

AN ORDINANCE REPEALING ORDINANCE NO. 4.280 (SECTION 6.110.100 OF THE CITY CODE) AND ENACTING IN LIEU THEREOF A NEW SECTION TO PROVIDE FOR AN INCREASE IN THE MINIMUM SERVICE CHARGE TO \$5.77 MONTHLY, AS A PORTION OF THE WATER SERVICE RATES FOR THE CITY OF GLADSTONE, MISSOURI.

LEGISLATIVE FINDINGS

1. The water service rates charged by the City of Gladstone are comprised of a minimum service charge and an additional charge per 1,000 gallons of water used.
2. An increase of \$1.25 in the monthly minimum service charge, to a total of \$5.77 per monthly billing cycle, is determined to be the appropriate amount to be charged to each water service customer.
3. The current usage rate of \$3.87 per 1,000 gallons used is not changed.
4. The City Council finds that a new rate of \$5.77 for the monthly minimum service charge for each water service customer is reasonable and appropriate, and serves the best interests of the citizens of the City of Gladstone.

THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, AS FOLLOWS:

SECTION 1. Repeal of Section Establishing Water Service Rates. Ordinance No. 4.280, codified as Section 6.110.100 in the City Code, is hereby repealed.

SECTION 2. Enactment of New Water Service Rate Section. New provisions, to be codified as Section 6.110.100 of the Code of Ordinances of the City of Gladstone are hereby enacted to read as follows:

Sec. 6.110.100. Service Rates.

- (a) The following rates shall be charged for all metered water service:
- (1) Minimum service charge of \$5.77 monthly.
 - (2) Plus \$3.87 per 1,000 gallons used.


SECTION 3. Effective Date. The Water Service Rates as set forth in Section 1 of this Ordinance are effective July 1, 2015.

**PASSED, SIGNED AND MADE EFFECTIVE BY THE COUNCIL OF THE CITY OF
GLADSTONE, MISSOURI, THIS 8TH DAY OF JUNE, 2015.**



Mayor Bill Garnos

ATTEST:



Ruth Bocchino, City Clerk

1st Reading: June 8, 2015

2nd Reading: June 8, 2015



June 3, 2015

TO: Kirk Davis – City Manager
FROM: Debra Daily – Director of Finance DD
RE: Water Service Fee Increase

The water rate for production and distribution of potable water is currently \$3.87 per 1,000 gallons. The current service fee charge is \$4.52 per month. During the FY16 Budget process, a monthly service charge increase of \$1.25 per month to \$5.77 was approved. No water rate increase was recommended. A service charge is set to cover the fixed operating costs that must be funded regardless of seasonal variations in water usage and corresponding sales revenues. The service charge will be effective for all bills mailed in July.

The \$1.25 increase in the service fee will generate \$115,000 annually and will cover increases in operating costs including sludge removal (\$27,000), electricity (\$27,000), Compensation and Classification Plan salary cost increases (\$44,553), and additional bad debt expense (\$12,500). Total increase in costs is projected to be \$111,053.

Below is a historical listing of water rates and service charges for your reference. Also attached is the proposed Ordinance to be included on the June 8 Council Meeting Agenda. If you have any questions, please contact me at your convenience.

<u>Ordinance</u>	<u>Effective</u>	<u>Rate Per 1,000 gals.</u>	<u>Service Charge per bill</u>
3.360	4/94	2.18	3.65 bi-monthly
3.509	5/96	2.21	3.65 bi-monthly
3.597	5/97	2.24	3.80 bi-monthly
3.740	1/00	2.49	3.80 bi-monthly
3.845	9/02	2.69	3.80 bi-monthly
3.882	10/03	2.79	3.80 bi-monthly
3.984	03/06	2.89	5.34 bi-monthly
4.011	10/06	3.14	5.34 bi-monthly
4.042	07/07	3.14	6.63 bi-monthly
4.078	07/08	3.34	6.63 bi-monthly
4.112	07/09	3.34	7.63 bi-monthly
4.215	07/12	3.64	7.98 bi-monthly
4.280	07/14	3.87	4.52 monthly
x.xxx	07/15	3.87	5.77 monthly