

Prepared by: Attorney/Public Works/Clerk
Requested by: Public Works
Introduced: April 14, 2003
Amended: April 28 and May 12, 2003
Public Hearing: April 28, May 12, and June 9, 2003
Adopted: June 9, 2003
Vote: Passed
Cox, Lowe, Sande, Straub in favor; Sullivan-Leonard and O'Neil opposed

**CITY OF WASILLA
ORDINANCE SERIAL NO. 03-19(AM)**

AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC 13.08.010 AND WMC 13.08.050 THROUGH 13.08.080, ENACTING WMC 13.08.065, AND REPEALING ORDINANCE SERIAL NO. 99-28, CONCERNING THE CITY SEWER SERVICE SYSTEM.

* **Section 1. Classification.** Except for Section 8, this ordinance is of a general and permanent nature and shall become part of the city code.

* **Section 2. Amendment of section.** WMC 13.08.010, Definitions, is amended to read as follows.

As [UNLESS THE CONTEXT SPECIFICALLY INDICATES OTHERWISE, THE MEANING OF TERMS]used in this chapter [SHALL BE AS FOLLOWS]:

"Building drain" means that part of the lowest horizontal piping of a drainage system which receives the discharge from waste, and other drainage pipes inside the walls of the building and conveys it to the building sewer, beginning immediately outside the building wall.

"Business day" means a day on which the city's administrative offices are open to provide general services to the public.

"Business hours" means from 8 a.m. to 5 p.m. on a business day.

["CITY" MEANS THE CITY OF WASILLA INCLUDING THE COUNCIL, MAYOR OR AUTHORIZED EMPLOYEES OF THE CITY.]

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

"City of Wasilla sewer system" means that pressure sewer system installed and subsequent extensions thereof by the city of Wasilla.

"Class I Service" means service to (i) a residential structure with no more than twelve bedrooms, or (ii) any other structure that is designed to serve less than twenty-five persons per day and that produces an average daily wastewater flow of less than 2,000 gallons.

"Class II Service" means any service that is not Class I Service.

["CONNECTION FEE" MEANS THE FEE CHARGED FOR CONNECTION TO THE SYSTEM INCLUDING A PROPORTIONATE SHARE OF THE COST FOR CONSTRUCTING THE SYSTEM PLUS THE ACTUAL COST FOR MATERIALS AND LABOR AND MARK-UP IN MAKING THE CONNECTION AND OTHER COSTS AS DETERMINED BY THE CITY.]

["COUNCIL" MEANS THE COUNCIL OF THE CITY OF WASILLA.]

["DUPLEX" MEANS A RESIDENTIAL BUILDING(S) CONTAINING TWO SEPARATE LIVING UNITS. EACH LIVING UNIT SHALL BE AS AN INDIVIDUAL RESIDENTIAL SEWER CUSTOMER.]

["EASEMENT" MEANS AN ACQUIRED LEGAL RIGHT FOR THE SPECIFIC USE OF LAND OWNED BY OTHERS.]

"Electrical service" means the circuit used exclusively for the pumping facilities in the interceptor tank.

["FINAL ASSESSMENT ORDER" MEANS THAT ORDER ENTERED BY THE CITY PURSUANT TO CHAPTER 5.20 OF THIS CODE.]

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

"Garbage" means the animal and vegetable waste resulting from the handling, preparation, cooking and serving of food.

"Industrial wastes" means the wastewater from industrial processes, trade, or businesses as distinct from domestic or sanitary wastes.

"Interceptor tank" means a septic tank-like structure which contains facilities for retention and treatment of wastewater, [SEWAGE WASTES]and is used in conjunction with a container for pumping wastewater [EFFLUENT]or a pump.

["MAY" MEANS IT IS PERMISSIVE.]

["MAYOR" MEANS THE MAYOR OF THE CITY OF WASILLA OR HIS AUTHORIZED REPRESENTATIVE.]

