

ORDINANCE NO. 2018-01

An Ordinance Adjusting Rates for the Durant Water System

WHEREAS, the City of Durant (the “City”), in Cedar, Muscatine and Scott Counties, State of Iowa, did heretofore establish a Water System (the “Utility”) in and for the City which has continuously supplied water service in and to the City and its inhabitants since its establishment; and

WHEREAS, the management and control of the Utility are vested in the City Council (the “Council”) and no board of trustees exists for this purpose; and

WHEREAS, pursuant to the provisions of Chapter 384.84, Code of Iowa (the “Code”), the City must, by ordinance, provide for the collection of rates and charges to produce gross revenues at least sufficient to pay the expenses of operation and maintenance of the Utility, and to leave a balance of net revenues sufficient to pay the principal of and interest on revenue bonds and pledge orders as they become due and to maintain a reasonable reserve for the payment of principal and interest, and a sufficient portion of net revenues must be pledged for that purpose; and

Section 1. WHEREAS, the City Council now desires to adopt an ordinance to raise the minimum monthly water rate charge from \$18.36 to \$18.54 pursuant to Chapter 384.84 of the Code of Iowa;

BE IT ENACTED BY the City Council of the City of Durant, Iowa, as follows:

WATER

CHAPTER 33 WATER RATES

- 33-1 Service Charges
- 33-2 Rates for Service
- 33-3 Billing for Water Service
- 33-4 Service Discontinued
- 33-5 Lien for Nonpayment
- 33-6 Lien Exemption
- 33-7 Lien Notice
- 33-8 Customer Deposits
- 33-9 Use of Water from Fire Hydrants
- 33-10 Snowbird Policy

33-1 SERVICE CHARGES. Each customer shall pay for water service provided by the City based upon use of water as determined by meters provided in Chapter 32. Each location, building, premises or connections shall be considered a separate and distinct customer whether owned or controlled by the same person or not.

(Code of Iowa, Sec. 384.84)

33-2 RATES FOR SERVICE. Water service shall be furnished at the following monthly rates within the City effective July 1, 2018:

1. The minimum charge shall be \$18.54 for 0 gallons to 1000 gallons of usage plus tax per household or business per billing month.
2. Water shall be furnished at a rate of \$3.182 per one thousand gallons. The minimum consumption per customer shall be 1,000 gallons. Annually beginning, July 1, 2019 the base rate and usage shall increase by no less than the most recent published Consumer Price Index, plus tax. In no case will the base rate annual increase be less than 1% minimum.
3. A usage rate of .00318/gallon per month for every gallon used above 1000 gallons.

(Code of Iowa, Sec. 384.84)

33-3 BILLING FOR WATER SERVICE. Water service shall be billed as part of a combined service account, payable in accordance with the following:

(Code of Iowa, Sec. 384.84)

1. Bills Issued. Utility bills shall be prepared and issued for combined service accounts on or before the first day of each month.
2. Bills Payable. Bills for combined service accounts shall be due and payable at City Hall by the 20th day of each month. When the twentieth (20th) falls on Saturday, Sunday, or holiday, payment shall be accepted on the next business day without penalty.
3. Late Payment Penalty. Bills not paid when due shall be considered delinquent. A late payment penalty of \$5.00 shall be added to each delinquent bill.
4. Returned Check Charge. The City shall charge a service charge of twenty-five (\$25.00) dollars to the account holder of any check provided as payment for utility service bills that is returned to the City due to non-sufficient funds. Such service charge shall be added to the amount due on the utility service bill and collected with the bill. The City shall consider customers who fail to pay such service charge delinquent and subject to

Section 33-4, below.

33-4 SERVICE DISCONTINUED. Water service to delinquent customers shall be discontinued in accordance with the following:

(Code of Iowa, Sec.384.84)

1. If an account is not paid within seventeen days from the end of any given period, the service to such owner or person so supplied with the utility shall be discontinued after the following procedures have been complied with:
 - a. The City Clerk shall send a disconnection or discontinuance notice by ordinary mail stating a disconnect date if no payment is received. If the customer is a tenant, a notice of delinquency shall also be sent to the landlord.
 - b. When a hearing is requested by a customer, the Administrator shall conduct a hearing within two days following the request. The customer shall have the right to present evidence or propose a payment plan. The decision of the Administrator is final.
 - c. A disconnect notice will be posted at the property and a fee of \$25.00 will be added to the delinquent bill at this time. The account holder will have until noon the following business day to pay the fees to avoid disconnection of service. Public Works department shall disconnect any service after noon if the delinquent bills and fees remain unpaid. Any service without a working curb stop shall be treated the same as a discontinued service with fees assessed. Property owners will be notified to fix curb stops.
2. If service is discontinued for nonpayment of fees and charges, or for the violation of any Ordinance, a fee of \$50.00 shall be paid to the City of Durant by 3:00 p.m. of shut off date, a fee of \$100.00 shall be paid to the City of Durant if after 3:00 p.m. of shut off date, in addition to the rates or charges then due before such service is restored.

