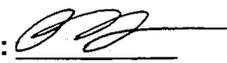


AGENDA ITEM SUMMARY

DATE: 11/18/2013 DEPARTMENT: PW - W& WW DEPT. HEAD SIGNATURE: 

SUBJECT: Public Hearing on Water and Wastewater proposed ordinance to set the procedures for determining Water and Wastewater Department fees – **Third Reading of Ordinance 1139 and Approval of Summary of Ordinance 1139**

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

At the October 15 City Council meeting the first reading of this ordinance was conducted. City Council asked that additional public hearings be conducted on the proposed ordinance to set the base water fee at 25% of the Water Department budget, the metered water fees at 75% of the Water Department budget and the wastewater fees as 100% variable based upon the Wastewater Department budget and the metered winter water usage.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____
Comments:

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	_____
___ Safety Committee	___ P & Z Commission	___ Police	_____
___ Streets	___ Public Works, Parks	___ Mayor	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Motion to approve the third reading of Ordinance No. 1139 by title only, the summary of Ordinance 1139 and authorize the Mayor to sign.

FOLLOW-UP REMARKS:

*

HAILEY ORDINANCE NO. 1139

AN ORDINANCE OF THE CITY OF HAILEY, IDAHO, AMENDING SECTION 13.04.130(A) OF THE HAILEY MUNICIPAL CODE TO CALCULATE BASE WATER FEES BASED ON 25% OF THE WATER DEPARTMENT BUDGET AND TO CALCULATE METERED WATER FEES BASED ON 75% OF THE WATER DEPARTMENT BUDGET; AMENDING SECTION 13.04.130(B) OF THE HAILEY MUNICIPAL CODE TO CALCULATE METERED WASTEWATER FEES BASED ON INDOOR WATER USAGE; BY PROVIDING FOR A REPEALER CLAUSE; BY PROVIDING FOR A SEVERABILITY CLAUSE; AND BY PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE UPON PASSAGE, APPROVAL AND PUBLICATION ACCORDING TO LAW.

WHEREAS, the City has examined the historical use of water in Hailey and the system of assessing water and wastewater fees based on fixed and variable costs;

WHEREAS, the City believes significant water conservation can be achieved in several ways, including the imposition of water and wastewater fees;

WHEREAS, the conservation of water is a valid public purpose and will promote the public health, safety and general welfare;

WHEREAS, the conservation of water will reduce the necessity of constructing expensive capital infrastructure in the future;

WHEREAS, the City wishes to promote conservation of water for both outdoor and indoor water usage, but at the same time, implement a fee schedule which generates sufficient revenue to cover the necessary and normal expenses of the Hailey water and wastewater systems;

WHEREAS, the City recognizes that conservation of water will reduce revenue generated;

WHEREAS, based on historical usage of water, approximately 73% of the water used by residential properties in Hailey is used for outdoor irrigation, while 27% of the water used by residential properties in Hailey is used for indoor use;

WHEREAS, approximately 1/3 of the present water budget is funded by fixed fees, while approximately 2/3 of the present water budget is funded by metered rates, and this 1/3:2/3 allocation has generated sufficient revenue to fund the Hailey Water Department;

WHEREAS, the City anticipates that the greatest water conservation is likely to come from a reduction in irrigation practices, but the City would like to also promote conservation of indoor water usage to the greatest extent possible;

WHEREAS, the City believes that an allocation of the base water fee based on 25% of the water department budget and an allocation of the metered water fee based on 75% of the water department budget is consistent with historical water usage and budget allocations;

WHEREAS, the City believes the 25% and 75% allocation to the base and metered water fees is reasonable, will better target water conservation and will still allow the collection of fees necessary to fund the water department budget;

WHEREAS, the City believes the impact to the wastewater system is best measured by the indoor water usage and therefore, the wastewater fees should be based on indoor water usage;

WHEREAS, the City believes the assessment of wastewater fees based on indoor water usage is reasonable, will target water conservation and will still allow the collection of fees necessary to fund the wastewater department budget; and

WHEREAS, the Mayor and City Council find that the amendments to Chapter 13 of the Municipal Code, as set forth herein, will further the public health, safety and general welfare.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HAILEY, IDAHO, AS FOLLOWS:

Section 1. Section 13.04.130(A) of the Hailey Municipal Code is hereby amended by the addition of the following underlined language and the deletion of the following stricken language:

A. Water User Fees. The Owner or Owner's agent of all Property connected to the Municipal Water System under the terms of this chapter shall be assessed and shall pay monthly user fees beginning at the time of connection, as follows:

1. User-Base Water Fee. The ~~monthly user base water fee~~ is intended to cover the fixed costs of the operation, maintenance and expansion of the Municipal Water System generally attributable to indoor potable water usage which shall be 25% of the Water Department Budget, including but not limited to: 50% of the labor, benefits and administrative costs and 100% of DEQ fees, insurance, training and short-term depreciation. The monthly user base fee shall be assessed to each Property served by a Service Connection. The monthly user base fee shall be calculated by dividing 25% of the Water Department Budget ~~the yearly operation, maintenance and expansion costs of the Municipal Water System described herein~~ by the number of Water Users and by 12, and as adopted by City Council resolution. Property with two or more services extended to it shall have the choice of paying a single monthly user base fee (for all services connected to the Property) or establishing separate accounts for each service with a Landlord/Tenant agreement as described in Section 13.04.150.

