

AGENDA ITEM
December 17, 2013

Subject: Amendments to Chapter 40 Water Services

Department: Water Distribution

The attached ordinance presents service charges related to the City of Nevada water system. Proposed rates are necessary to pay for operating costs and to build reserve funds. Reserve funds are necessary to replace water lines and equipment that are vital to maintaining the integrity of the system.

Section 40-17 recommends an annual rate adjustment. The minimum amount would be based on the Consumer Price Index.

	<u>Current</u>	<u>Proposed</u>
Water:		
1st 1,000 gallons	10.82	12.98
Large meter	21.64	25.96
Per 1,000 gallons	6.37	7.64
1st 1,000 gallons outside city	10.82	14.28
Large meter outside city	21.64	28.56
Per 1,000 gallons outside city	6.37	8.41
Administrative Fee	45.00	54.00
Administrative Fee - Tampering	100.00	120.00
Residential Deposit	50.00	*112.00
Administrative Fee outside city	45.00	59.00
Administrative Fee-Tampering outside City	100.00	132.00
Taps:		
Water Tap Residential	100.00	120.00
Water Tap Duplex /Apartment	100.00	120.00
Water Tap Commercial	500.00	600.00
Water Tap Residential outside city	1,500.00	1,800.00

This is an estimated amount. The actual deposit amount will be calculated based on the city's residential average for the months of January through December.

**A GENERAL ORDINANCE OF THE CITY OF NEVADA, MISSOURI AMENDING
CHAPTER 40 OF THE NEVADA CITY CODE PERTAINING TO WATER SERVICE**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEVADA, MISSOURI,
THAT:**

Section 1. Section 40-10 of the Nevada City Code is hereby amended to read as follows:

Section 40-10. Turning off water to prevent abuse.

Immediate termination of service will occur when water service is accessed without the benefit of payment to the city for such service and when equipment is damaged or missing. When termination at the meter is not sufficient to gain compliance with these rules and regulations, the water department may cause the corporation stop to be turned off or drawn.

- a) A fee of \$120 plus the actual cost of any damaged or missing equipment will be charged for services inside city limits.
- b) A fee of \$126 plus the actual cost of any damaged or missing equipment will be charged for services outside city limits.
- c) Delinquent bills, administrative fees, deposit, cost of consumption during the abuse of water service and any other applicable fees will be paid in full prior to reinstating water service to the customer.

Section 2. Section 40-17 of the Nevada City Code is hereby amended to read as follows:

Section 40-17. Charges and deposits.

Charges, application of charges, deposits, and utilization of deposits.

- (a) The city shall collect water charges for the use and service rendered by the city's water system from the occupant user of each lot, parcel of real estate or building which is connected to the water system of the city.
- (b) The city shall review the water service charge system annually and review the water service charges as necessary to ensure that the system generated adequate revenues to pay the costs of operations and maintenance including replacement and that the system continues to provide for the proportional distribution of operation and maintenance including replacement costs among users and user classes.
 - (1) Unless otherwise indicated and at a minimum, it is recommended that rates will be modified annually, effective January 1, by the amount equal

to the September 30 Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI -W), "All Items", Midwest Region, percent change from September 30, previous year.

- (2) The city will notify each user at least annually, in conjunction with a regular bill, of the rate being charged.
- (c) Commercial meter deposits shall be required in an amount to be estimated by the city to equal the cost of two months of anticipated use of the customer. Deposits shall be applied to the final bill upon termination of service.
- (d) Residential meter deposits shall be required in an amount equal to the cost of two months anticipated use based on the city's residential town average for the months of January through December of the prior year. The residential town average shall be recalculated annually during the month of January. Deposits shall be applied to the final bill upon termination of service.
- (e) Residential meter deposits may be waived in cases where the customer has established 12 months of satisfactory utility payment history with the city. Customers who have never had service with the city may submit a letter of credit from their previous utility company. The letter of credit must report a minimum of 12 months continuous service, no more than 2 late payments, no return payments and no disconnections for non-payment.

Section 3. Section 40-18 of the Nevada City Code is hereby amended to read as follows:

Section 40-18. Rates, residential and commercial service

The monthly rates required and which shall be charged and collected by the city for the use and services of the city's water system shall be based on the quantity of water used, determined as hereinafter set out, on the premises served, and said charges shall be as follows:

a) Inside city limits

- (1) First one thousand (1,000) gallons or fraction thereof, a minimum charge of twelve dollars and ninety-eight cents (\$12.98).
- (2) First one thousand (1,000) gallons or fraction thereof for meters greater than five-eighth inch (5/8") will be twice the current minimum.
- (3) For all additional gallons, a charge of seven dollars and sixty-four cents (\$7.64).

b) *Outside city limits*

- (1) First one thousand (1,000) gallons or fraction thereof, a minimum charge of fourteen dollars and twenty-eight cents (\$14.28).
- (2) First one thousand (1,000) gallons or fraction thereof for meters greater than five-eighth inch (5/8") will be twice the current minimum.
- (3) For all additional gallons, a charge of eight dollars and forty-one cents (\$8.41).