"Natural outlet" means any outlet, including storm sewers and combined sewer overflows, into a watercourse, pond, ditch, lake or other body of surface or groundwater.

"Owner" also includes purchaser under land sale contract.

["PERSON" MEANS THE LEGAL PERSON, INCLUDING INDIVIDUAL, CORPORATION, PARTNERSHIP, TRUST OR ANY OTHER ENTITY.]

"pH" means the logarithm of the reciprocal of the hydrogen-ion concentration. The concentration is the weight of hydrogen-ions, in grams, per liter of solution. Neutral water, for example, has a pH value of 7 and a hydrogen-ion concentration of 10^{-7} .

["PRACTICAL ROUTE" MEANS THAT ROUTE DETERMINED BY THE CITY TO BE ECONOMICALLY FEASIBLE].

"Properly shredded garbage" means the wastes from the preparation, cooking, and dispensing of food that have been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in the building drain with

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

no particle greater than one-half inch (one twenty-seventh centimeters) in any dimension.

"Public sewer" means the Wasilla sewer system also referred to as "system," including interceptor tanks, pumping facilities, service lines, system piping and control panels.

"Sanitary sewer" means a sewer that carries liquid and water carried wastes from the residences, commercial buildings, industrial plants, and institutions together with minor quantities of ground, storm, and surface waters that are not admitted intentionally.

"Service fees" means the fees, normally monthly, levied for operation and maintenance of the system.

"Service lines" means the piping installed on property to connect the interceptor tank serving the structures thereon to the system piping. Unlike a lateral of a main or a main, service lines are not designed or intended to receive effluent flow from structures other than those structures with wastewater plumbing existing on the property when the lines were installed.

"Sewage" means the spent water of a community. The preferred term is "wastewater".

"Sewer" means a pipe or conduit that carries wastewater or drainage water.

["SHALL" MEANS THAT IT IS MANDATORY.]

"Slug" means any discharge of water or wastewater which in concentration of any given constituent or in quantity of flow shall adversely affect the collection system or performance of the wastewater treatment works.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

"Storm drain" (or "storm sewer") means a drain or sewer for conveying water, groundwater, subsurface water, or unpolluted water from any source.

"Suspended solids" means the total suspended matter that either floats on the surface of, or is in suspension in, water, wastewater or other liquids, and that is removable by laboratory filtering as prescribed in Standard Methods for the Examination of Water and Wastewater.

"System piping" means the main transmission lines and its laterals which collect wastewater from service lines.

[**"TRIPLEX" MEANS A RESIDENTIAL BUILDING(S) CONTAINING THREE SEPARATE LIVING UNITS. EACH LIVING UNIT SHALL BE AS AN INDIVIDUAL RESIDENTIAL SEWER CUSTOMER.**]

"Unpolluted water" means water of quality equal to or better than the effluent criteria in effect or water that would not cause violation of receiving water quality standards and would not be benefited by discharge to the sanitary sewers and wastewater treatment facilities provided.

"Wastewater" means the spent water of a community. From the standpoint of source, it may be a combination of the liquid and water carried wastes from residences, commercial buildings, industrial plants, and institutions.

"Wastewater facilities" means the structures, equipment, and processes required to collect, carry away, and treat domestic and industrial wastes and dispose of the effluent. Wastewater facilities include the interceptor tanks, pumping facilities, service lines, system piping and control panels. May be used interchangeably with "sewer facilities."

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

"Wastewater treatment works" means an arrangement of devices and structures for treating wastewater, industrial wastes, and sludge. Sometimes used as synonymous with "waste treatment plant" or "wastewater treatment plant" or "water pollution control plant," or "sewage treatment plant."

"Water course" means a natural or artificial channel for the passage of water either continuously or intermittently.

"WPCF" means Water Pollution Control Federation.