33-5 LIEN FOR NONPAYMENT. The owner of the premises served and any lessee or tenant thereof shall be jointly and severally liable for water service charges to the premises. Water service charges remaining unpaid and delinquent shall constitute a lien upon the premises served and shall be certified by the Clerk to the County Treasurer for collection in the same manner as property taxes.
(Code of Iowa, Sec. 384.84)

33-6 LIEN EXEMPTION. The lien for nonpayment shall not apply to a residential rental property where water service is separately metered and the rates or charges for the water service are paid directly to the City by the tenant, if the landlord gives written notice to the City that the property is residential rental property and that the tenant is liable for the rates or charges. In addition, a lien for nonpayment shall also not apply to the charges for any of the services of sewer systems, storm water drainage systems, sewage treatment, solid waste collection, and solid waste disposal where the charge is paid directly to the City by the tenant, if the landlord gives written notice to the City that the property is residential rental property and that the tenant is

liable for the rates or charges for such service. The City may require a deposit not exceeding the usual cost of ninety (90) days of such services to be paid to the City. The landlord's written notice shall contain the name of the tenant responsible for charges, the address of the rental property that the tenant is to occupy, and the date that the occupancy begins. Upon receipt, the City shall acknowledge the notice and deposit. A change in tenant shall require a new written notice to be given to the City within thirty (30) business days of the change in tenant. When the tenant moves from the rental property, the City shall refund the deposit if all service charges are paid in full. A change in the ownership of the residential rental property shall require written notice of such change to be given to the City within thirty (30) business days of the completion of the change of ownership. The lien exemption does not apply to delinquent charges for repairs related to any of the services.

33-7 LIEN NOTICE. A lien for delinquent water service charges shall not be certified to the County Treasurer unless prior written notice of intent to certify a lien is given to the customer in whose name the delinquent charges were incurred. If the customer is a tenant and if the owner or landlord of the property or premises has made a written request for notice, the notice shall also be given to the owner or landlord. The notice shall be sent to the appropriate persons by ordinary mail not less than thirty (30) days prior to certification of the lien to the County Treasurer.

(Code of Iowa, Sec. 384.84)

33-8 CUSTOMER DEPOSITS. All tenants requesting water service shall at the time of application pay to the City of Durant a deposit of \$200.00 to be retained as bond for any delinquent water charges incurred by the tenant. Upon termination of the use of the water service by that customer for that building, the City Clerk shall secure a final reading of the meter from Public Works. Within 30 days, a final bill will be prepared, deducting any amounts owed to the City by the tenant from the deposit. Any balance due will be billed to the customer, and any credit will be issued as a check.

A customer is eligible for a refund of such deposit, without interest, prior to the termination of the use of water service if the customer has been billed for a period of twelve (12) consecutive months from the time water service commenced and the customer's account has not been delinquent. To clarify, only rental properties are required to pay the required \$200 deposit.

33-9 USE OF WATER FROM FIRE HYDRANTS. No water may be taken from any hydrant, main or well that is an active part of the City water system. Bulk water may be purchased from the City which is currently not connected to the water system but only if an approval is granted by a City official or an appointed City employee and the water may be drawn under the supervision of the appointed official or employee.

Bulk Rate. The rate for bulk water service shall be based on the rates listed in Section 33-2 listed above.

33-10 SNOWBIRD POLICY. Residents who will be vacationing from their homes for sixty (60) consecutive days, and who do not request their services be shut off at the curb by the city,

shall be charged a minimum water bill per month. No minimum sewer bill shall be charged. Any usage will be due with monthly bill upon return of homeowner. If resident requests the shut off at curb, no minimum of bill shall be due.

Section 2. All ordinances or parts in conflict herewith are hereby repealed to the extent of such conflict.

Section 3. If any section, provision or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 4. This ordinance shall be in effect after its final passage, approval and publication , as provided by law.

Passed this 23rd day of April, 2018.

Scott Spengler, Mayor

Attest:

Deana Cavin, City Operations Officer/Clerk

1st Reading 04/09/2018

2nd Reading waived

3rd Reading 04/23/2018