



AGENDA ITEM EXECUTIVE SUMMARY

Title: Recommendation to Approve Ordinances Authorizing Changes in Rate Structure for the Electric, Water and Wastewater Utilities for the City of St. Charles

Presenter: Chris Minick, Finance Director

Please check appropriate box:

<input type="checkbox"/>	Government Operations	<input checked="" type="checkbox"/>	Government Services 04.25.16
<input type="checkbox"/>	Planning & Development	<input type="checkbox"/>	City Council
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	

Estimated Cost:	N/A	Budgeted:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
-----------------	-----	-----------	---	-----------------------------

If NO, please explain how item will be funded:

Executive Summary:

In conjunction with the implementation of the FY 16-17 budget, Staff is seeking approval of the attached Ordinances to enact changes in the utility rate structure. These ordinances reflect the rates utilized in the preparation of the FY 16/17 budget presented to and approved by the City Council on April 4, 2016. The projections and amounts included in the budget presentation are predicated on the rate structure created by the Ordinances attached.

The changes to the rate structures proposed continue the City Council’s commitment to assure the long term financial viability and sustainability of the utilities in conjunction with the rate study passed in May of 2011.

If approved as proposed, these rate changes would be effective with bills sent in June.

Attachments: *(please list)*

* Rate Ordinances for Electric, Water and Sewer

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve Ordinances authorizing changes in the rate structure for the Electric, Water and Wastewater Utilities for the City of St Charles.

For office use only: *Agenda Item Number: 5.a*

City of St. Charles, Illinois
Ordinance No. 2016-M-_____

**An Ordinance Amending Title 13 “Public Utilities” Chapter 13.08
"Electricity" of the St. Charles Municipal Code**

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, AS FOLLOWS:

1. That Title 13 “Public Utilities”, Chapter 13.08 "Electricity," Section 13.08.230 "Rate 1 – Residential – Rates, Charges and Service Requirements." Subsection B, Paragraph 1 and 2, of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.230 Rate 1 - Residential - Rates, Charges and Service Requirements.

B. Charges for this rate shall be as follows:

- 1. Monthly Customer Charge. The net monthly customer charge shall be seventeen dollars and fifty cents (\$17.50) per meter.**
- 2. Energy Charge. The net energy charge shall be as follows:**

Summer Months

\$0.1150 per kilowatt-hour for monthly usage up to 1,200 kilowatt-hours

\$0.1300 per kilowatt-hour for monthly usage over 1,200 kilowatt-hours

Non-summer Months

\$0.1150 per kilowatt-hour for all kilowatt-hours

For purposes hereof, the “summer months” are defined as the electric usage that is billed to the user starting in the month of June and the next four succeeding months.

3. That Chapter 13.08 "Electricity," Section 13.08.240 "Rate 3 – Small General Service – Rates, Charges, and Service Requirements." Subsection B, Paragraph 1 and 2, of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.240 Rate 3 – Small General Service – Rates, Charges, and Service Requirements.

B. Charges for this rate shall be as follows:

1. **Monthly Customer Charge. The net monthly customer charge shall be fifty-seven dollars and fifty cents (\$57.50) per meter.**

2. **Energy Charge. Then net energy charge shall be as follows:**

\$0.0935 per kilowatt-hour for all kilowatt-hours

4. That Chapter 13.08 "Electricity," Section 13.08.260 "Rate 5 – General service – Rates, Charges, and Service Requirements," Subsection B, Paragraph 1, 3, and 4, of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.260 Rate 5 - General Service - Rates, Charges, and Service Requirements.

B. Charges for this rate shall be as follows:

1. **Monthly Customer Charge. The net monthly customer charge shall be seventy dollars (\$70.00) per meter.**

3. **Demand Charge. The net demand charge shall be as follows:**

\$19.55 per kilowatt

4. **Energy Charge. The energy charge shall be as follows:**

\$0.0600 per kilowatt-hour for all kilowatt-hours

5. That Chapter 13.08 "Electricity," Section 13.08.265 "Rate 6 – Governmental Outdoor Lighting – Rates, Charges, and Service Requirements," Subsection B, Paragraph 1, and 3, of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.265 Rate 6 – Governmental Outdoor Sports Lighting - Rates, Charges, and Service Requirements.

B. Charges for this rate shall be as follows:

1. **Monthly Customer Charge. The net monthly customer charge shall be ninety-five dollars (\$95.00) per meter.**

3. **Energy Charge. The energy charge shall be as follows:**

\$0.1750 per kilowatt-hour for all kilowatt-hours

6. That Chapter 13.08 "Electricity," Section 13.08.275 "Rate 7 – Large General Service – Rates," Subsection B, Paragraph 1, 3, and 4, of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.275 Rate 7 - Large General Service - Rates, Charges and Service Requirements.

