

BILL NO. 16-28

ORDINANCE NO. 4.356

AN ORDINANCE AMENDING SECTION 6.110.100 OF THE CODE OF ORDINANCES OF THE CITY OF GLADSTONE, MISSOURI, REGARDING WATER SERVICE RATES IN THE CITY.

WHEREAS, the metered water service rates charged by the City of Gladstone are set forth in Section 6.110.100 of the Code of Ordinances of the City of Gladstone, Missouri; and

WHEREAS, the City Council desires to establish new rates for metered water service customers that are reasonable and appropriate, and serve the best interest 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. Section 6.110.100 of the Code of Ordinances of the City of Gladstone, Missouri is hereby deleted in its entirety and replaced with the following:

Sec. 6.110.100. Service Rates.

(a) The following rates shall be charged for all metered water service:

- (1) Minimum service charge of \$8.27 monthly.
- (2) Plus \$4.17 per 1,000 gallons used.

(b) When bills are rendered other than bi-monthly, the above listed minimum shall be adjusted to a monthly charge and multiplied by the appropriate number of months.

SECTION 2. Effective Date. The metered water service rates as set forth in Section 1 of this Ordinance shall be effective July 1, 2016.

PASSED, SIGNED AND MADE EFFECTIVE BY THE COUNCIL OF THE CITY OF GLADSTONE, MISSOURI, THIS 13th DAY OF JUNE, 2016.


Jean B. Moore, Mayor

ATTEST:


Ruth Bocchino, City Clerk

1st Reading: June 13, 2016

2nd Reading: June 13, 2016



7010 N Holmes Gladstone, Missouri 64118 816-436-2200 Fax 816-436-2228 Gladstone.m

June 7, 2016

TO: Scott Wingerson – City Manager
FROM: Debra Daily – Director of Finance DD
RE: Water Rate and Service Fee Increases

The water rate for production and distribution of potable water is currently \$3.87 per 1,000 gallons. The current service fee charge is \$5.77 per month. During the FY17 Budget process, a \$.30 rate increase per thousand gallons of water was approved. A monthly service charge of \$8.27 was also approved. 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. These changes will increase a Citizen's average water bill (5,000 gallons usage) by \$4.00 for each monthly billing. The service charge will be effective for all bills mailed in July. The water rate increase will be applied to water used on or after July 1, 2016.

The \$.30 cent water rate increase will raise \$174,000 annually based on projected water usage and the service charge will generate an additional \$289,000 for a total of \$463,000. These increases are recommended to begin to incrementally fund the water main maintenance and replacement outlined in the recent Water Distribution System Master Plan presented to council in September of 2015. Based on Council input during the budget work session, an additional \$1 was added to the proposed \$1.50 monthly service charge increase. This change was made to increase the funding for the water main replacement program. An additional year of similar increases should fund the balance of the water main replacement portion of the Master Plan. This assumes that water usage has stabilized and does not continue additional significant reductions.

As previously stated, the proposed water rate increase of \$.30 cents per thousand gallons and service fee increase of \$2.50 cents per billing will increase monthly bills by \$4.00 based on average monthly water usage of 5,000 gallons.

Below is a historical listing of water rates and service charges for your reference. Also attached is the draft Ordinance scheduled to be included on the June 13th 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</u>
4.042	7/07	\$3.14	6.63 bi-monthly
4.078	7/08	\$3.34	\$6.63
4.112	7/09	\$3.34	\$7.63
no change	7/10	\$3.34	\$7.63
4.215	7/12	\$3.64	\$7.98
4.280	07/14	\$3.87	4.52 monthly
4.312	7/15	\$3.87	\$5.77
proposed	7/16	\$4.17	\$8.27