

**CITY OF WASILLA
ORDINANCE SERIAL NO. 10-28**

AN ORDINANCE OF THE WASILLA CITY COUNCIL AMENDING WMC 13.04.080, WATER RATES, AND WMC 13.08.070, SEWER – SERVICE FEES, TO ALLOW A THIRTY PERCENT DISCOUNT ON SEWER AND WATER SERVICES FOR RESIDENTS AGE 65 AND OVER USING MODERATE CONSUMPTION.

Section 1. Classification. This ordinance is of a general and permanent nature and shall become part of the city code.

Section 2. Adoption of subsections. WMC 13.04.080.D and E, within Water Rates, is hereby adopted to read as follows:

D. A monthly water rate discount may be available for residents that is equal to 30 percent of the minimum per month water rate and shall apply to residents within the city. The following criteria must be met:

1. The applicant must be 65 years of age or older and be a resident of the city. Proof of age must be submitted along with the appropriate application; and
2. The applicant, or spouse of the applicant, must be the named on the water account; and
3. All utilities and city tax obligations must be in good standing with the city and have no delinquency or balance owed; and
4. The account must consume less than or equal to 3,000 gallons of water per month.

E. Under subsection D of this section, a water rate discount shall apply to the applicant's primary residence only. A discount is not allowed on commercial property or on rental property in which the applicant does not reside.

Section 3. Adoption of subsections. WMC13.08.070.E and F, within Sewer – Service Fees, is hereby adopted to read as follows:

E. A monthly sewer rate discount may be available for residents that is equal to 30 percent of the minimum per month sewer rate and shall apply to residents within the city. The following criteria must be met:

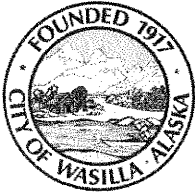
1. The applicant must be 65 years of age or older and be a resident of the city. Proof of age must be submitted along with the appropriate application; and
2. The applicant, or spouse of the applicant, must be the named on the sewer account; and
3. All utilities and city tax obligations must be in good standing with the city and have no delinquency or balance owed; and
4. The account must consume less than or equal to 3,000 gallons of water per month.

F. Under subsection E of this section, a sewer rate discount shall apply to the applicant's primary residence only. A discount is not allowed on commercial property or on rental property in which the

applicant does not reside. A discount is not allowed on non-metered flat rate sewer services.

Section 4. Effective date. This ordinance shall take effect October 1, 2010.

FAILED FOR LACK OF A SECOND by the Wasilla City Council on September 13, 2010.







**CITY OF WASILLA
LEGISLATION STAFF REPORT**

Ordinance Serial No. 10-28: AMENDING WMC 13.04.080, WATER RATES, AND WMC 13.08.070, SEWER – SERVICE FEES, TO ALLOW A THIRTY PERCENT DISCOUNT ON SEWER AND WATER SERVICES FOR RESIDENTS AGE 65 AND OVER USING MODERATE CONSUMPTION.

Agenda of: August 23, 2010
Originator: Director of Finance

Date: August 10, 2010

Route to:	Department	Signature/Date
X	Public Works Director	 8/10/10
X	Finance Director	
X	Deputy Administrator	
X	City Clerk	

REVIEWED BY MAYOR VERNE E. RUPRIGHT: 

FISCAL IMPACT: yes unknown or no Funds Available yes no

Account name/number: 310-4300-344.10-00
320-4300-344.10-00

Attachments: Application For Water & Sewer Senior (1 p)
Ordinance Serial No. 10-28 (3 pp)

SUMMARY STATEMENT:

Administration would like to implement a discount program for citizens age 65 and over, with certain qualifications. Given the rate increases established in FY 2009 under Ordinance Serial No. 09-52, this program will provide some relief to those least able to afford these rising costs, least able to reduce their monthly billing, and also reward them for responsible water consumption.

Program Description

A monthly water and sewer discount for seniors is equal to 30% of the minimum per month *metered* rate and shall apply to citizens within the City of Wasilla who meet the following criteria:

1. The applicant must be 65 years of age or older and be a resident of the city. Proof of age must be submitted along with the appropriate application; and

2. The applicant, or spouse of the applicant, must be the named on the water account; and
3. All utilities must be in good standing with the city and have no delinquency or balance owed; and
4. The account must consume less than or equal to 3,000 gallons of water per month.

Discounts apply to the senior citizen's primary residence only. Discount is not allowed on commercial property or on rental property in which the applicant does not reside. Discount is not allowed on non-metered flat rate sewer services.

