



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

1000 Rochester Hills Dr.
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Legislative File No: 2013-0200 & 2013-0201

TO: Mayor and City Council Members

FROM: Keith Sawdon, Director of Finance, Ext 2535

DATE: June 10, 2013

SUBJECT: Water & Sewer Rate Changes effective July 1, 2013 – Second Reading to amend Ordinance Sections 54.741, 54.743, 54.744 and 54.745 of Article XII, Utilities, of Chapter 54, Fees of the Code of Ordinances of the City of Rochester Hills, to modify water and sewer rates and fees, repeal conflicting ordinances

REQUEST:

We are requesting that City Council accept, for second reading, an Ordinance to amend Sections 54.741, 54.743 and 54.744 54.745 of Article XII, Utilities, of Chapter 54, Fees, of the code of Ordinances of the City of Rochester Hills, Oakland County Michigan, to modify the water and sewage rates and fees and repeal conflicting ordinances as recommended by the Water & Sewer Technical Review Committee.

REASON FOR CHANGE:

The Water & Sewer Technical Review Committee met and discussed several rate scenarios for water and sewer rates developed based on recent rate change notices received by Detroit Water and Sewer Department (DWSD) and Oakland County Water Resources Commission. As required by Section 102-62 of the City of Rochester Hills Ordinance, water and sewer rates have been evaluated to provide revenue needed to support the payment of administrative, operational and maintenance expenses of the water and sewer disposal system as are necessary to preserve the system in good repair and working order, and to provide for such other expenses as needed.

Overall, the average residential user (12 units a billing cycle) will see their water and sewer bill go from \$120.63 to \$123.26 a \$2.63 per bill or \$1.31 per month increase or a 2.2% increase.

Flat Rate Sewer customer's total bill (Customer Charge, (\$2.83) + Sewer Charge (\$59.88)) will go from \$60.20 to \$62.76 per bill, a \$2.56 per bill or \$1.28 per month) increase or about 4.4%.

The proposed water and sewer rates along with other rate scenarios were discussed and reviewed with the Water & Sewers Technical Review Committee resulting in this recommendation from that committee.

BUDGET:

The approval of the water and sewage rates effective on or about July 1, 2013 will assist with the objective of funding the operating expenditures of the Water & Sewer Fund, as required by Section 102-62 of the City of Rochester Hills Ordinance,

RECOMMENDATION:

We recommend City Council accept, for first reading, amendments to Ordinance Sections 54.741, 54.743, 54.744 and 54.745 of Article XII, Utilities, of Chapter 54, Fees, and Sections 102-91 and Section 102-92 of the code of Ordinances of the City of Rochester Hills, Oakland County Michigan, to modify the water and

sewer rates and fees and repeal conflicting ordinances (changes enclosed) as recommended by the Water & Sewer Technical Review Committee.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		