B. Charges for this rate shall be as follows:

- 1. Monthly Customer Charge. The net monthly customer charge shall be two hundred seventy-five dollars (\$275.00) per meter.**

- 3. Demand Charge. The net demand charge shall be as follows:
\$19.55 per kilowatt**

- 4. Energy Charge. The net energy charge shall be as follows:
\$0.0600 per kilowatt-hour On-Peak
\$0.0500 per kilowatt-hour Off-Peak**

7. That Chapter 13.08 "Electricity," Section 13.08.290 "Rate 8 – Municipal Owned Street Lighting and Traffic Signals – Rates," Subsection B, Paragraph 1 of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.290 Rate 8 – Municipal Owned Street Lighting and Traffic Signals

B. Charges for this rate shall be as follows:

- 1. Energy Charge.
\$0.0760 per kilowatt-hour for all kilowatt-hours**

8. That Chapter 13.08 "Electricity," Section 13.08.292 "Rate 9 – Primary Metered Large General Service – Rates, Charges and Service Requirements. Subsection B, Paragraph 1, 3, and 4, of the St. Charles Municipal Code be and is hereby amended by deleting the same and substituting the following:

13.08.292 Rate 9 – Primary Metered Large General Service – Rates, Charges and Service Requirements

B. Charges for this rate shall be as follows:

- 1. Monthly Customer Charge. The net monthly customer charge shall be two hundred seventy-five dollars (\$275.00) per meter.**

- 3. Demand Charge. The net demand charge shall be as follows:
\$19.35 per kilowatt**

- 4. Energy Charge. The net energy charge shall be as follows:
\$0.0594 per kilowatt-hour On-Peak
\$0.0495 per kilowatt-hour Off-Peak**

9. That this Ordinance shall be in full force and effect ten (10) days from and after its passage, approval and publication in pamphlet form as provided by law; provided, however, that the rates set forth herein shall be effective for the first billing subsequent to June 1, 2016.

10. That after the adoption and approval hereof this Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with a general circulation within the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this 2nd day of May, 2016.

PASSED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this 2nd day of May, 2016.

APPROVED by the Mayor of the City of St. Charles, Kane and DuPage Counties, Illinois, this 2nd day of May, 2016.

Raymond P. Rogina, Mayor

ATTEST:

Nancy Garrison, City Clerk

COUNCIL VOTE:

Ayes: _____

Nays: _____

Absent: _____

APPROVED AS TO FORM:

City Attorney

DATE: _____

City of St. Charles, Illinois
Ordinance No. 2016-M-_____

An Ordinance Authorizing Amendment of Title 13 “Public Utilities”, Chapter 13.16, “Water”, Section 13.16.190 “Net Charges for Property with Buildings Connected to System” of the St. Charles Municipal Code

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, as follows:

Section 1. That Title 13 “Public Utilities”, Chapter 13.16 “Water”, Section 13.16.190 “Net Charges for Property with Buildings Connected to System”, of the St. Charles Municipal Code, is hereby deleted in its entirety and in lieu thereof the following language shall be substituted:

“13.16.190 Net Charges for Property with Buildings Connected to System

All property upon which any building has been or may be hereafter erected having a connection with the water system shall pay the following charges:

A. Customer Charge. The following customer charge is for all general service water customers:

Customer Charge

<u>Meter Size</u>	<u>Per Month</u>
3/4” and under	\$ 8.02
1”	\$ 10.34
1-1/4”	\$ 12.56
1-1/2”	\$ 14.46
2”	\$ 19.53
3”	\$ 31.03
4”	\$ 47.35
7-1/2”	\$ 127.66

B. Water Charge. The following water rates apply to all customers:

Base Water Rate – Three dollars and six cents (\$3.37) per 1000 gallons.

***Excess Seasonal Water Rate – Five dollars and sixty nine cents (\$5.69) per 1000 gallons.**

***Excess Seasonal Water Rate applies to water use that is billed to the customer starting in the month of June and the next four succeeding months.**

The excess seasonal water rate applies to water used during the above period which is greater than 130 percent of the monthly average of water used during the winter quarter and which is greater than 6,500 gallons per month usage. All other water is billed at the base rate. New customers who have no history of water consumption during the winter quarter will be billed on the basis of actual consumption at the base rate until a winter average is determined.

Section 2. That this Ordinance shall be in full force and effect ten (10) days from and after its passage, approval and publication in pamphlet form as provided by law; provided, however, that the rates set forth herein shall be effective for the first billing period subsequent to June 1, 2016.

Section 3. That after the adoption and approval hereof this Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with a general circulation within the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this 2nd day of May, 2016.

PASSED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this 2nd day of May, 2016.

APPROVED by the Mayor of the City of St. Charles, Kane and DuPage Counties, Illinois, this 2nd day of May, 2016.