2. Metered Water Fee. The ~~monthly metered water fee~~ is intended to cover the variable costs of the ~~Municipal Water System, including the operation, and maintenance and expansion of the Municipal Water System, generally attributable to outdoor irrigation water usage which shall be 75% of the Water Department Budget~~ costs which consist at least of, but not limited to, 50% of the labor, benefits and administrative costs, parts, fuel, utilities, vehicle maintenance, lab tests and chemicals. The monthly metered water fee shall be assessed to each Property served by a separate Service Connection based upon the total amount of water used by

that Property during one billing period. The monthly metered water fee shall be calculated ~~The metered rate is determined on a sliding scale based upon the usage of water measured by each Service Connection~~ variable costs of the Municipal Water System described herein, and as adopted by City Council resolution. The metered water fees shall be based on a sliding scale ~~shall which~~ assesses a proportionally greater cost per 1000 gallons(s) of water as more water is used by a Property.

3. Bond Payment Fee. The monthly bond payment is intended to cover the cost of bond and note retirement costs which are the legal indebtedness the City is obligated to retire on a set schedule. The monthly water bond payment is determined by taking the bond and note retirement costs and dividing by the number of Water Users utilizing the system during the twelve month period. The monthly bond payment fee shall be assessed to each Property. Bond payment fees will continue even if water services are discontinued at any point.

4. Irrigation Fee. The monthly metered irrigation fee shall be assessed to each Property with a separate irrigation account based upon the amount of water used during one billing period.

Section 2. Section 13.04.130(B) of the Hailey Municipal Code is hereby amended by the addition of the following underlined language and the deletion of the following stricken language:

B. Wastewater User Fees. Except as otherwise provided in subparagraph 54 below, the Owner or Owner's agent of all Property connected to the Municipal Wastewater System under the terms of this chapter shall be assessed and shall pay monthly user fees beginning at the time of connection, as follows:

1. User Base Fee. ~~The monthly user base fee is intended to cover the costs of the operation, maintenance and expansion of the Municipal Wastewater System, including but not limited to, 50% of the labor, benefits and administrative costs, and 100% of DEQ fees, insurance, training and short-term depreciation. The minimum monthly user fee shall be assessed to each Property. The monthly user base fee shall be calculated by dividing the yearly operation, maintenance and expansion costs of the Municipal Wastewater System described herein by the number of Wastewater Users. Property with two or more services extended to it shall have the choice of paying a single monthly user base fee (for all services connected to the Property) or establishing separate accounts for each service with a Landlord/Tenant agreement as described in Section 13.04.150.~~

~~2.~~ Metered Wastewater Fee. The monthly metered wastewater fee is intended to cover the variable all costs of the operation and maintenance costs of the Municipal Wastewater System, including the operation and maintenance costs which consist at least of, but not limited to, 50% of the labor, benefits and administrative costs, and 100% of parts, fuel, utilities, vehicle maintenance, lab tests and chemicals. The monthly metered wastewater charge shall be assessed to each separate Property served by a Service Connection. The monthly metered wastewater fee shall be based upon the average amount of water used by that Property between November 1 and March 31 of the following year, and as adopted by City Council resolution. During the following month of April On an annual basis, the monthly wastewater metered charge wastewater

fee shall be adjusted based upon such average use of water used by each Property between November 1 and March 31 of the following year, except as provided under Section Subsections 13.04.130(D)(3) and (4).

32. Non-Metered Account Fee. New construction Wastewater user accounts, where an average winter water use has not been established, shall pay a set monthly charge for water usage of 6000 gallons per month.

43. Bond Payment Fee. The monthly bond payment is intended to cover the cost of bond and note retirement costs which are the legal indebtedness the City is obligated to retire on a set schedule. The monthly bond payment is determined by taking the bond and note retirement cost and dividing by the number of Wastewater Users utilizing the system during the twelve month period. The monthly bond payment fee shall be assessed to each Property based upon a standard water service connection. Bond payment fees will continue even if sewer services are discontinued at any point.

54. Exception for New Construction. Wastewater User fees shall not be assessed until the issuance of a Certificate of Occupancy for New Construction.

Section 3. Repealer Clause. All Ordinances or Resolutions or parts thereof in conflict herewith are hereby repealed and rescinded.

Section 4. Severability Clause. If any section, paragraph, sentence or provision hereof or the application thereof to any particular circumstances shall ever be held invalid or unenforceable, such holding shall not affect the remainder hereof, which shall continue in full force and effect and applicable to all circumstances to which it may validly apply.

Section 5. Effective Date. This Ordinance shall be in full force and effect after its passage, approval and publication according to law.

PASSED AND ADOPTED BY THE HAILEY CITY COUNCIL and approved by the Mayor this ___ day of _____, 2013.

Fritz X. Haemmerle, Mayor City of Hailey

ATTEST:

Mary Cone, City Clerk

AGENDA ITEM SUMMARY

DATE: 11/18/2013

DEPARTMENT: Legal

DEPT. HEAD SIGNATURE: _____

SUBJECT:

Summary of Hailey Ordinance No. 1139 (Water and Wastewater Fee Amendments)

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

I am enclosing a summary of Hailey Ordinance No. 1139 which amended Section 13.04.130 of the Hailey Municipal Code to revise the method of calculating water and wastewater fees.

Ned

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Caselle # _____
Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____
Comments:

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

___ City Attorney	___ Clerk / Finance Director	___ Engineer	___ Building
___ Library	___ Planning	___ Fire Dept.	_____
___ Safety Committee	___ P & Z Commission	___ Police	_____
___ Streets	___ Public Works, Parks	___ Mayor	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Make a motion to approve the summary of Hailey Ordinance No. 1139.

