

1st Reading: October 24, 2016
2nd Reading: November 28, 2016

Presented By:
Utility Manager

Action Taken:
Yes 4
No 1
Abstain 0

CITY OF NOME, ALASKA

ORDINANCE NO. O-16-11-01

**AN ORDINANCE APPROVING AN AMENDMENT TO
NOME JOINT UTILITY SYSTEM'S WATER AND SEWER TARIFF NO. 3,
MAKING CHANGES TO RATE SCHEDULES 'A' AND 'B'**

SECTION 1.

This is a non-Code ordinance.

SECTION 2.

WHEREAS, Chapter 15.10.010, Nome Code of Ordinances, states the Council reserves the power and authority to approve by ordinance all rates of the utilities; and,

WHEREAS, the Nome Joint Utility Board has adopted Utility Resolution No. 16-06 which recommends changes in Schedules A and B of the rate schedule section of Tariff W&S₃ and has recommended these increases to the Nome Common Council;

NOW, THEREFORE, BE IT ORDAINED by the Common Council of Nome, Alaska that Schedule A (Tariff page 50), Residential Rates and Schedule B (Tariff page 51), Commercial/Industrial Metered Service Rates, of Tariff W&S₃, Water and Sewer Service, are hereby amended and approved as recommended by Nome Joint Utility Board Resolution 16-06 which is attached and a part of this ordinance; and,

BE IT FURTHER ORDAINED that these rate increases shall become effective for the billings rendered by Nome Joint Utility System on or after November 28, 2016.

APPROVED and SIGNED the 28th day of November, 2016.



STAN ANDERSEN,
Acting Mayor

ATTEST:

A handwritten signature in blue ink, appearing to read 'Bryant Hammond', is written over a horizontal line.

BRYANT HAMMOND,
City Clerk



NOME JOINT UTILITY SYSTEM

NOME JOINT UTILITY BOARD

RESOLUTION 16-06

**A RESOLUTION REQUESTING THE NOME COMMON COUNCIL APPROVE AN
AMENDMENT TO WATER AND SEWER TARIFF NO. 3,
MAKING CHANGES TO RATE SCHEDULES A & B**

- WHEREAS, the City of Nome through component unit Nome Joint Utility System owns and operates the water-sewer utility for the community of Nome; and,
- WHEREAS, the Nome Joint Utility Board is to provide for maintenance and operation of the utility system and to study and make recommendations on public utility matters, including rates; and,
- WHEREAS, costs of operating the water and sewer utility have increased over time, and rate changes averaging 12% were made in 2014 to those previously in effect since November 1999; and,
- WHEREAS, a rate study commissioned revealed that despite rate changes in 2014, at least a 24% deficit remained to have water-sewer stand self-supporting, and in 2015 an average adjustment of 10% was implemented as a stair-step to address the deficit; and
- WHEREAS, the Utility continues to realize additional revenue for services provided, and continues to seek to improve efficiencies and maintain systems to contain costs, but must insure overall charges for services are sufficient to meet utility operating costs and provide for system operation, maintenance and replacement; and,
- WHEREAS, it is necessary for the Utility to make adjustment to the rate structure to continue to move the water-sewer system toward greater self-reliance; and,
- WHEREAS, revisions to the rate schedules to adjust water-sewer rates by an additional 10% to continue toward the goal of making the water-sewer stand as self-supporting have been prepared and reviewed by the Board, and recommends they be adopted;

NOW, THEREFORE BE IT RESOLVED, that the Nome Joint Utility Board approves revisions to Schedules A & B of Water & Sewer Tariff No. 3, and recommend approval and adoption to the Nome Common Council.

SIGNED THIS 18th DAY OF OCTOBER, 2016 AT NOME, ALASKA.

Carl Emmons, Chairman
NOME JOINT UTILITY BOARD

ATTEST:

David Barron, Secretary
NOME JOINT UTILITY BOARD

NOME JOINT UTILITY BOARD

Meeting Date: ~~September 22, 2016~~
October 18, 2016



WATER-SEWER RATE REVISION

Resolution 16-06: A Resolution requesting the Nome Common Council approve an Amendment to Water and Sewer Tariff No. 3, making changes to Rate Schedules A & B

A known deficit in water-sewer revenue has long existed with the electric operations providing portions of revenues to support water-sewer operations and maintenance. In 2014, rates were increased an average of 12% from those historically in place.

