

**City of Aztec
Ordinance 2017-464
Amending Chapter 16, Section 16-191 Waste Water Rates**

WHEREAS: In August 2016, Raftelis Financial Consultants, Inc. was contracted to provide a utility cost of service and rate study for the electric, water and wastewater utilities; and

WHEREAS: Workshops were held on April 3, 2017 and May 8, 2017 providing the results of the cost of service and proposed rate structures for each of the utilities; and

WHEREAS: Three waste water rate structures were proposed in the rate study. Common to all were significant increases in FY18 and FY19 necessitated by the new debt for the sewer line construction and ongoing operation/maintenance costs. Until a decision is made on which of the rate structures to implement, staff recommends a flat increase of \$11.45/month to all classes of customers for the new debt reserves and payment requirements in the current fiscal year and \$9.28/month to all classes of customers in FY19 for the debt on wastewater plant. The current improvement fee does not provide sufficient revenue for the existing debt which is then funded from revenues which could be used for operations. This increase is most closely associated with rate structure #3 proposed by Raftelis absent any change to consumption (volume) rates; and

WHEREAS: It is anticipated the first debt payment for the sewer line will be due in the fall of 2018, the loan is not anticipated to close until September or October of the current year. The proposed increase, if effective in October 2017, will provide the utility the ability to generate funds sufficient to meet the debt requirements in the fall of 2018; and

WHEREAS: This increase does not address revenue requirements for operations and maintenance and would continue the waste water utility reliance on electric revenues potentially creating a situation, in 4 to 5 years, requiring the electric utility to assume debt to fund capital projects ; and

WHEREAS: Actual impact of this proposed increase, first year, would be \$11.45/month to all waste water customers;

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the City of Aztec, New Mexico that Ordinance 2017-464 Amending Chapter 16, Section 16-191 Waste Water Rates to be adopted as follows:

ARTICLE IV. UTILITY FEES

DIVISION 3. UTILITY RATE FEES

Sec. 16-191. Waste Water Rates.

1. Class I: Residential and Multi-unit Residential.

(1) Residential and Multi Unit Base/System Charge (Monthly minimum charge)	\$ 18.00
(2) Waste water Use Charge cost per 1,000 Gallons	\$ 4.00
(3) Customers without base winter usage	\$ 34.00
(4) Wastewater Capital Improvement Fee	\$ 2.50
(5) Sewer Line Debt	\$11.45

2. Class II: Commercial.

(1) Commercial Base/System Charge (Monthly minimum charge)	\$ 19. ⁰⁰
(2) Waste water Use Charge cost per 1,000 Gallons	\$ 4. ⁰⁰
(3) Wastewater Capital Improvement Fee	\$ 2.50
(4) Sewer Line Debt	\$11.45

3. Class III: Industrial

(1) Industrial Base/System Charge (Monthly minimum charge)	\$ 22. ⁰⁰
(2) Waste water Use Charge Cost per 1,000 Gallons	\$ 4. ⁰⁰
(3) Wastewater Capital Improvement Fee	\$ 2.50
(4) Sewer Line Debt	\$11.45

4. Class IV: Institutional.

(1) Institutional Base/System Charge (Monthly minimum charge)	\$ 18. ⁰⁰
(2) Waste water Use Charge Cost per 1,000 Gallons	\$ 4. ⁰⁰
(3) Wastewater Capital Improvement Fee	\$ 2.50
(4) Sewer Line Debt	\$11.45

5. Class V: Customers Outside Municipal Incorporated Limits.

Customers living outside the Municipal Incorporated limits shall be billed at 150% of the applicable rate and capital improvement fee.

6. Class VI: City Departments.

Wastewater fees for city facilities/departments will be calculated using a similar average period as Class I. Residential and Multi-Unit at a rate per 1,000 gallons established with the annual budget adoption.

(Ord. 2013-427, eff. 2013-July-04; Ord. 2010-384, eff. 2010-July-01; Code 2007)

Secs. 16-192 to 16-200. Reserved.

PASSED, APPROVED, SIGNED AND ADOPTED this ____ day of _____ 2017.

By the Aztec City Commission, City of Aztec, New Mexico.

Mayor Sally Burbridge

ATTEST:

Karla Sayler, City Clerk

APPROVE AS TO FORM:

Larry Thrower, City Attorney

ADVERTISED DATE OF FINAL ADOPTION: _____

EFFECTIVE DATE OF ORDINANCE: _____