* **Section 3. Amendment of subsection.** WMC 13.08.050.A, Sewer – Connection permits is amended to read as follows:

A. A permit is required for any connection to the city's sewer system. **A permit shall specify whether it is for Class I Service or Class II Service.** [THERE SHALL BE TWO CLASSES OF SEWER CONNECTION PERMITS:

1. CLASS I : INCLUDES RESIDENTIAL STRUCTURES UP TO TWELVE (12) BEDROOMS AND ALL OTHER STRUCTURES DESIGNED TO SERVE LESS THAN TWENTY-FIVE (25) PERSONS PER DAY.

2. CLASS II : INCLUDES RESIDENTIAL STRUCTURES WITH MORE THAN TWELVE (12) BEDROOMS AND ALL OTHER STRUCTURES DESIGNED TO SERVE MORE THAN TWENTY-FIVE (25) PERSONS PER DAY AS DEFINED IN WMC 13.08.010.]

* **Section 4. Amendment of section.** WMC 13.08.060. Sewer--Connection fees is amended to read as follows:

A. **An** applicant[S] for **a** permit[S] to connect the wastewater plumbing of a structure to the city sewer system shall pay a connection fee. The connection fee shall consist of [ONE OR MORE OF]the following elements, as applicable.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

1. The estimated cost of [THE]city employee time required [MAN-HOURS ESTIMATED NECESSARY]to inspect the materials and construction of the connection;

2. The estimated cost of [THE]city employee time required [MAN-HOURS ESTIMATED NECESSARY]to perform the main line tap and/or connect the service line to the interceptor tank or vault;

3. 125 percent of the cost to the city[, PLUS TWENTY-FIVE (25) PERCENT,] of any materials furnished by the city that are used in the performance of paragraph [SUBSECTION (A)](1) or [AND] (2) of this subsection;

4. 125 percent of materials necessary for the connection that are provided by the city at the request of the owner[, PROVIDING ADEQUATE RESOURCES ARE AVAILABLE, THE CITY MAY SELL TO THE OWNER MATERIALS THAT ARE NECESSARY FOR THE CONNECTION. THE PRICE TO THE OWNER WILL BE THE CITY'S COST PLUS TWENTY-FIVE (25) PERCENT. THE COST OF MATERIALS PURCHASED AS DESCRIBED HEREIN SHALL BE A PART OF THE CONNECTION PERMIT FEE].

5. 125 percent of the estimated cost to the city of assistance that the city provides at the request of the owner, [PROVIDING RESOURCES ARE AVAILABLE, THE CITY MAY PROVIDE ASSISTANCE]in the form of labor, technical assistance, or operating specialized tools during the construction of the connection.

Notwithstanding any other provision of this subsection, the city shall not be the primary contractor or provider of labor for sewer connections unless specifically authorized by the city council. Any such labor performed by the city [UNDER THIS SECTION]shall be charged at 125 percent of the city cost of the labor [PLUS TWENTY-FIVE (25) PERCENT]. Estimated charges for such labor[, IF ANY,] shall be included in the connection permit fee.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

B. The connection permit fee for [OWNERS OF]property which has not been assessed for off-site costs of sewer construction [WHO WISH TO CONNECT TO THE SEWER SYSTEM]shall [HAVE]include[ED IN THEIR CONNECTION PERMIT FEE] an amount [EQUAL TO AN ASSESSMENT WHICH SHALL BE]calculated in the same manner as the off-site assessment for Sewer District 83-S-1 or as provided [CHANGED]by council resolution. The portion of the permit fee determined under this subsection [AS DESCRIBED HEREIN]may be prepaid in whole, or paid in installments with interest in accordance with council resolution.

C. The estimated connection permit fee shall be paid in full, unless deferred in part under subsection B of this section, prior to issuance of a permit to connect to the sewer system. Before receiving sewer service, the applicant shall pay the city any amount by which [SHOULD]the actual cost exceeds the estimated [AND]amount paid[, THE APPLICANT SHALL PAY THE EXCESS AMOUNT DUE BEFORE RECEIVING SEWER SERVICE]. Any amount paid in excess of the actual cost shall be refunded to the applicant.