FOLLOW-UP REMARKS:

SUMMARY OF HAILEY ORDINANCE NO. 1139

The following is a summary of the principal provisions of Ordinance No. 1139 of the City of Hailey, Idaho, duly passed and adopted November 18, 2013, by the City Council and Mayor of the City of Hailey:

AN ORDINANCE OF THE CITY OF HAILEY, IDAHO, AMENDING SECTION 13.04.130(A) OF THE HAILEY MUNICIPAL CODE TO CALCULATE BASE WATER FEES BASED ON 25% OF THE WATER DEPARTMENT BUDGET AND TO CALCULATE METERED WATER FEES BASED ON 75% OF THE WATER DEPARTMENT BUDGET; AMENDING SECTION 13.04.130(B) OF THE HAILEY MUNICIPAL CODE TO CALCULATE METERED WASTEWATER FEES BASED ON INDOOR WATER USAGE; BY PROVIDING FOR A REPEALER CLAUSE; BY PROVIDING FOR A SEVERABILITY CLAUSE; AND BY PROVIDING FOR THE EFFECTIVE DATE OF THIS ORDINANCE UPON PASSAGE, APPROVAL AND PUBLICATION ACCORDING TO LAW.

Hailey Ordinance No. 1139 amends Section 13.04.130 of the Hailey Municipal Code, as follows:

Section 1 amends Section 13.04.130(A) of the Hailey Municipal Code to a) provide that the Base Water Fee is intended to cover the fixed costs of the operation, maintenance and expansion of the Municipal Water System generally attributable to indoor potable water usage, established to be 25% of the Water Department Budget, b) establish a method of calculating the Base Water Fee according to a City Council Resolution, c) provide that the Metered Water Fee is intended to cover the variable costs of the operation, maintenance and expansion of the Municipal Water System generally attributable to outdoor irrigation water usage, established to be 75% of the Water Department Budget, and d) establish a method of calculating the Metered Water Fee according to a City Council Resolution.

Section 2 amends Section 13.04.130(B) of the Hailey Municipal Code to a) eliminate a base wastewater fee, b) provide that the Metered Wastewater Fee is intended to cover all of the costs of the operation and maintenance of the Municipal Wastewater System, and c) establish a method of calculating the Metered Wastewater Fee based on indoor water usage as established by a City Council Resolution.

Section 3 provides for a repealer clause.

Section 4 provides for a severability clause.

Section 5 provides for an effective date of the ordinance.

The full text of Ordinance No. 1139 is available at Hailey City Hall at 115 South Main Street, Suite H, Hailey, Idaho 83333 and will be provided to any citizen upon request during regular business hours.

AGENDA ITEM SUMMARY

DATE: 11/18/13 DEPARTMENT: PW - W

DEPT. HEAD SIGNATURE: [Signature]

SUBJECT: Public Hearing and Consideration of Resolution 2013 - 85 setting base water rate, metered water rates, and connection and other water fees

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

At the October 15 City Council meeting this resolution was presented as a part of the discussion on the proposed ordinance revisions to setting water and wastewater rates. Following the adoption of Ordinance 1139 the City Council is requested to adopt the proposed fees in the attached ordinance.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Caselle # _____
Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____
Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

- | | | |
|---|--|---|
| <input type="checkbox"/> City Administrator | <input type="checkbox"/> Library | <input type="checkbox"/> Benefits Committee |
| <input type="checkbox"/> City Attorney | <input type="checkbox"/> Mayor | <input type="checkbox"/> Streets |
| <input type="checkbox"/> City Clerk | <input type="checkbox"/> Planning | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Building | <input type="checkbox"/> Police | _____ |
| <input type="checkbox"/> Engineer | <input type="checkbox"/> Public Works, Parks | _____ |
| <input type="checkbox"/> Fire Dept. | <input type="checkbox"/> P & Z Commission | _____ |

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Motion to approve Resolution 2013 - 85, authorizing the new base water fees, metered water rates, and connection and other fees.

ADMINISTRATIVE COMMENTS/APPROVAL:

City Administrator _____ Dept. Head Attend Meeting (circle one) Yes No

ACTION OF THE CITY COUNCIL:

Date _____

City Clerk _____

FOLLOW-UP:

*Ord./Res./Agrmt./Order Originals: Record
Copies (all info.): _____
Instrument # _____

*Additional/Exceptional Originals to: _____
Copies (AIS only)

HAILEY RESOLUTION NO. 2013-85

A RESOLUTION OF THE HAILEY CITY COUNCIL APPROVING RATE ADJUSTMENTS FOR WATER USER FEES AND WATER CONNECTION FEES PURSUANT TO CHAPTER 13.04, HAILEY MUNICIPAL CODE

WHEREAS, the Mayor and the City Council of the City of Hailey have determined water conservation is a desired goal for the City of Hailey Water Department;

WHEREAS, the Mayor and the City Council of the City of Hailey have determined that establishing methods for metering water usage will assist the goal of water conservation;

WHEREAS, the Mayor and the City Council of the City of Hailey have amended Chapter 13.04 of the Hailey Municipal Code, Water and Sewer Systems, to establish procedures for determining both water and sewer user fees, and connection fees, establish new procedures and revised fees, and authorize a cross connection program;

WHEREAS, the construction and maintenance of a municipal water systems is a valid proprietary functions of the City of Hailey;

WHEREAS, the mandatory connection to the municipal water system is a valid exercise of the police powers of the City of Hailey;

WHEREAS, the fees imposed by this resolution are segregated into separate funds and are not placed into the general fund for the City of Hailey;

WHEREAS, the connection fees imposed by this resolution are to be used for the replacement and depreciation of the water system, while the user fees imposed by this resolution are to be used to pay for indebtedness and general operating costs of the system;

WHEREAS, the City believes that an allocation of the base water fee based on 25% of the water department budget and an allocation of the metered water fee based on 75% of the water department budget is consistent with historical water usage and budget allocations;

WHEREAS, the user fees, including the meter rates, imposed by this resolution are intended to make the system self-supporting, produce revenues for the payment of indebtedness and encourage the conservation of water;

WHEREAS, Hailey's Municipal Code Chapter 13 requires that the Hailey City Council review, and make appropriate adjustments to Hailey's water user fees, administrative fees and connection fees; and

WHEREAS, the Hailey City Council has reviewed the calculations which provide the rational basis for the establishment of water user fees and connection fees, which are established in this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAILEY AS FOLLOWS:

Section 1. Adoption of Fees. The City Council of the City of Hailey hereby adopts the following fee schedule:

SCHEDULE OF WATER FEES & CHARGES

1. Connection Fees – §13.04-140.

Water Department: Water connection fees shall be \$4,308 per equivalent connection.

