

An Ordinance to Amend Chapter 90 of the Alexander City Code as it Pertains to the Sewer Rates

WHEREAS, the City of Alexander City recently evaluated current rates being charged for all City owned utilities; and

WHEREAS, the City's rate evaluation revealed that current rates charged for sewer service do not generate adequate funding for the operation and maintenance of the sewer system; and

WHEREAS, the City's National Pollution Discharge Elimination (NPDES) permit requires adequate funding be provided for the sewer system as part of permit compliance; and

WHEREAS, the City desires to establish charges for sewer service that provide adequate funding on a continual basis for the operation and maintenance of the sewer system by enacting periodic reviews of funding requirements and mechanisms for systematic incremental rate adjustments to ensure that adequate funding is provided; and

BE IT ORDAINED by the City Council of the City of Alexander City, Alabama, as follows

SECTION 1. Beginning January 1, 2022, through January 1, 2027 the rates charged for the provision of sanitary sewer service shall be as shown in Exhibit A. These rates shall be the minimum rates charged unless the Superintendent of Utilities determines that additional funding is required as detailed in this Ordinance.

SECTION 2. Beginning August 1, 2022, the Superintendent of Utilities shall review rates charged for sanitary sewer service on an annual basis to determine if current or proposed rates (as shown in Exhibit A and provided for in Section 5) are sufficient to provide adequate funding for the operation and maintenance of the sewer system. Rates charged for sewer services shall be sufficient to fund the total operation and maintenance costs of the sanitary sewer collection system and the wastewater treatment plant(s), the administrative cost incurred by the administrative offices of the city for and on behalf of the sewer system, the total sewer system debt service incurred by the city including principal, interest, coverage and other bond obligations, depreciation and maintenance capital requirements not financed through bond proceeds.

SECTION 3. If the Superintendent of Utilities determines that current or proposed rates (as shown in Exhibit A and provided for in Section 5) are insufficient to provide for the adequate funding of the sanitary sewer system, the Superintendent shall increase rates uniformly for all customer classes where not prohibited by contract by an amount determined by the Superintendent to provide adequate funding but not to exceed 7% annually. Rate adjustments shall become effective January 1st of each year.

SECTION 4. Beginning January 1, 2027 and every five years thereafter, the Superintendent shall prepare, or cause to be prepared a cost of service study for all customer classes.

SECTION 5. Beginning January 1, 2028, charges for sanitary sewer service shall automatically increase by an amount equal to the Consumer Price Index (CPI), Southern Region, All Items and Major Group Figures for All Urban Consumers (base index year 1982-1984 = 100) provided, however that the maximum annual rate adjustment using the CPI shall not exceed 5%. CPI adjustments shall apply uniformly to all customer classes unless prohibited by contract. CPI adjustments beginning January 1, 2028 shall be based on CPI changes from August 1, 2026 through July 31, 2027. CPI adjustments for subsequent years shall be based on the same 12-month period for the prior year.

SECTION 6. The City may enter contracts with individual dischargers to the sanitary sewer system when the individual discharge is anticipated to be of such volume or makeup that would reasonably justify a separate sewer service contract.

Ordinance 2021-18

SECTION 7. All revenue generated within the sanitary sewer system shall be designated to the operation and maintenance of the sanitary sewer system and shall not be used for other purposes, with the exception of a utility levy per the Alexander City Code and/or administrative costs related to general city operations. In the event revenues exceed expenses in any given year, the excess funds shall be held in reserve for future use within the sanitary sewer system as determined by the Superintendent of Utilities.

SECTION 8. If any paragraph, section, subsection, or provision of this ordinance be declared invalid in a court of competent jurisdiction for any reason, it shall not affect the remainder of the ordinance as pertains to its validity or to other applications.

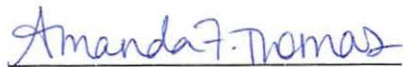
SECTION 9. Any ordinance or provisions of ordinances in conflict with the provisions of this ordinance are hereby repealed and rescinded insofar as they conflict with the provisions of this ordinance.

This ordinance will be published in compliance with Section 11-45-3, Code of Alabama 1975.

This ordinance shall become effective January 1, 2022.

ADOPTED AND APPROVED this 20th day of September 2021.

ATTEST:



Amanda F. Thomas, City Clerk



Audrey "Buffy" Colvin, Council President



Curtis "Woody" Baird, Mayor

CERTIFICATION OF CITY CLERK

The undersigned, as City Clerk of the City of Alexander City, Alabama, hereby certifies that the foregoing is a true, correct and complete copy of **Ordinance No. 2021-18** which was adopted by the City Council on this 20th day of September 2021.

WITNESS MY SIGNATURE, as City Clerk of the City Alexander City, Alabama, under the seal thereof, this 20th day of September 2021.



Amanda F. Thomas

City Clerk of the
City of Alexander City, Alabama

Yeas: Colvin, Hardy, E. Brown, C. Brown, Keel

Nays: Tapley

Publication Date: 9/25/2021

Five-Year Sewer Rate Increments

				CURRENT			AMENDED						
Customer Type	Class	Average Monthly Consumption (kgal)		Base Charge	Usage/1000 gal	Average Bill	Year 1			Year 2	Year 3	Year 4	Year 5
							Base Charge	Usage/1000 gal	Average Bill	Average Bill	Average Bill	Average Bill	Average Bill
1	Residential	Residential	3,935	\$10.00	\$6.34	\$34.95	\$20.00	\$12.68	\$69.90	\$74.79	\$80.02	\$85.63	\$91.62
2	Commerical	Commercial	14,992	\$23.31	\$3.00	\$68.19	\$46.42	\$6.00	\$136.37	\$145.92	\$156.13	\$167.06	\$178.76
3	Schools	Commercial	23,708	\$23.21	\$3.00	\$94.33	\$46.42	\$6.00	\$188.67	\$201.87	\$216.01	\$231.13	\$247.31
4	Churches	Residential	4,919	\$10.00	\$6.34	\$41.19	\$20.00	\$12.68	\$82.37	\$88.14	\$94.31	\$100.91	\$107.97
5	Housing Auth.	Residential	2,593	\$10.00	\$6.34	\$26.44	\$20.00	\$12.68	\$52.88	\$56.58	\$60.54	\$64.78	\$69.31
6	Municipal	Commercial	8,030	\$23.21	\$3.00	\$47.30	\$46.52	\$6.00	\$94.60	\$101.22	\$108.31	\$115.89	\$124.00
7	Walmart	Commercial	66,000	\$23.21	\$3.00	\$221.21	\$46.42	\$6.00	\$442.42	\$473.39	\$506.53	\$541.98	\$579.92