D. Notwithstanding the other provisions of this section, the minimum non-refundable connection permit fee shall be \$520 for all connections, except for connections to existing community septic tanks where the fee shall be \$260.

* **Section 5. Adoption of section.** WMC 13.08.065, Application for service, is adopted to read as follows:

13.08.065 Application for service.

A. Application Form. Each applicant for sewer service shall sign an application form provided by the public works director, giving the date of application, location of the premises to be served, the date applicant desires services to begin, class of service, mailing address, and any other information

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

requested. By signing the application, the applicant agrees to abide by WMC 13.08 and all policies or regulations promulgated thereunder. The application is a request for service and does not require the city to furnish service.

B. Amended Applications. Applicants or customers desiring a change in the class or location of service, or any change in equipment or operation, shall file an amended application.

* Section 6. Amendment of section. WMC 13.08.070, Sewer – Service fees is amended to read as follows:

A. A sewer [S]service fee[S] shall be [ESTABLISHED BY COUNCIL ORDINANCE AND] charged to the owners or occupants of each structure[S] from which wastewater is discharged into the sewer system. The sewer service fee shall be based on the water consumed as measured through a city-owned water meter, unless the structure is not required to have a water meter under B. of this section. The sewer service fee for a structure with a water meter will be based on the prior month's water consumption, and shall be billed after the monthly reading of the water meter. The sewer service fee for a structure that does not have a water meter will be billed one month in advance. The sewer service fee is due on or before the due date stated on the bill. A penalty of eight percent shall be added to all delinquent payments. [THE COUNCIL, BY ORDINANCE, SHALL FIX SERVICE FEE DUE DATES, PENALTIES, INTEREST AND SERVICE CALL CHARGES].

B. A residential structure with less than four dwelling units is not required to have a water meter. A water meter shall be installed for any other structure at the customer's expense, and the installation shall be inspected and approved by the city, before the structure receives sewer service. The water meter shall be furnished by the city at cost plus twenty-five percent.

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

[APPLICANTS FOR SEWER SERVICE SHALL APPLY FOR SUCH SERVICE ON FORMS PROVIDED BY THE CITY. A DEPOSIT EQUIVALENT TO THE ACTUAL OR ESTIMATED MONTHLY SERVICE FEE SHALL BE MADE WITH THE CITY FINANCE DEPARTMENT PRIOR TO RECEIVING SEWER SERVICE. THE DEPOSIT IS NOT A PAYMENT ON ACCOUNT.

1. IN THE EVENT SEWER SERVICE IS DISCONTINUED, THE DEPOSIT MAY BE APPLIED TO THE CLOSING BILL. ANY AMOUNT IN EXCESS OF THE CLOSING BILL WILL BE REFUNDED TO THE DEPOSITOR. THE DEPOSIT WILL BE REFUNDED IF, AFTER TWELVE (12) CONTINUOUS MONTHS THE CUSTOMER HAS NO RECORD OF LATE PAYMENTS. FIVE PERCENT INTEREST SHALL BE PAID ON DEPOSITS.

2. THE DEPOSIT AND ACCRUED INTEREST SHALL BE FORFEITED IF THE CUSTOMERS ACCOUNT BECOMES DELINQUENT AND SERVICE IS DISCONTINUED, AND THE FULL AMOUNT SHALL BE APPLIED TO THE UNPAID BALANCE. SEWER SERVICE WILL NOT BE RESTORED TO A CUSTOMER WITH A DELINQUENT ACCOUNT UNTIL ALL SEWER SERVICE FEES, CHARGES AND PENALTIES DUE THE CITY FROM THE CUSTOMER HAVE BEEN PAID AND THE DEPOSIT REPLACED.]