Raymond P. Rogina, Mayor

ATTEST:

Nancy Garrison, City Clerk

COUNCIL VOTE:

Ayes: _____

Nays: _____

Absent: _____

City of St. Charles, Illinois
Ordinance No. 2016-M-_____

**An Ordinance Authorizing Amendment of Title 13 “Public Utilities”,
Chapter 13.12, “Sewers”, Section 13.12.830 “Charges for Residential
Users”, Section 13.12.840 “User Charges for Metered Water
Consumption and Nonresidential Use” of the St. Charles Municipal
Code Of the St. Charles Municipal Code**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST.
CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS, as follows:

Section 1. That Title 13 “Public Utilities”, Section 13.12.830 “Charges for Residential Users”, Subsection A, Section 13.12.840 “User Charges for Metered Water Consumption and Nonresidential Use”, Subsection A, is hereby deleted in its entirety and in lieu thereof the following language shall be substituted:

“13.12.830 Charges for Residential Users

A. The residential sewer user charge shall be as follows:

- 1. The following rate shall be charged for sewer service to all residential users of City sewers based upon metered water consumption: sixteen dollars and eighty-seven cents (\$16.87) demand charge per month plus five dollars and twenty-seven cents (\$5.27) per one thousand gallons of water used with a maximum sewer charge not to exceed 130% of a residential user’s winter quarter water usage average. The residential user’s “winter quarter” water usage shall be defined as the water that is billed to the user in the months of January, February, and March. When the 130% calculation produces a fractional result, the customer maximum will be raised to the next whole number.**
2. Residential users in a building with more than one dwelling unit and with each unit having a sewer connection but no city water meter shall be charged the existing residential sewer demand charge per month. Sewer usage charge shall be billed to the customer billed for the water service and shall be based on the water used at the existing residential sewer rate per one thousand gallons.
3. Residential users in a building with only one dwelling unit with sewer connection but no city water purchases shall be charged for eight thousand gallons of usage at the existing residential rate per one thousand gallons plus the existing demand charge per month.
4. For new or recently constructed residential buildings or other customers which have a water meter and incomplete history of water consumption during a winter quarter, the existing residential rate per

thousand gallons plus the existing demand charge per month shall be applied to their metered water consumption until the completion of a winter quarter.

5. **A fee is hereby imposed upon all residential users of City sewers for the purpose of funding various projects required to comply with mandatory standards promulgated by the United States and the Illinois Environmental Protection Agencies. This fee, termed “EPA Mandate Fee”, will be set at a flat rate of forty-five cents (\$0.45) per month.”**

“13.12.840 User Charges for Metered Water Consumption and Nonresidential Use

A. The non-residential sewer user charge shall be as follows:

1. **The following rate shall be charged for sewer service to all non-residential users of City sewers based upon metered water consumption: sixteen dollars and eighty-seven cents (\$16.87) demand charge per month plus five dollars and twenty-seven dollars and seventy nine cents (\$5.27) per one thousand gallons of water used.**
2. **The following rate shall be charged for sewer service to all non-residential users of City sewers where water consumption does not reflect the actual quantity of wastewater tributary to the wastewater treatment works: sixteen dollars and eighty-seven cents (\$16.87) demand charge per month plus five dollars and twenty-seven dollars and seventy nine cents (\$5.27) per one thousand gallons of wastewater actually discharged into the sewer system.**
3. Non-residential users in a building with more than one non-residential unit and with each unit having a sewer connection but no city water meter shall be charged the existing non-residential sewer demand charge per month. Sewer usage charge shall be billed to the customer billed for the water service and shall be based on the water used at the existing non-residential sewer rate per one thousand gallons.
4. Non-residential users in a building with no water purchases and a sewer connection without flow measurement equipment shall be charged the existing non-residential sewer demand charge per month, plus a user charge equivalent to six thousand gallons of usage at the existing non-residential sewer use rate per one thousand gallons. Non-residential users may be required to install flow measurement equipment pursuant to the conditions set forth in Section 13.12.940B.

- 5. A fee is hereby imposed upon all non-residential users of City sewers for the purpose of funding various projects required to comply with mandatory standards promulgated by the United States and the Illinois Environmental Protection Agencies. This fee, termed "EPA Mandate Fee", will be set at a flat rate of forty-five cents (\$0.45) per month."**

Section 3. That this Ordinance shall be in full force and effect ten (10) days from and after its passage, approval and publication in pamphlet form as provided by law; provided, however, that the rates set forth herein shall be effective for the first billing subsequent to June 1, 2016.

Section 4. That after the adoption and approval hereof this Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the Council, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with a general circulation within the City of St. Charles.

PRESENTED to the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this 2nd day of May, 2016.

PASSED by the City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, this 2nd day of May, 2016.

APPROVED by the Mayor of the City of St. Charles, Kane and DuPage Counties, Illinois, this 2nd day of May, 2016.

Raymond P. Rogina, Mayor

ATTEST:

Nancy Garrison, City Clerk

COUNCIL VOTE:

Ayes: _____

Nays: _____

Absent: _____

APPROVED AS TO FORM:

City Attorney

Ordinance No. _____

Page 4

DATE: _____