A rate study indicated that despite that change, at least a 24% deficit remained to make water-sewer stand self-supporting. The Board selected a "stair-step" approach to adjusting the rate structure, as opposed to a more drastic full change in a single year. As a result, in 2015 a 10% rate adjustment was implemented as part of this "stair-step" to begin to bring water-sewer rates in line with the cost of operation, maintenance and debt service associated with system improvements.

Now, in line with the prior determination, an additional increment – a 10% increase in both water-sewer rates – has been computed and is presented for consideration.

With this increment, the revenue requirement identified in the rate study still lags by at least 4%. Moving forward, rates and costs must again be analyzed to determine changes that have occurred and others that may still be required (i.e. potential additional system replacement requirements that may need to be funded through bonding or loans if grant funding, on which the Utility has historically relied upon, and which is now more difficult to obtain or presently non-existent).

Recommended action:

That the changes enumerated be incorporated into new tariff rates and recommended to the City Council. In connection with development of the 2017 budget, the impact of the changes needs to be again reviewed to determine if additional changes will be warranted.

J. Handeland

APUC No. 151-152

Fifth Revision

Sheet No. 50

Canceling

Fourth Revision

Sheet No. 50

NOME JOINT UTILITY SYSTEM

SCHEDULE NO. A

RESIDENTIAL RATES

Availability

Applicable to single-family units, including homes and apartments, for the convenience of the family.

Charges

WATER:

Flat rate per dwelling unit per month \$49.01

SEWER:

Flat rate per dwelling unit per month \$58.81

RESIDENTS AGE 65 AND OVER: Water per month \$29.40

Sewer per month \$35.29

RESIDENTIAL AND INDIVIDUAL SELF-HAUL RATES

Availability

Applicable to individuals and single-family units not connected to piped water and sewer who pick up water in their own storage containers for the convenience of the individual or family.

Charges

WATER:

Flat rate per month \$49.01

The above charge applies whether there is one pickup or multiple pickups during the billing cycle month (15th to 15th).

Effective: _____

Issued by: NOME JOINT UTILITY SYSTEM

By: _____ Title: _____

Canceling

Fifth Revision

Sheet No. 51

NOME JOINT UTILITY SYSTEM

SCHEDULE NO. B

COMMERCIAL/INDUSTRIAL METERED SERVICE

Availability

Available to commercial, industrial, and other metered facilities with a single water connection.

Charges*

WATER:

Minimum Charge \$ 62.02

Monthly Service Charge \$ 8.25

Demand Charge

Meter Size:

5/8" & 3/4" \$ 13.75/month

1" \$ 51.57/month

1 1/2" \$103.13/month

2" \$206.25/month

3" & 4" \$412.50/month

Larger than 4" \$825.00/month

Commodity Charge:

0 - 5,000 \$ 62.02 (flat rate)
5,001 and over .01240 ¢/per gallon

SEWER:

Percent of Commodity Water Charge or Minimum Charge: 120%

*Unmetered commercial facilities will be charged for water equivalent to minimum charge plus minimum demand and for sewer at minimum charge unless and until meters are installed.

*Bulk water sales to tankers or other large transport vessels will be charged for water equivalent to the minimum charge plus minimum demand during any billing cycle month, and any gallons in excess of 5,000 during the period will be charged at the above commodity charge per gallon.