The program would take effect October 1, 2010. To effectively manage this program, it is expected that any discount would begin the month following the date in which the application is received and approved by the City. Retroactive discounts will not be granted.

Estimated Fiscal Impact

Until recently, our utility application form did not request the applicant's date of birth. As such, we are unable to determine the current number of senior citizens that make up the City's customer base. Thus, the analysis to determine the potential cost of this program was approached from the consumption level. Based on June 2010 utility billings, there were 175 customer accounts (158 single-family/17 multi-family) that consumed 3,000 gallons of water or less. The following represents a "what-if" analysis of the amount of discount that would result depending on various percentages of those customers being seniors and meeting all the program requirements. Assumptions include program effective date after September 1, 2010, and that customers are using both water and sewer.

% Meeting Requirements	Monthly Discount	Annual Discount
100%	\$4,187	\$50,248
60%	\$2,512	\$30,144
40%	\$1,674	\$20,088
20%	\$837	\$10,044

This analysis does not include seniors that currently consume more than 3,000 gallons per month that would change their consumption level in order to qualify for this program. If a discount program is implemented, the estimated impact to revenue would need to be adjusted in the FY 2011 budget.

Commercially Operated Senior Centers

Since these discounts do not apply to commercially operated properties, customers such as the Wasilla Area Seniors and Primrose would not qualify for discounted services under this program. The program is still considered equitable for the following reason. The customers that have the least flexibility to accommodate rate increases are those customers using between 0 and 5,000 gallons of water each month because they are billed the minimum flat rate fee¹. Even if they were able to reduce consumption, there would be no decrease to their billing. These are the customers targeted for financial relief. Under these commercial developments, the accounts are based on

metering to each building, not the individual units. With this setup, the billing becomes nearly all usage based and decreases to their consumption would result in a decreased billing to the business.

Metered Versus Non-Metered

This program only encompasses metered services. Customers connected to city water have meters that measure the amount of gallons consumed each month. With regard to sewer, in general, there is no meter. The assumption is that all water consumed flows through the sewer system and so the quantity used for water billings is the same for sewer. Those customers that subscribe only to city sewer must then pay a flat non-metered rate for sewer because it is not metered. Since there is no information as to the usage level of the customer under this scenario, it is not prudent or practical to offer a discount to this rate category. There are options available to meter a septic tank if the customer chose to pay for the meter and its installation.

STAFF RECOMMENDATION: Approve the adoption of Ordinance Serial No. 10-28.

¹ Minimum fees are developed to recover costs of infrastructure, testing, maintenance, etc. that is incurred whether the customer turns on the faucet or not. Minimums are considered normal pricing standards.



CITY OF WASILLA
 290 E. HERNING AVENUE
 WASILLA, ALASKA 99654-7091
 PHONE (907) 373-9010
 FAX (907) 373-9011

APPLICATION FOR WATER & SEWER AGE 65+ DISCOUNT

A monthly water and sewer discount is equal to 30% of the minimum per month *metered* rate and shall apply to residents within the City of Wasilla who meet the following criteria:

1. The applicant must be 65 years of age or older and be a resident of the city. Proof of age must be submitted along with the application; and
2. The applicant, or spouse of the applicant, must be the named on the water account; and
3. All utilities must be in good standing with the city and have no delinquency or balance owed; and
4. The account must consume less than or equal to 3,000 gallons of water per month.

Discounts apply to applicant's primary residence only. Discount is not allowed on commercial property or on rental property in which the applicant does not reside. Discount is not allowed on non-metered flat rate sewer services.

I, _____ of _____
 (Name of Customer on Account) (Service Address)

would like to apply for the age 65+ water/sewer discount and have shown proof of age and live at this address within the city limits of Wasilla. I certify that I am the owner or leasee and resident of the property described above. I understand that discounts will be canceled on the basis of false or erroneous information and any previously granted discounts shall be due immediately.

 (PRINT NAME) (DATE)

 (SIGNATURE) (ACCOUNT NO.)

OFFICIAL USE ONLY	
Identification Provided: Drivers License State Issued Identification Card Medicare Card Birth Certificate Other _____	Discount: Approved Disapproved
Applicant notified of denial on:	
Effective Date:	

Return completed application to:
 City of Wasilla
 Attn: Public Works
 290 E. Herning Avenue
 Wasilla, AK 99654-7091