C. The sewer service fee for a structure with a water meter shall be \$5.15 per thousand gallons, subject to a monthly minimum of \$25.75. The sewer service fee for a structure without a water meter shall be \$32.75 per dwelling unit per month. [SEWER SERVICE RATES SHALL BE BASED ON WATER USAGE IN THE STRUCTURE CONNECTED TO THE SEWER SYSTEM AS MEASURED THROUGH A CITY - OWNED WATER METER OR, BASED UPON AN AVERAGE

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

WATER USAGE FOR THE TYPE OF CUSTOMER IF A WATER METER IS NOT REQUIRED.

1. RESIDENTIAL STRUCTURES WITH LESS THAN FOUR DWELLING UNITS ARE NOT REQUIRED TO HAVE A WATER METER. EACH UNMETERED DWELLING UNIT OCCUPANT SHALL BE CONSIDERED A SEPARATE CUSTOMER AND SHALL PAY A SERVICE FEE BASED ON FIVE THOUSAND (5,000) GALLONS PER MONTH OF WATER USAGE OR, A MINIMUM MONTHLY FEE ESTABLISHED BY COUNCIL.

2. RESIDENTIAL STRUCTURES OF FOUR OR MORE DWELLING UNITS, ALL COMMERCIAL STRUCTURES AND, ANY FACILITY EXPECTED TO EXCEED A DESIGN FLOW OF TWO THOUSAND (2,000) GAL/DAY SHALL INSTALL A CITY-APPROVED WATER METER PRIOR TO RECEIVING SEWER SERVICE.]

D. The city shall provide [THE PAYMENT OF SERVICE FEES AS DETERMINED HEREIN SHALL ENTITLE THE CUSTOMER TO] the [FOLLOWING] maintenance services described below at no charge to the customer. All other services shall be charged at a rate of \$65 per hour for service calls that occur entirely during business hours, and \$97.50 per hour with a one-hour minimum charge for service calls that include time outside of business hours.

1. Repair or replacement of all system components from the interceptor tank to the main system piping, inclusive, providing the replacement or repair is not a result of owner's negligence or action in violation of this chapter;

2. The cleaning or emptying of the interceptor tank each:

a. Three years for Class I service [CUSTOMERS],

b. Two years for Class II service [CUSTOMERS], and

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

c. One year for Class II service [CUSTOMERS]with a design flow or actual flow in excess of sixty thousand (60,000) gallons per month.

* **Section 7. Amendment of section.** WMC 13.08.080, Delinquent accounts – Discontinuance of service is amended to read as follows:

13.08.080 Delinquent accounts--Discontinuance of service.

The city may send a notice of account delinquency to each delinquent customer as soon as possible after the due date. Unpaid accounts become delinquent the day following the due date.

A. [ON OR AFTER] T[t]en [(10)] days after an account becomes delinquent, a delinquency [TURN OFF] notice will be delivered to the customer. There shall be a \$30 charge to deliver the delinquency notice. The notice shall state [a] the date [ON OR AFTER] that [WHICH THE] sewer service will be [TURNED] shut- off if the delinquent account is not paid in full prior to shut-off [THERETO]. The shut-off [SUCH DATE] will occur not [BE] less than two business [WORKING] days after the [DATE OF NOTICE IF THE] delinquency notice is delivered to the address receiving sewer service [OR NOT LESS THAN SEVEN DAYS IF THE NOTICE IS MAILED TO THE ADDRESS OF RECORD OF THE CUSTOMER. THE DELIVERY TO THE PREMISES SERVED OR MAILING TO THE ADDRESS ON RECORD OF THE CUSTOMER SHALL BE CONSIDERED A DELIVERY TO THE CUSTOMER].

B. On or after the shut- [TURN] off date, any agent of the city may disconnect [DISCONTINUE] the sewer service by interrupting the electrical or mechanical mechanisms. A sewer shut- [TURN] off notice shall be placed in a prominent place on the sewer electrical control panel or on the property and notification by the city shall be made to the nearest office of the Alaska Department of

Bold and underline added. [CAPS AND BRACKETS, DELETED.]