Section 4. Section 40-21 of the Nevada City Code is hereby amended to read as follows:

Section 40-21. – Collection of bills.

All bills for water service shall be due and payable within 35 days from the billing date. Payment must be received at City Hall or at such other places as the governing body of the city may from time to time specify.

- a) If the bill remains due and unpaid thereafter, a late charge of ten percent of the current bill will be assessed. Delinquent amounts and late charges shall be due and payable within 14 days.
- b) Delinquent amounts less than \$10.00 will be added to the next regular bill with no further notification and service will not be subject to termination.
- c) If the delinquent bill is not paid within the 14 day period, service will be terminated and an administrative fee will be assessed to the customer account. Service will only be reinstated upon full payment of the delinquent amount, late charges, administrative fees and deposit if applicable. Payments received after 4:00 p.m. will be scheduled for re-connection on the next business day.
 - (1) Inside city limits \$54.00
 - (2) Outside city limits \$59.00
- d) Returned payments and additional fees shall be due within 5 business days from the return date. Returned payment fee limits are set by RSMo.570.120. Payments will only be accepted in the form of cash, money order, or credit card, or bank certified payment. If payment is not received within the 5 day period, service will be terminated and an administrative fee will be assessed to the account.
 - (1) Inside city limits \$54.00
 - (2) Outside city limits \$59.00

- e) If a returned payment was for a deposit or reconnection, service will be terminated immediately. Return payment fees and administrative fees will be assessed to the account.
- f) The City Manager or designee shall be authorized to extend a billing due date if a customer had a verifiable leak where the bill is at least double the average bill amount and the leak has been repaired by a person or company licensed to make plumbing repairs in Nevada, Missouri. Late charges will apply, but disconnection shall not occur until after the extended due date.
- g) The City Manager or designee is authorized, where appropriate, to direct staff to assist customers in setting up payment plans not exceeding one year where the above qualifications have been met and the customer is otherwise in good standing on their account.

Section 5. Section 40-27 of the Nevada City Code is hereby amended to read as follows:

Section 40-27. Connection charges to water system

a) Connections within the city limits

- (1) Residential property within the city shall be connected to the public water supply system at the expense of the owner upon payment of a tap or connection charge at a rate of \$120.00 for each dwelling, plus any connection cost as described in Section 40-29. Any single residential structure located on a lot, tract or parcel of land within the city may be connected directly to the public water supply system.
- (2) Any duplex, multiple-family apartment house, apartment development, town house complex, etc., shall be connected to the public water supply system at the expense of the owner upon payment of tap or connection charge at a rate of \$120.00 per dwelling unit, plus any connection cost as described in Section 40-29.
- (3) Commercial and industrial property within the city shall be connected to the public water supply system at the expense of the owner upon the payment of a tap or connection charge at a rate of \$600.00 plus any connection cost as described in Section 40-29.

b) Connections outside the city limits

- (1) Residential property outside the city, upon approval of the City Council, may be connected to the public water supply system at the expense of the owner upon the payment of a tap or connection charge at the rate of

\$1,800.00 for each dwelling plus any connection cost as described in Section 40-29.

- (2) Commercial, industrial, or nonresidential property outside the city, upon approval of the City Council, may be connected to the public water supply system at the expense of the owner upon payment of a tap or connection charge at the rate of \$9,000 plus any connection cost as described in Section 40-29.

Section 6. Section 40-29 of the Nevada City Code is hereby amended to read as follows:

Section 40-29. Connection Cost

All labor, material, cost and expenses incident to the installation and connection to the public water supply system shall be borne by the owner. The owner shall indemnify the city from any loss or damage that may directly or indirectly be occasioned by the installation of water service. Failure to pay labor, material, cost and expenses within 30 days after billing by city will result in service termination and an administrative fee.

- (1) Inside city limits \$54.00
- (2) Outside city limits \$59.00

Section 7. The terms of this Ordinance shall be effective and applicable to all billings beginning January 21, 2014. The terms of the previous ordinances shall be in full force and effect until January 19, 2014.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Nevada, Missouri, this 7th day of January, 2014.

Seth Barrett, Mayor

(seal)

ATTEST:

Bev Baker, City Clerk