2. Service Connection Inspection Fee.

Water Department: The inspection fee for a new water service connection shall be \$50.00.

3. Water Department User Base Monthly Charges- §§13.04.130(A)(1) and (3).

Water user base monthly charge shall be \$11.24 per month, a set fee established by the Hailey City Council. The portion of that fee collected for bond reserve purposes shall be \$3.99 per connection per month. The portion of that fee for maintenance and operation shall be \$7.25 per connection per month.

4. Metered Charge – Water – §13.04.130(A)(2). The Water user metered charge shall be as follows:

a. Single Family Residence

Base Rate per 1,000 gallons up to 10,000 gallons	\$0.25
Rate per 1,000 gallons, 11,000 to 20,000 gallons	\$0.50
Rate per 1,000 gallons, 21,000 to 30,000 gallons	\$0.75
Rate per 1,000 gallons, 31,000 to 40,000 gallons	\$1.00
Rate per 1,000 gallons, 41,000 to 50,000 gallons	\$1.25
Rate per 1,000 gallons, 51,000 to 60,000 gallons	\$1.50
Rate per 1,000 gallons, 61,000 to 70,000 gallons	\$1.75
Rate per 1,000 gallons, 71,000 to 80,000 gallons	\$2.00
Rate per 1,000 gallons, 81,000 to 90,000 gallons	\$2.50
Rate per 1,000 gallons, 91,000 to 100,000 gallons	\$3.00
Rate per 1,000 gallons, 101,000 to 150,000 gallons	\$3.50
Rate per 1,000 gallons, 151,000 and above	\$4.00

b. Commercial

Base Rate per 1,000 gallons up to 10,000 gallons	\$0.25
Rate per 1,000 gallons, 11,000 to 20,000 gallons	\$0.50
Rate per 1,000 gallons, 21,000 to 30,000 gallons	\$0.75
Rate per 1,000 gallons, 31,000 to 40,000 gallons	\$1.00
Rate per 1,000 gallons, 41,000 to 50,000 gallons	\$1.25
Rate per 1,000 gallons, 51,000 to 60,000 gallons	\$1.50

Rate per 1,000 gallons, 61,000 to 70,000 gallons	\$1.75
Rate per 1,000 gallons, 71,000 to 80,000 gallons	\$2.00
Rate per 1,000 gallons, 81,000 to 90,000 gallons	\$2.50
Rate per 1,000 gallons, 91,000 to 100,000 gallons	\$3.00
Rate per 1,000 gallons, 101,000 to 150,000 gallons	\$3.50
Rate per 1,000 gallons, 151,000 and above	\$4.00

c. Multi-Family (Per Unit)

Base Rate per 1,000 gallons up to 10,000 gallons	\$0.25
Rate per 1,000 gallons, 11,000 to 20,000 gallons	\$0.50
Rate per 1,000 gallons, 21,000 to 30,000 gallons	\$0.75
Rate per 1,000 gallons, 31,000 to 40,000 gallons	\$1.00
Rate per 1,000 gallons, 41,000 to 50,000 gallons	\$1.25
Rate per 1,000 gallons, 51,000 to 60,000 gallons	\$1.50
Rate per 1,000 gallons, 61,000 to 70,000 gallons	\$1.75
Rate per 1,000 gallons, 71,000 to 80,000 gallons	\$2.00
Rate per 1,000 gallons, 81,000 to 90,000 gallons	\$2.50
Rate per 1,000 gallons, 91,000 to 100,000 gallons	\$3.00
Rate per 1,000 gallons, 101,000 to 150,000 gallons	\$3.50
Rate per 1,000 gallons, 151,000 and above	\$4.00

d. Irrigation Charge (For separate irrigation accounts):

Base Rate per 1,000 gallons up to 10,000 gallons	\$0.25
Rate per 1,000 gallons, 11,000 to 20,000 gallons	\$0.50
Rate per 1,000 gallons, 21,000 to 30,000 gallons	\$0.75
Rate per 1,000 gallons, 31,000 to 40,000 gallons	\$1.00
Rate per 1,000 gallons, 41,000 to 50,000 gallons	\$1.25
Rate per 1,000 gallons, 51,000 to 60,000 gallons	\$1.50
Rate per 1,000 gallons, 61,000 to 70,000 gallons	\$1.75
Rate per 1,000 gallons, 71,000 to 80,000 gallons	\$2.00
Rate per 1,000 gallons, 81,000 to 90,000 gallons	\$2.50
Rate per 1,000 gallons, 91,000 to 100,000 gallons	\$3.00
Rate per 1,000 gallons, 101,000 to 150,000 gallons	\$3.50
Rate per 1,000 gallons, 151,000 and above	\$4.00

5. Reduction in Water and Wastewater User Base Charges- §13.04.130(C).

Water Charges: Water user base charge for persons qualifying under Hailey Municipal Code Section 13.04.130(C) shall be \$6.89 per month. The portion of that fee collected for bond reserve purposes shall be \$3.99 per month and for maintenance and operation shall be \$2.90 per month.

