanitary system exists by either a free inspection by City Staff or by a qualified plumber licensed to do business in the City of Smithville. The fee assessed herein shall commence with the bill sent to the customer in February 2014, and any exemption request submitted after January 15, 2014, shall result in the assessment of the fee for the next billing cycle, and exempt thereafter.
- D. For sewer customers not adjudged exempt from the inflow and infiltration sump pump surcharge fees no later than January 15, 2015, the monthly inflow and infiltration sump pump surcharge will be in the amount of twenty dollars (\$20.00) per month.

WHEREAS, at the July 18, 2023, Work Session, staff presented the Schedule of Fees, which included an adjustment to the sewer "only" monthly service charge for non-residents. In addition, staff are proposing to reinstate a water "only" monthly service charge for non-residents; and,

WHEREAS, the Board of Aldermen held a public hearing for sewer rates at the October 17, 2023 regular session prior to setting these new rates.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF SMITHVILLE, MISSOURI AS FOLLOWS:

Section 1. REPEALING AND RE-ENACTING: Section 705.040 of the Smithville Municipal Code of Ordinances is hereby repealed in its entirety and a new Section 705.040 is enacted to be read and numbered as follows:

Section 705.040 Rates for Service

A. The monthly quantity charges and monthly service charges for City water and sewerage services shall be as set forth in the City's Schedule of Fees. Wholesale water sales may be set by special contract at the discretion of the Board of Aldermen.

B. The monthly quantity charges and monthly service charges for water and/or sewerage customers outside the corporate City limits shall be one and one-half (1 ½) times the charges applicable to City customers. For sewer customers outside the corporate City limits with no regular water usage data available, a flat rate shall be charged based upon the average sewer usage of customers within the City multiplied by the non-City customer rates.

C. Sewer customers connected to the City sewer system, both inside and outside the City limits, shall pay an inflow and infiltration sump pump surcharge of twenty dollars (\$20.00) month unless those customers have been adjudged exempt from such fee by certification that no direct or indirect sump pump connection to the sanitary system exists by either a free inspection by City Staff or, at the customer's expense – by a qualified plumber licensed to do business in the City of Smithville. Upon certification of exemption, the assessment of the fee shall end after the first full monthly billing cycle after certification.

SECTION 2 – REPEAL OF ORDINANCES IN CONFLICT: All ordinances or part of ordinances in conflict with this ordinance are hereby repealed.

SECTION 3 – EFFECTIVE DATE: This ordinance shall be in full force from and after the date of its passage and approval.

PASSED by the Board of Aldermen, and **APPROVED** by the Mayor, of the City of Smithville, Missouri, this 17th day of October, 2023.

Damien Boley, Mayor

ATTEST:

Linda Drummond, City Clerk

First Reading: 10/03/2023

Second Reading: 10/17/2023