



Huntsville, Alabama

308 Fountain Circle
Huntsville, AL 35801

Cover Memo

Meeting Type: City Council Regular Meeting **Meeting Date:** 8/10/2023

File ID: TMP-3211

Department: Huntsville Utilities

Subject:

Type of Action: Introduction

Introduction of an ordinance amending Sec. 26-631 of the Code of Ordinance, by increasing water fee schedule. (Utilities: Water)

Ordinance No.

Finance Information:

Account Number: N/A

City Cost Amount: \$ N/A

Total Cost: \$ N/A

Special Circumstances:

Grant Funded: \$ N/A

Grant Title - CFDA or granting Agency: N/A

Resolution #: N/A

Location: (list below)

Address: N/A

District: District 1 ☐ District 2 ☐ District 3 ☐ District 4 ☐ District 5 ☐

Additional Comments: N/A

ORDINANCE NO. 23-_____

BE IT ORDAINED, by the City Council of the City of Huntsville, Alabama, that Section 23-121 of the Code of Ordinances of the City of Huntsville, adopted May 13, 1982 and becoming effective September 1, 1982, amended by Ordinance 84-713 on November 20, 1984; amended by Ordinance 90-617 on November 20, 1990; amended by Ordinance 95-306 on May 11, 1995; amended by Ordinance 99-314 on April 8, 1999; amended by Ordinance 00-313 on April 13, 2000; amended by Ordinance 02-842 on October 10, 2002; amended by Ordinance 03-246 on April 24, 2003; amended by Ordinances 05-550 on August 11, 2005 amended by Code of Ordinances of the City of Huntsville, adopted November 20, 2007 by Ordinance 07-1125, and last amended by Code of Ordinances of the City Of Huntsville, adopted on December 20, 2012 by Ordinance 12-1019, and being entitled "SCHEDULE", is hereby amended in its entirety to read as follows:

Sec. 26-631. Schedule.

- (a) The rate charges to consumers of water by the City will be increasing for the monthly consumption beginning with the October 2023 billing cycle, and continuing thereafter. The rates for water consumed shall be as follows:

Consumer Classes	Effective October 2023
Residential- Inside and Outside City Limits	
First 3,000 gallons	\$1.80 per 1,000 gallons
Next 3,000 gallons	\$2.31 per 1,000 gallons
Next 9,000 gallons	\$2.58 per 1,000 gallons
Over 15,000 gallons	\$4.06 per 1,000 gallons
All Sprinkler	\$4.06 per 1,000 gallons

Consumer Classes	Effective October 2023
Commercial/Industrial	
Up to 1,000,000 gallons	\$2.65 per 1,000 gallons
Above 1,000,000 gallons	\$2.17 per 1,000 gallons
Wholesale/Resale	
First 5,000,000 gallons	\$2.65 per 1,000 gallons
Over 5,000,000 gallons	\$2.17 per 1,000 gallons
Supplemental/Emergency	\$6.45 per 1,000 gallons
Other	
All Sprinkler	\$4.06 per 1,000 gallons
Metered Fire Line	\$4.06 per 1,000 gallons

- (b) In addition to the above rates for water consumed, there is an availability charge that is added to the consumption charge, which charge is based on having water available to the customer or consumer for water consumed or used. In the event there is no consumption, the availability charge alone will apply. The availability charge is based on meter size, and is as follows:

Meter Size	Effective October 2023
Each 1" meter or smaller	\$16.67
Each 1½" meter	\$51.33
Each 2" meter	\$77.87
Each 3" meter	\$165.59
Each 4" meter	\$268.66

Each 6" meter	\$533.87
Each 8" meter	\$726.18
Each 10" meter	\$1,380.27
Fire Line	\$10.04 per inch
Fire Hydrant Charge	\$7.53

(c) Except for wholesale/resale supplemental and sole-source sale where water is used through a common meter, and

- (1) Where more than one house, building, or structure used for living, eating, or sleeping quarters, or in which a business occupation or profession is conducted or carried on, or
- (2) In apartment houses or buildings, or
- (3) In houses or buildings occupied by more than one family, or
- (4) In business houses or buildings where one or more persons or entities are located therein and each person or entity is engaged in a separate business or different business, or
- (5) Mobile home parks or facilities where multiple units or spaces each have a water connection, then

each separate house, building, or structure, each unit in an apartment house or building, each family in one house, each person or entity engaged in a separate business or different business in one business house or building, each space or unit in a mobile home park or facility shall be subject to the availability charge per month Sixteen and 67/100 (\$16.67) Dollars, effective October 2023, and in addition to any water consumed. If there is no consumption, the availability charge as set forth in paragraph (b) will apply.

(d) Provided further, that for residences, apartments, mobile home parks, and commercial establishments serving six (6) or more families, apartment units, separate or different businesses through a common master meter, the charge shall be \$2.31 per 1,000 gallons effective October 2023. In addition

to the above, there will be an availability charge per month of \$16.67 effective October 2023, per unit.

- (e) The City of Huntsville shall pay a monthly maintenance charge of Seven and 53/100 (\$7.53) Dollars effective October 2016, (no rate increase for October 2023) for each fire hydrant in the water system.

The rates and charges as set forth in this amendment shall become effective with meter readings on and after October 1, 2023.

ADOPTED this _____ day of _____, 2023.

President of the City Council of
the City of Huntsville, Alabama

APPROVED this _____ day of _____, 2023.

Mayor of the City of Huntsville,
Alabama



HUNTSVILLE UTILITIES
ELECTRICITY • NATURAL GAS • WATER

MEMORANDUM

To: Huntsville City Council

From: Wes Kelley, President & CEO

Date: August 10, 2023

Subject: Huntsville Utilities Item for City Council Agenda, August 10, 2023
Introduction of an ordinance amending Sec. 26-631 of the Code of Ordinance, by increasing water fee schedule. (Utilities: Water)

Approval of an ordinance increasing water fee schedule for customers connected to the City of Huntsville's water system. (Utilities: Water)



HUNTSVILLE UTILITIES
ELECTRICITY • NATURAL GAS • WATER

MEMORANDUM

To: City Council
From: Wes Kelley
Date: July 28, 2023
Subject: Water Rates

Huntsville Utilities' award-winning water system has been critical to Huntsville's success. With water first coming from Big Springs, then wells and the Tennessee River, Huntsville Utilities is responsible for meeting our growing community's potable water and fire protection needs.

Huntsville Utilities' water system now stretches from I-65 to Guntersville Lake. There have been a few notable periods of growth and change in this region, and we are experiencing one right now. During such periods, it's important to look ahead and understand what investments are necessary to ensure critical infrastructure keeps pace with the changes already underway and prepares us for future developments across the horizon.

For the last few years, I have shared in presentations before the Council that a water rate increase is needed, but we would forgo it until a comprehensive water master plan was in hand. That plan is now complete, and the results indicate a range of needed investments across the water system territory. In addition, the water system is also impacted by inflation, rising labor costs, and supply chain challenges pushing into financial reserves. The last time Council voted to increase water rates was in 2012.

Therefore, Huntsville Utilities, through its Waterworks Board, recommends a rate action that addresses inflationary impacts and funds improvements identified in the 20-year Water Master Plan. We will be prepared to provide a detailed presentation on the Water Master Plan and the related rate action at the August 24 Council meeting.

I appreciate your consideration of this increase to fund current and future investments in Huntsville's critical water infrastructure.