6. Private Water and Wastewater System Inspection Fee – §13.04.160.

Water Department: The inspection fee for a new private water system shall be \$50.00.

7. Miscellaneous Fees – §§ 13.04.150(D) and (F) and 13.08.040.

Discontinuance Administrative Fee – Non-payment: The Administrative fee for a discontinuance notice shall be \$37.50.

Recommencement Fee – Non-payment: The Administrative fee for recommencing a service terminated for non-payment shall be \$37.50.

Owner Requested Discontinuance Fee: The fee for an owner requested discontinuance of service shall be \$37.50.

Owner Requested Recommencement Fee: The fee for an owner requested recommencement of service shall be \$37.50.

Water Conservation Violation Discontinuance Fee: The discontinuance fee for violating Hailey Municipal Code Section 13.08.010 shall be \$50.00.

Water Conservation Violation Recommencement Fee: The recommencement fee for violating Hailey Municipal Code Section 13.08.010 shall be \$50.00.

Insufficient Funds Fee: The insufficient funds fee for a utility payment shall be \$20.00.

8. Administrative Waiver of Fees.

Customers, who in the last one (1) year, have not been sent late payment delinquent account notices, or have been charged insufficient fund fees, may request and administrative staff may approve a reversal of a one-time insufficient funds fee.

Temporary turn on/off –

Owners may temporarily ask that the water be turned on for 24 hours to do a home inspection or plumbing repair for a sale or foreclosure. This 24 hour turn on/off does not require the commencement/discontinuance form to be completed.

Section 2. Effective Date. The fees adopted by this Resolution shall be effective on November 25, 2013.

Passed this 18th day of November, 2013.

Fritz X. Haemmerle, Mayor, City of Hailey

ATTEST:

Mary Cone, City Clerk

AGENDA ITEM SUMMARY

DATE: 11/18/13 DEPARTMENT: PW - WW DEPT. HEAD SIGNATURE: 

SUBJECT: Public Hearing and Consideration of Resolution 2013 - 86 setting wastewater rates, and connection and other wastewater fees

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

At the October 15 City Council meeting this resolution was presented as a part of the discussion on the proposed ordinance revisions to setting water and wastewater rates. Following the adoption of Ordinance 1139 the City Council is requested to adopt the proposed fees in the attached ordinance.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Caselle # _____
Budget Line Item # _____ YTD Line Item Balance \$ _____
Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
Staff Contact: _____ Phone # _____
Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

- | | | |
|---|--|---|
| <input type="checkbox"/> City Administrator | <input type="checkbox"/> Library | <input type="checkbox"/> Benefits Committee |
| <input type="checkbox"/> City Attorney | <input type="checkbox"/> Mayor | <input type="checkbox"/> Streets |
| <input type="checkbox"/> City Clerk | <input type="checkbox"/> Planning | <input type="checkbox"/> Treasurer |
| <input type="checkbox"/> Building | <input type="checkbox"/> Police | _____ |
| <input type="checkbox"/> Engineer | <input type="checkbox"/> Public Works, Parks | _____ |
| <input type="checkbox"/> Fire Dept. | <input type="checkbox"/> P & Z Commission | _____ |

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Motion to approve Resolution 2013 - 86, authorizing the new wastewater fees, and connection and other fees.

ADMINISTRATIVE COMMENTS/APPROVAL:

City Administrator _____ Dept. Head Attend Meeting (circle one) Yes No

ACTION OF THE CITY COUNCIL:

Date _____

City Clerk _____

FOLLOW-UP:

*Ord./Res./Agrmt./Order Originals: Record
Copies (all info.): _____
Instrument # _____

*Additional/Exceptional Originals to: _____
Copies (AIS only)

HAILEY RESOLUTION NO. 2013-86

A RESOLUTION OF THE HAILEY CITY COUNCIL APPROVING RATE ADJUSTMENTS FOR SEWER USER FEES AND SEWER CONNECTION FEES PURSUANT TO CHAPTER 13.04, HAILEY MUNICIPAL CODE

WHEREAS, the Mayor and the City Council of the City of Hailey have amended Chapter 13.04 of the Hailey Municipal Code, Water and Sewer Systems, to establish procedures for determining both water and sewer user fees, and connection fees, establish new procedures and revised fees, and authorize a cross connection program;

WHEREAS, the construction and maintenance of a municipal wastewater system is a valid proprietary function of the City of Hailey;

WHEREAS, the mandatory connection to the municipal wastewater system is a valid exercise of the police powers of the City of Hailey;

WHEREAS, the fees imposed by this resolution are segregated into a separate fund and are not placed into the general fund for the City of Hailey;

WHEREAS, the connection fee imposed by this resolution are to be used for the replacement and depreciation of the wastewater systems, while the user fees imposed by this resolution are to be used to pay for indebtedness and general operating costs of the systems;

WHEREAS, the fees imposed by this resolution have been studied and recommended by the City Engineer and are intended to be reasonably related to the benefit conveyed to the residents of the City of Hailey;

WHEREAS, the user fees imposed by this resolution are intended to make the system self-supporting and produce revenues for the payment of indebtedness;

WHEREAS, Hailey's Municipal Code Chapter 13 requires that the Hailey City Council review, and make appropriate adjustments to Hailey's sewer user fees, administrative fees and connection fees; and

WHEREAS, the Hailey City Council has reviewed the engineer's calculations which provide the rational basis for the establishment of sewer user fees and connection fees, which are established in this resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HAILEY AS FOLLOWS:

Section 1. Adoption of Fees. The City Council of the City of Hailey hereby adopts the following fee schedule:

SCHEDULE OF WASTEWATER FEES AND CHARGES

1. Connection Fees – §13.04-140.

Wastewater Department: Wastewater connection fees shall be \$3,766 per equivalent connection.