Environmental Conservation. The service charge for shut-off or return to service shall be \$65 per hour with a minimum charge of one-hour.

C. The city may refuse to provide sewer service and may disconnect [DISCONTINUE] sewer service to any premises without prior notice when [WHERE] plumbing facilities or equipment in the system or discharges into the sewer system are dangerous, unsafe, or not in conformity with the provisions of this chapter.

D. Each customer shall give the city written notice of the customer's [HIS] intention to discontinue sewer service at least two business [WORKING] days prior to the [DESIRED]date service shall be discontinued [OF SEWER SERVICE DISCONTINUANCE; OTHERWISE,]. I[t]he customer shall be responsible for sewer service fees [CHARGES]until the later of the date two business days after the city receives the discontinuance notice from the customer and the date of discontinuance stated in the notice. [CITY SHALL RECEIVE NOTICE OF SUCH DISCONTINUANCE.]. Upon discontinuance of sewer service, a bill shall be rendered [COMPUTED] and [SUCH BILL SHALL BE] payable [,] immediately. In no case will the bill be less than the monthly minimum specified in the current sewer rate schedule.

* **Section 8. Amendment of section.** The table in WMC 13.08.100C.2, Sewer-Extensions by private developers, is amended to read as follows:

Estimated Cost Deposit Due

\$34,000 or less	\$1,000
Over 34,000 up to \$500,000	3% of estimated costs
Over \$500,000	\$15,000

* **Section 9. Repeal.** Ordinance Serial No. 99-28 is hereby repealed in its entirety.


Bold and underline added. [CAPS AND BRACKETS, DELETED.]

* **Section 10. Effective date.** This ordinance shall take effect on July 1, 2003.

ADOPTED by the Wasilla City Council on June 9, 2003.


DIANNE M. KELLER, Mayor

ATTEST:


JAMIE E. NEWMAN, CMC
Acting City Clerk

[SEAL]



CITY OF WASILLA
290 E. HERNING AVE.
WASILLA, AK 99654-7091
PHONE: (907) 373-9090
FAX: (907) 373-9092

TO: Wasilla City Council
THRU: Mayor Dianne M. Keller *DMK*
FROM: Don Shiesl, Public Works Director
DATE: May 19, 2003
SUBJECT: Ordinances Serial No. 03-18(AM) and 03-19(AM)

SUMMARY: At the direction of City Council, the “facility rate” portion of the proposed rate increase has been eliminated and incorporated into the “metered rate”, such that each user will see the same percent increase. The water rate will increase from \$3.15 to \$4.55 per thousand gallons, and the sewer rate will increase from \$4.45 to \$5.15 per thousand gallons. The impact to the different user groups is as follows:

Type of User	Existing Monthly Fee	Proposed Monthly Fee	Percent Increase
Minimum < 5,000 gal/month			
Water	\$15.75	\$22.75	44
Sewer	\$22.25	\$25.75	16
Combined	\$38.00	\$48.50	28
Medium 7,500 gal/month			
Water	\$23.63	\$34.13	44
Sewer	\$33.38	\$38.63	16
Combined	\$57.01	\$72.76	28
Large 250,000 gal/month			
Water	\$787.50	\$1,137.50	44
Sewer	\$1,112.50	\$1,287.50	16
Combined	\$1,900.00	\$2,425.00	28

This rate increase is projected to generate \$236,837 in annual revenue to offset \$282,848 of annual debt service (84%).

RECOMMENDED ACTION:
To Approve Ordinances Serial No. 03-18(AM) and 03-19(AM).



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, AK 99654-7091
PHONE: (907) 373-9090
FAX: (907) 373-9092

TO: Wasilla City Council
THRU: Mayor Dianne M. Keller *DME*
FROM: Don Shiesl, Public Works Director
DATE: May 7, 2003
SUBJECT: Ordinances Serial No. 03-18 and 03-19

BACKGROUND: In 1995, the City's two original production wells, next to Iditarod Elementary School, began to produce less water and they also began to have iron bacteria contamination. By 1998, the wells were no longer useful and the City drilled a third deeper well on this site and found no water.

