

ORDINANCE 1121

CITY OF LACEY

AN ORDINANCE PROVIDING FOR A RESTRUCTURING OF THE CITY'S WATER RATES AND CHARGES FOR CUSTOMERS LOCATED BOTH WITHIN AND OUTSIDE THE CITY, AMENDING SECTION 13.32.030 AND SECTION 13.44.030 OF THE LACEY MUNICIPAL CODE, REPEALING SECTION 13.32.060 OF SAID CODE AND ADOPTING A SUMMARY FOR PUBLICATION

WHEREAS, the City has, over the years, conducted comprehensive studies of the City's water system, needed improvements to that system and the costs and benefits of said improvements, and

WHEREAS, such studies and review have shown the need for substantial capital improvements to the City's water system and a large portion of such improvements previously made and to be made in the future are portions of the system which benefit customers located outside the City, and

WHEREAS, due to careful management of the water rates charged by the City and operational expenses of the water system, the City has been able to reduce its reliance upon debt financing for system improvements, including those improvements designed to benefit customers located outside of the City, and

WHEREAS, although the City attempts at all times to make the water utility self-supporting, the utility does benefit by virtue of general expenditures within the City for administrative and capital expenses of city government which expenses are supported by property tax revenues received from customers located within the City, and

WHEREAS, improvements to the water system result in a higher tax base for those properties served by the system, however, only that portion of the higher tax base of the properties located within the City is of benefit to the City, and

WHEREAS, although the City has been authorized to apply its utility tax upon utility bills rendered to customers both within the City and those located outside of the City, the City has, to date, not passed such taxes on as a separate item to non-resident utility customers, and

WHEREAS, the City Council has taken into account all of the factors set forth in the above recitations as well as other relevant factors and has determined that there continues to be a

reasonable difference from a cost, revenue and benefits standpoint between those water customers located within the City and those located outside of the City. However, if the City's utility tax is passed on to customers located outside of the City in the same manner as has been the case for customers located within the City and if the Council adopts a water service charge for non-residential customers which is 30% higher than the rates for in-City customers, the 50% surcharge previously applied to non-resident customers can be eliminated, and

WHEREAS, the Council wishes to encourage water conservation by providing for a reduced consumption cost for those using less water and a higher consumption cost for those using more water;

NOW, THEREFORE

BE IT ORDAINED by the City Council of the City of Lacey, Washington as follows:

Section 1. Section 13.32.030 of the Lacey Municipal Code is hereby amended to read as follows:

13.32.030 Service charge--Metered. Water service charges for ~~all~~ metered connections to the system shall be determined as follows:

A. There shall be a monthly base rate charge, an additional charge for each one hundred cubic feet of water consumed in said monthly period up to a consumption level of five hundred cubic feet and a charge for each one hundred cubic feet of water consumed in said monthly period in excess of five hundred cubic feet for all billings rendered during the time periods indicated as follows:

Rates for services located within the city:

<u>Time Period</u> <u>Year</u> <u>of</u> <u>Billing</u>	<u>Monthly</u> <u>Base</u> <u>Rate</u> <u>Charge</u>	<u>Rate/</u> <u>100 cf</u> <u>Under</u> <u>500 cf</u>	<u>Rate/</u> <u>100 cf</u> <u>Over</u> <u>500 cf</u>
01/01/98 04/30/99	\$ 6.69	\$0.34	\$1.25
05/01/99 and thereafter	6.86	0.35	1.28
2000	\$ 7.36	\$0.3570	\$1.3056
2001	7.36	0.3749	1.3709
2002	7.36	0.4936	1.4394

Rates for services located outside the city:

<u>Year</u>	<u>Monthly</u>	<u>Rate/</u>	<u>Rate/</u>
<u>of</u>	<u>Base</u>	<u>100 cf</u>	<u>100 cf</u>
<u>Billing</u>	<u>Charge</u>	<u>Under</u>	<u>Over</u>
		<u>500 cf</u>	<u>500 cf</u>
2000	\$ 9.57	\$0.464	\$1.6973
2001	9.57	0.4873	1.7821
2002	9.57	0.5117	1.8713

~~From said charges, the sum of \$.75 of the monthly base rate for each metered connection and the sum of \$0.15 per one hundred cubic feet of water consumed in said monthly period in excess of five hundred cubic feet an amount equal to 12.6% of revenues received shall be set aside by the city separately for the purpose of accumulating a depreciation reserve for the replacement of equipment and plant in place of the water system. The balance of the income received from said charges shall be used for maintenance and operation, construction and the debt service requirements of said system.~~