2. Service Connection Inspection Fee.

Wastewater Department: The inspection fee for a new wastewater service connection shall be \$50.00.

3. Wastewater Department Bond Payment Monthly Charges – §§ 13.04.130(B)(3).

Wastewater user monthly bond payment charges collected for bond retirement purposes shall be \$7.37 per connection per month.

4. Wastewater Department User Base Monthly Charges – Residential Non-Metered Accounts – §13.04.130(B)(2).

New construction residential Wastewater user monthly charges shall total \$54.05 per month, a set fee established by the Hailey City Council. The portion of that fee collected for bond retirement purposes shall be \$7.37 per connection per month. The portion of that fee for system maintenance and operation shall be \$46.68 per connection per month.

5. Metered Charge – Wastewater – §13.04.130(B)(1). The Wastewater use metered charge shall be as follows:

a. <u>Single Family Residence</u>	
Rate per 1,000 gallons	\$7.78
b. <u>Commercial</u>	
Rate per 1,000 gallons	\$7.78
c. <u>Multi-Family</u>	
Rate per 1,000 gallons	\$7.78

6. Reduction in Water and Wastewater User Base Charges- §13.04.130(C).

Wastewater Charges: Wastewater user base charge for persons qualifying under Hailey Municipal Code Section 13.04.130(C) shall be \$7.37 per month collected for bond retirement purposes.

7. Private Water and Wastewater System Inspection Fee – § 13.04.160.

Wastewater Department: The inspection fee for a new private wastewater system shall be \$50.00.

8. Miscellaneous Fees – §§ 13.04.150(D) and (F).

Discontinuance Administrative Fee – Non-payment: The Administrative fee for a discontinuance notice shall be \$37.50.

Recommencement Fee – Non-payment: The Administrative fee for recommencing a service terminated for non-payment shall be \$37.50.

Owner Requested Discontinuance Fee: The fee for an owner requested discontinuance of service shall be \$37.50.

Owner Requested Recommencement Fee: The fee for an owner requested ,recommencement of service shall be \$37.50.

Insufficient Funds Fee: The insufficient funds fee for a utility payment shall be \$20.00.

9. Administrative Waiver of Fees.

Customers, who in the last one (1) year, have not been sent late payment delinquent account notices, or have been charged insufficient fund fees, may request and administrative staff may approve a reversal of a one time insufficient funds fee.

Section 2. Effective Date. The fees adopted by this Resolution shall be effective on November, 25, 2013.

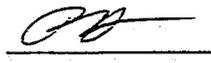
Passed this 18th day of November, 2013.

Fritz X. Haemmerle, Mayor, City of Hailey

ATTEST:

Mary Gone, City Clerk

AGENDA ITEM SUMMARY

DATE: 11/18/13 DEPARTMENT: PW - WW DEPT. HEAD SIGNATURE: 

SUBJECT: Wastewater Biosolids Project – Decision on selection of equipment to enable engineers to design plant to the equipment.

AUTHORITY: ID Code _____ IAR _____ City Ordinance/Code _____
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

The attached memo from HDR Engineering discusses the options for the purchase of the thickening and dewatering equipment for the biosolids project. As was noted by HDR at the November 4 meeting there was no clear favorite among the equipment manufacturers so sole source purchasing is not an option. That means that a discussion is required on how to procure the equipment.

The HDR memo lays out two options for procuring the equipment; pre-purchase by the City and purchasing by the contractor when the project is bid. As noted in the memo there are advantages and disadvantages to both.

The biggest disadvantage for pre-purchase of equipment is a commitment by the City to pay for shop drawings from the selected manufacturer prior to the bond election. This is generally 5 – 10% of the purchase price which translates to \$50,000 - \$75,000. This is a risk of funds if the bond does not pass. The other two noted disadvantages are minor.

There are three big disadvantages for purchase by the contractor: we have little choice in the equipment selected, the need for additional design by HDR and likely change order requests from the contractor.

A third option not discussed in the memo would be for the City to procure the equipment following the bond election. This would have a major impact on the project schedule as follows:

Bond Election	May 20, 2014
Bid Equipment	May 21 – June 30, 2014
Shop Drawings from Manufacturer	June 30 – July 21, 2014
Final Design by HDR	June 30 – August 8, 2014
Contractor Bidding	August 8 – September 8, 2014
Contract Award and mobilization	September 8 – October 3, 2014
Construction	October 3, 2014 – Summer/Fall 2015

As the project schedule is now currently laid out detailed design will proceed from March through May so the project is ready for bid if the bond passes. With an expedited process this would allow for construction to begin by the end of July, 2014 which would allow for a completion in late winter/early spring. Construction beginning in July would mean the biosolids handling tanks and the equipment building could be finished before winter allowing work to proceed with minimal weather impacts.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS: Caselle # _____
 Budget Line Item # _____ YTD Line Item Balance \$ _____
 Estimated Hours Spent to Date: _____ Estimated Completion Date: _____
 Staff Contact: _____ Phone # _____
 Comments: _____

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)
 City Administrator City Attorney City Clerk

Building
 Engineer
 Fire Dept.

Library
 Mayor
 Planning
 Police
 Public Works, Parks
 P & Z Commission

Benefits Committee
 Streets
 Treasurer

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Discussion on the options presented with a decision on the procurement process.