In 1999, the City obtained a \$300,000 ADEC Grant to drill exploratory wells and to complete a Water System Master Plan. The Master Plan was completed in 2001 and it identified four major areas of deficiency:

- 1) Growth in the next 5 years could impact fire flow demand required by ISO.
- 2) No back-up well for Spruce Ave well, as required by 10 State Standards.
- 3) No redundancy in water piping for Spruce Ave reservoir.
- 4) Growth in the next 5 years could double demand on water system.

Based on the exploratory well results and the availability of land, the Master Plan identified the Bumpus Ballfield Area is the optimum location for new wells and reservoirs to address the above deficiencies. The Bumpus Reservoir Facility is primarily needed as a redundant source for City water. Secondly, the facility will be needed in 5 years if rapid growth continues.

Over the last 5 years, the City has received \$3.3 million in State and Federal grants for water and sewer improvements to keep up with growth and improve existing capacity. Over the next 3 years, the City expects to receive another \$3.2 million in State and Federal grants for future growth and to improve existing service. The construction of water and sewer mains towards the Sports Complex and Airport are being funded by State and Federal grants (\$1.5 million).

The City has not been able to fund water and sewer improvements with grant funding alone. \$4.8 million in loan funding has been secured, primarily to address deficiency items 2 and 3 above, to improve the reliability of the water system.

SUMMARY: Council is requested to consider how much of the debt service should be paid directly by the users, with the balance being paid by the general fund. As presented, the proposed rate increases will cover 86 percent of the debt service.

It is recognized that with the facility rate added, the minimum water user is seeing the highest percent rate increase, as shown below:

Type of User	Existing Monthly Fee	Proposed Monthly Fee	Percent Increase
Minimum < 5,000 gal/month			
Water	\$15.75	\$25.75	64
Sewer	\$22.25	\$29.75	34
Combined	\$38.00	\$55.50	46
Medium 7,500 gal/month			
Water	\$23.63	\$36.13	53
Sewer	\$33.38	\$42.13	26
Combined	\$57.01	\$78.26	37
Large 250,000 gal/month			
Water	\$787.50	\$1,042.50	32
Sewer	\$1,112.50	\$1,242.50	12
Combined	\$1,900.00	\$2,285.00	20

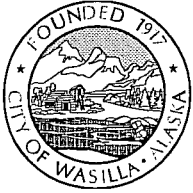
Residential facility rates could be adjusted to reduce the percent increase, as follows:

A \$2.50 residential facility rate equals a \$26,460 loss of revenue
 The combined water and sewer percent increase would be 32%.

A \$1.50 residential facility rate equals a \$41,917.50 loss of revenue
 The combined water and sewer percent increase would be 27%.

The water and sewer utility currently breaks even with its operating costs vs. revenue, that includes the annual revenue from new connections (PILA's). The new debt service causes the utility to operate at a loss. The rate increases have been proposed to offset this loss.

RECOMMENDED ACTION: To consider the appropriate amount of user contribution towards utility debt service.



CITY OF WASILLA
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WASILLA, AK 99654-7091
PHONE: (907) 373-9090
FAX: (907) 373-9092

TO: Wasilla City Council
THRU: Mayor Dianne M. Keller (JL)
FROM: Don Shiesl, Public Works Director
DATE: April 7, 2003
SUBJECT: **Ordinances Serial No. 03-18 and 03-19**

SUMMARY: These Ordinances are proposed to do the following;

- 1) Incorporate the existing non-code fee ordinances into the City Code;
- 2) Establish water and sewer fee increases; and
- 3) Update other provisions to reflect current practices.