~~B. In addition to the charges levied in 13.32.030(A), there shall be levied for groundwater management and water quality assurance, a monthly charge based upon the size of meter utilized by said customer in the following amounts:~~

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8" to 3/4"	\$ 1.00
1"	2.00
1-1/2"	3.00
2"	5.00
3"	10.00
4"	17.00
6"	33.00

~~The charges set forth in Section 13.32.060 shall be in addition to those rates set forth in this section, provided, however, that notwithstanding anything to the contrary in said Section 13.32.060, the percentage charges levied by said section shall only be computed against those service charges set forth in 13.32.030(A) and shall not apply to the monthly charge levied against all customers by 13.32.030(B). (Ord. 1100 \$1, 1999; Ord. 1026 \$1, 1995; Ord. 959 \$2, 1993; Ord. 855 \$2, 1989).~~

Section 2. Section 13.32.060 of the Lacey Municipal Code, which section formerly levied a fifty percent surcharge upon non-resident water utility system customers is hereby repealed.

Section 3. Section 13.44.030 of the Lacey Municipal Code is hereby amended to read as follows:

**13.44.030 Billing and payment of utility charges---Penalties--
Discontinuance of services.**

A. The city shall bill monthly for water, sewer and storm and surface water utility charges. Billings for those utilities or customers requiring meter reading may be billed on the basis of estimated charges provided that on every second month all billings shall be based upon actual readings and appropriate adjustments shall be made.

B. All charges for utility services shall be due by the due date set forth on the billing, which date shall be approximately twenty-five days after the date of said billing. Any billing which has not been paid in full by the due date specified, shall be considered to be delinquent. A ~~ten~~ 7.5 percent penalty shall be added to delinquent accounts and a penalty notice mailed by the city. If payment of all delinquent utility charges and penalties is not received by the city within nineteen days after the due date, water services to the premises shall be discontinued.

C. After water services have been shut off because of a delinquency in paying utility charges, service shall not be resumed until all charges, penalties and service fees have been paid. Service fees shall include a fee for each service trip which has been made to the premises relative to the delinquent charges at rates established by resolution of the city council.

D. If a trip is made by service personnel to the premises of a customer for the purpose of shutting off services due to delinquency, and the customer wishes to pay the delinquent bill and delinquency penalty at that time, a service fee for said trip at rates established by resolution of the city council shall be assessed. If the delinquent charges, penalty and such service fee are paid at the time, the water service shall not be discontinued.

Section 4. This ordinance shall take effect on December 31, 1999.

Section 5. The summary attached hereto is hereby approved for publication.

PASSED BY THE CITY COUNCIL OF THE CITY OF LACEY, WASHINGTON, this 2nd day of December, 1999.

CITY COUNCIL

By: Nancy Peterson
Mayor

Approved as to form:

[Signature]
City Attorney

Attest:

Charlotten Taylor
City Clerk

Published: December 6, 1999

SUMMARY FOR PUBLICATION

ORDINANCE 1121

CITY OF LACEY

The City Council of the City of Lacey, Washington, passed on ~~November~~ December ~~2nd~~ 2nd, 1999, Ordinance No. 1121 entitled "AN ORDINANCE PROVIDING FOR A RESTRUCTURING OF THE CITY'S WATER RATES AND CHARGES FOR CUSTOMERS LOCATED BOTH WITHIN AND OUTSIDE THE CITY, AMENDING SECTION 13.32.030 AND SECTION 13.44.030 OF THE LACEY MUNICIPAL CODE, REPEALING SECTION 13.32.060 OF SAID CODE AND ADOPTING A SUMMARY FOR PUBLICATION."

The main points of the ordinance are as follows:

1. The ordinance restructures the City's water rates by establishing a monthly base rate which will stay level for the next three years. The rate for water consumption will be substantially lower per 100 cubic feet for low water users than the rate per 100 cubic feet for higher levels of water consumption.
2. The ordinance eliminates the separate charge levied for groundwater management and water quality assurance. However, those purposes will continue to be funded from the revenues of the water system.
3. The ordinance eliminates the 50% surcharge for out of City customers which has been in effect for several years. In lieu of this elimination, the ordinance makes it clear that the City will pass on its tax on the water utility to out of City customers in the same manner as paid by in City customers. Further, the rates for services outside of the City will be 30% higher than the rates for in City customers due to the many factors cited in the ordinance.
4. The ordinance reduces the penalty for delinquent bills from 10% to 7.5%.

A copy of the full text of this Ordinance will be mailed without charge to any person requesting the same from the City of Lacey.

Published: December 6, _____, 1999.