ADMINISTRATIVE COMMENTS/APPROVAL:

City Administrator _____ Dept. Head Attend Meeting (circle one) Yes No

ACTION OF THE CITY COUNCIL:

Date _____

City Clerk _____

FOLLOW-UP:

*Ord./Res./Agrmt./Order Originals: Record
Copies (all info.): _____
Instrument # _____

*Additional/Exceptional Originals to: _____
Copies (AIS only)

To: Tom Hellen, City of Hailey Public Works Director	
From: Haley Falconer, PE and Michael Zeltner, PE	Project: Solids Handling Improvement
Date: November 14, 2013	Job No: 00103.211869

RE: Equipment Purchase Options

The purpose of this memo is to discuss options for procurement of major equipment for the Solids Handling Improvement project. Options for owner pre-purchase and contractor purchase during construction are presented. Implications to the design process and schedule are also discussed.

PROJECT OVERVIEW

The City of Hailey completed a final draft of the Solids Handling Improvements Preliminary Engineering Report (PER) in early 2013 which recommended improvements including thickening of waste activated sludge, aerobic digestion to achieve EPA Class B biosolids, and biosolids dewatering with a screw press. Pilot testing of dewatering equipment (screw press) was conducted this summer and resulted in up to four viable manufacturers for this equipment. Now that the pilot testing is complete, the PER will be submitted to Idaho Department of Environmental Quality (DEQ) for review and approval. Additionally, at this point in the design process, consideration must be given to equipment procurement and direction from the city is required.

IDAHO PROCUREMENT LAW

Procurement requirements for all political subdivisions of the State of Idaho are governed by Idaho Statute Title 67 - State Government and State Affairs, Chapter 28 - Purchasing by Political Subdivisions. The full statute is available at <http://www.legislature.idaho.gov/idstat/Title67/T67CH28.htm>.

The legislative intent of the procurement process is defined in §67-2801 and generally includes:

- Efficient and cost-effective procurement of goods, services and public works construction.
- Purchase goods, services and public works construction by way of a publicly accountable process that respects the shared goals of economy and quality.
- Purchase goods and services from vendors with a significant Idaho economic presence.

The procurement procedures in §67-2806 (2) apply when a political subdivision contemplates an expenditure to purchase personal property in excess of \$50,000 and requires the purchase be made pursuant to an open competitive sealed bid process with the award being made to the qualified bidder submitting the lowest bid price complying with the bidding procedures and meeting the specifications for the goods to be procured.

The procurement procedures in §67-2808 (2) apply to sole source expenditures if the governing board declares that there is only one vendor for the personal property to be acquired. Situations where only one source is reasonably available include, but are not limited to the following:

- Where the compatibility of equipment, components, accessories, computer software, replacement parts or service is the paramount consideration [§67-2808 (2) (a) (ii)];
- Where a sole supplier's item is needed for trial use or testing [§67-2808 (2) (a) (iii)];
- The purchase of property for which it is determined there is no functional equivalent [§67-2808 (2) (a) (v)];
- Where competitive solicitation is impractical, disadvantageous or unreasonable under the circumstances [§67-2808 (2) (a) (viii)].

EQUIPMENT PROCUREMENT OPTIONS

The thickening and dewatering units typically have very similar construction, components, operation, and controls. As such, most manufacturers offer both thickening and dewatering equipment. For this project, HDR recommends that the City consider requiring the dewatering and thickening manufacturer to be the same. The benefits of this approach include:

- Single point responsibility for sludge handling equipment.
- Commonality of system controls (e.g. operator interface).
- Unified equipment layout since the units will be located adjacent to each other.
- Commonality of equipment and reduction of spare parts inventory.

Two options exist for procuring this equipment:

- Owner pre-purchase.
- Contractor purchase during construction.

Owner Pre-purchase

Based upon the pilot testing conducted this summer, HDR’s experience, and consensus among city staff, sole source procurement allowed by §67-2808 (2) does not appear to be an option for this project because the pilot testing was unable to select a single manufacturer for incorporation into the final design because four dewatering units were able to meet the defined performance criteria. However, §67-2806 (2) still allows for owner pre-purchase of equipment over \$50,000 provided an open competitive sealed bid process is followed. The advantages and disadvantages of owner pre-purchase of the solids processing equipment are presented in Table 1.

Table 1: Advantages and Disadvantages of Owner Pre-purchase

Advantages	Disadvantages
Basis of award can include life cycle cost evaluation	Requires separate procurement procedure
Allows detailed design to proceed based around one manufacturer	Requires payment for at least shop drawings prior to bond election
Avoids contractor mark-up of equipment price	Owner coordination of shipping, delivery, and storage

Contractor Purchase During Construction

Contractor purchase of the solids processing equipment during construction will follow the bidding procedures in §67-2805 (3). The advantages and disadvantages of this procurement process are presented in Table 2.

Table 2: Advantages and Disadvantages of Contractor Purchase During Construction

Advantages	Disadvantages
Most common means of procurement	Equipment selection is left to the contractor
No separate procurement procedure is required	Focus is on lowest cost equipment, not best overall value
	Due to varying layouts and piping configurations, requires design to be based upon one specific manufacturer which could indicate a preference and might be construed as an endorsement; or conversely requires the design to be able to accommodate any of the four manufacturers which increases the level of design effort compared to a single pre-selected manufacturer
	Likely requires changes during construction to incorporate equipment provided

SCHEDULE CONSIDERATIONS

For this particular design project, there is a need to have a refined construction cost estimate in March in order to most closely determine the dollar amount of the bond that will be presented to voters in the bond election in May. The pre-purchase of equipment by the City has some advantages as described above, but the time required for the procurement and shop drawing process will dictate that the equipment details will not be fully incorporated into the final design and that portion of the final cost estimate will not be updated in time for the City Council meeting in March. However, the pre-purchase option will provide the best overall result for the project. On the other hand, the contractor purchase option will result in either the need for the design to accommodate multiple equipment options, which is beyond the current scope of design services that assumed a single equipment manufacturer could be identified with pilot testing, or the city will need to direct HDR on which manufacturer to base the design around.