Effective: _____

Issued by: NOME JOINT UTILITY SYSTEM

By: _____ Title: _____

Schedule A - Residential Rates

Senior Citizen = 60% of residential charge

WATER SEWER RATES
Schedule B - Commercial/Industrial Metered Service

				PROPOSED		
				CURRENT	10/2016	Change
				08/01/15	+10%	Month Annual
				11/15/96	05/31/14	
Water						
Minimum Charge (5K gals)	43.75	51.25	56.38	62.02	5.64	67.68
Monthly Meter Service Charge	2.50	5.00	7.50	8.25	0.75	9.00
Demand Charge:						
Meter Size:						
5/8" & 3/4"	-	10.00	12.50	13.75	1.25	15.00
1"	25.00	37.50	46.88	51.57	4.69	56.28
1-1/2"	50.00	75.00	93.75	103.13	9.38	112.56
2"	100.00	150.00	187.50	206.25	18.75	225.00
3" & 4"	150.00	300.00	375.00	412.50	37.50	450.00
6"	300.00	600.00	750.00	825.00	75.00	900.00
Commodity Charge:						
0.00875 0 - 5,000 (flat)	43.75	51.25	56.38	62.02	5.64	67.68
5,001 - 10,000	0.00875	0.01025	0.01128	0.01240	0.00113	
10,001 - 50,000	0.00850	0.01025	0.01128	0.01240	0.00113	
50,001 - 100,000	0.00825	0.01025	0.01128	0.01240	0.00113	
100,001 - 300,000	0.00800	0.01025	0.01128	0.01240	0.00113	
300,000 and over	0.00800	0.01025	0.01128	0.01240	0.00113	
SEWER:						
Percent of Commodity or Minimum: 120%						
0 - 5,000 (flat)	52.50	61.50	67.66	74.42	6.77	81.22
5,001 - 10,000	0.01050	0.01230	0.01353	0.01488	0.00135	
10,001 - 50,000	0.01020	0.01230	0.01353	0.01488	0.00135	
50,001 - 100,000	0.00990	0.01230	0.01353	0.01488	0.00135	
100,001 - 300,000	0.00960	0.01230	0.01353	0.01488	0.00135	
300,000 and over	0.00960	0.01230	0.01353	0.01488	0.00135	
Sewer = 120% of commodity water or minimum charge						
Unmetered - minimum:						
Water	43.75	51.25	56.38	62.02	5.64	67.68
Sewer	52.50	61.50	67.66	74.42	6.77	81.22
Minimum Use:						
Water	43.75	51.25	56.38	62.02	5.64	67.68
Meter charge	2.50	5.00	7.50	8.25	0.75	9.00
Demand (5/8")	-	10.00	12.50	13.75	1.25	15.00
	46.25	66.25	76.38	84.02	7.64	91.68
Sewer	52.50	61.50	67.66	74.42	6.77	81.22
	98.75	127.75	144.04	158.44	14.41	172.90

APUC No. 151-152

Fourth Revision

Sheet No. 50

Canceling

Third Revision

Sheet No. 50

NOME JOINT UTILITY SYSTEM

SCHEDULE NO. A

RESIDENTIAL RATES

Availability

Applicable to single-family units, including homes and apartments, for the convenience of the family.

Charges

WATER:

Flat rate per dwelling unit per month \$44.55

SEWER:

Flat rate per dwelling unit per month \$53.47

RESIDENTS AGE 65 AND OVER: Water per month \$26.73

Sewer per month \$32.08

RESIDENTIAL AND INDIVIDUAL SELF-HAUL RATES

Availability

Applicable to individuals and single-family units not connected to piped water and sewer who pick up water in their own storage containers for the convenience of the individual or family.

Charges


WATER:

Flat rate per month \$44.55

The above charge applies whether there is one pickup or multiple pickups during the billing cycle month (15th to 15th).

Effective: 8/24/2015

Issued by: NOME JOINT UTILITY SYSTEM

By: 

Title: GM/COO

NOME JOINT UTILITY SYSTEM

SCHEDULE NO. B

COMMERCIAL/INDUSTRIAL METERED SERVICE

Availability

Available to all commercial, industrial, and other metered facilities with a single water connection.

Charges*

WATER:

Minimum Charge \$ 56.38

Monthly Service Charge \$ 7.50

Demand Charge

Meter Size:

5/8" & 3/4" \$ 12.50/month

1" \$ 46.88/month

1 1/2" \$ 93.75/month

2" \$187.50/month

3" & 4" \$375.00/month

Larger than 4" \$750.00/month

Commodity Charge:

0 - 5,000 \$ 56.38 (flat rate)
5,001 and over .01128 ¢/per gallon

SEWER:

Percent of Commodity Water Charge or Minimum Charge: 120%

*Unmetered commercial facilities will be charged for water equivalent to minimum charge plus minimum demand and for sewer at minimum charge unless and until meters are installed.

*Bulk water sales to tankers or other large transport vessels will be charged for water equivalent to the minimum charge plus minimum demand during any billing cycle month, and any gallons in excess of 5,000 during the period will be charged at the above commodity charge per gallon.

Effective: 8/24/2015

Issued by: NOME JOINT UTILITY SYSTEM

By: John C. Handland

Title: Gm/coo