The fee increases are related to two areas; 1) fees for service calls are proposed to increase from \$50 per hour to \$65 per hour; and 2) monthly user fees are proposed to increase to help recover newly incurred debt service.

The new debt service begins in FY04, as follows:

Debt	Annual Payment
\$905,000 for Water Extensions at 2.5% over 20 years	\$58,053
\$3,309,000 for Bumpus Reservoir at 4.8% over 40 years	\$187,590
\$580,000 for Sewer Extensions at 2.5% over 20 years	\$37,205
Total	\$282,848

The estimated annual revenue for the proposed monthly increase is as follows:

Proposed Monthly Increase	Estimated Annual Revenue
Water = \$1.00 per 1000 gal.	\$121,374
Sewer = \$0.50 per 1000 gal.	\$47,796
Water Facility Charge = \$5.00	\$45,000
Sewer Facility Charge = \$5.00	\$30,000
Total	\$244,170

A comparison of the existing and proposed user fees is as follows:

Monthly Water and Sewer Service Fees

Existing Water Fee	Proposed Water Fee	Existing Sewer Fee	Proposed Sewer Fee
\$3.15 per 1000 gal.	\$4.15 per 1000 gal.	\$4.45 per 1000 gal.	\$4.95 per 1000 gal.
\$15.75 minimum	\$20.75 minimum	\$22.25 minimum	\$24.75 minimum
No flat rate	No flat rate	\$28.25 flat rate	\$31.50 flat rate
No facility charge	\$5.00 facility charge	No facility charge	\$5.00 facility charge

The new facility charge is proposed to capture an equal flat rate from each customer. The balance of the debt service recovery is based on the amount of water and/or sewer used each month by each customer.

The debt has been incurred for water and sewer main extensions, and for the new Bumpus Reservoir Facility. The new reservoir facility is approximately two-thirds of the debt service, and therefore, the water customers are proposed to receive a proportionally higher share of the fee increase.

The following table shows the fee increase for various users:

Type of User	Existing Monthly Fee	Proposed Monthly Fee
Minimum (small home or business) < 5,000 gal/month		
Water	\$15.75	\$25.75
Sewer	\$22.25	\$29.75
Combined	\$38.00	\$55.50
Medium (large home or med. business) 7,500 gal/month		
Water	\$23.63	\$36.13
Sewer	\$33.38	\$42.13
Combined	\$57.01	\$78.26
Large Commercial 250,000 gal/month		
Water	\$787.50	\$1,042.50
Sewer	\$1,112.50	\$1,242.50
Combined	\$1,900.00	\$2,285.00

The proposed monthly fee increases are designed to help recover new debt service. The user fees do not address water or sewer system depreciation (replacement cost). Any excess revenue from the proposed fee increases will support future improvements to the water and sewer system, as the systems age.

RECOMMENDED ACTION: To introduce and set for public hearing.

CITY OF WASILLA FEE COMPARISONS

Type of User	Existing 1998 Monthly Fee	Proposed Monthly Fee	Palmer 1997	Soldotna 1991	Kenai 1993
Minimum (small home or business) 5,000 gal/month					
Water	\$15.75	\$25.75	20.75	13.71	10.35
Sewer	\$22.25	\$29.75	14.00	20.99	28.70
Combined	\$38.00	\$55.50	34.75	34.7	39.05
Medium (large home or med. business) 7,500 gal/month					
Water	\$23.63	\$36.13	27.80	18.26	24.50
Sewer	\$33.38	\$42.13	22.40	26.62	67.00
Combined	\$57.01	\$78.26	50.20	44.88	91.50
Large Commercial 250,000 gal/month					
Water	\$787.50	\$1,042.50	596.50	327.11	331.00
Sewer	\$1,112.50	\$1,242.50	700.00	934.74	914.00
Combined	\$1,900.00	\$2,285.00	1,296.50	1,261.85	1,245.00

note: other cities are not charging for debt service, replacement cost or depreciation.