AGENDA ITEM SUMMARY

DATE: 11-4-2013

DEPARTMENT:

CDD

DEPT. HEAD SIGNATURE:MA

SUBJECT: Title 15: Building Code and Fire Code Updates

AUTHORITY: ID Code IAR _____ City Ordinance/Code Title 15, HMC
(IF APPLICABLE)

BACKGROUND/SUMMARY OF ALTERNATIVES CONSIDERED:

This amendment is a combination of regular Building Code and Fire Code amendments and some changes to the Build Better Program and the City's enforcement of the International Wildland Urban Interface Code. Below is a summary of the proposed revisions:

Build Better Program

1. Amend sections of the ordinance that were applicable during the voluntary period of the ordinance but are now unnecessary with the ordinance mandated for all new construction. In particular:
 - a. Change the building permit fee discount from 50% to 8% for projects that elect the Performance Path. This is based on analysis done by the Department of Building Safety on the amount of time saved during the review and inspection period when a builder elects the Performance Path (HERS Rater). Since the ordinance was mandated for all new construction, we have had no builders choose the Performance Path.
 - b. Eliminate the option for deferral of payment of the Building Permit until after the project receives the Certificate of Occupancy. This was an incentive when the program was voluntary
2. Add/Revise two fees as follows:
 - a. The current Re-roof Fee is based on valuation, however it requires the same amount of time to inspect an expensive roof as it does an inexpensive roof. The amended fee would be \$75.00, which is in line with our other building inspection fees per project.
 - b. Addition of a Fireplace Installation for Solid Fuel Burners Fee. The proposed language is as follows:
 - i. Fireplace Installation for Solid Fuel Burners Fee. Fee shall be \$75 per fireplace installation for solid fuel burners and shall be due at the time the application is due.
3. Increase minimum square footage for a building permit from 120 square feet to 200 square feet.
 - a. This amendment is in line with the 2012-IBC, which exempts all structures less than 200 square feet from the requirements of the Building Code.
4. Various amendments to comply with 2012 IBC, as adopted by the State of Idaho
5. Various amendments to comply with the 2012 IFC, as adopted by the State of Idaho
6. Amend section of Title 15.12 to address the requirement for new construction to utilize non-combustible construction materials, in compliance with the International Wildland Urban Interface Code
 - a. Following the Beaver Creek Fire, staff was directed to research non-combustible construction standards to require certain standards for all new construction. The current version of 2012 IWUIC addresses non-combustible construction standards into three classes: Class 1, Class 2, and Class 3. The amendment proposes mandating Class 3 Ignition Resistant Construction throughout Hailey.
 - b. Class 3 Ignition Resistant Construction focuses almost entirely on the Roof Coverings for a building. In particular, the following standards must be met:
 - i. "506.2: Roofs shall have at least a Class C roof assembly or an approved noncombustible roof covering."
 1. Under this language, all roof are permitted if they utilize non-combustible materials. Asphalt shingles are consider non-combustible as are the vast majority of roofs in Hailey. Untreated cedar roofs would not be permitted under this requirement, however they could be treated with non-combustible applications and would therefore be permitted.
 - ii. "506.2.1 Roof Valleys [. . .] shall be not less than 0.019 inch corrosion resistant

metal installed"

- 1. This requirement is designed to prevent fires caused from leaf-litter building up in roof valleys.
- iii. "506.3 Unenclosed underfloor protection [. . .] structures shall have all underfloor areas enclosed to the ground with exterior walls"
 - 1. This requirement is meant to prevent embers and sparks from getting under decks or homes and burning the structure from the bottom up.
- iv. "506.4 Gutters and downspouts shall be construction of noncombustible materials."
 - 1. This prevents vinyl and plastic gutters from catching fire and spreading the fire to the structure.
- c. The proposed amendment also identifies all of the City of Hailey as within the Wildland Urban Interface area, thereby mandating the above construction methods.
- d. Because all of the roof materials and other requirements are current standards for construction in Hailey, there is no anticipating cost to developers to comply with Class 3 Ignition Resistant Construction standards. Only if a builder was planning to install a cedar shake roof will they need to make adjustment based on these requirements.

FISCAL IMPACT / PROJECT FINANCIAL ANALYSIS:

ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS: (IF APPLICABLE)

<input type="checkbox"/> City Administrator	<input type="checkbox"/> Library	<input type="checkbox"/> Benefits Committee
<input type="checkbox"/> City Attorney	<input type="checkbox"/> Mayor	<input type="checkbox"/> Streets
<input type="checkbox"/> City Clerk	<input type="checkbox"/> Planning	<input type="checkbox"/> Treasurer
<input type="checkbox"/> Building	<input type="checkbox"/> Police	_____
<input type="checkbox"/> Engineer	<input type="checkbox"/> Public Works, Parks	_____
<input type="checkbox"/> Fire Dept.	<input type="checkbox"/> P & Z Commission	_____

RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:

Discuss the proposed amendments and direct staff to proceed with an ordinance or revise proposal as necessary.

ACTION OF THE CITY COUNCIL:

Date : _____

City Clerk _____

FOLLOW-UP:

*Ord./Res./Agrmt./Order Originals: Record
 Copies (all info.): _____
 Instrument # _____

*Additional/Exceptional Originals to: _____
 Copies (AIS only)