



MEMORANDUM

To: Mayor and Members of the City Council

From: Montre' Freeman, City Manager
Alicia Steward, Finance Director
Brian Lewis, Assistant Finance Director

Date: March 24, 2023

Subj: Hold a Public Hearing – Amend Fee Schedule to Increase Water and Sewer Rates

BACKGROUND:

Over the last several months, the Council has had several discussions about the need to increase water and sewer rates to facilitate repairs on our aging infrastructure. During the March 13, 2023 meeting, the Council pinpointed rate increases of 7.5% for residential water and 4% for residential sewer, and 8% for commercial water and 6% for commercial sewer as the amounts they'd like to take forward for public hearing.

ANALYSIS:

Based on mid-year sewer revenue projects from both commercial and residential accounts, these increases would result in \$233,733.85 in additional revenue. The water increase would bring in funds totaling \$445,577.20.

What this means for citizens is that a residential customer using 1,000 gallons of water would see an increased fee of \$1.75 for water and \$.90 for sewer; a total bill increase of \$2.65.

AT THE CONCLUSION OF THE PUBLIC HEARING:

STAFF RECOMMENDATION:

By motion, adopt the attached ordinance amending the fee schedule to increase the water and sewer rates by 7.5% and 4% for residential and 8% and 6% for commercial.

City of Elizabeth City

Proposed Fiscal Year 2023/2024 Rate Change Bill Comparison

Residential Usage Amount **3,000** Gallons

Residential Comparison				
Residential	Water Comparisons		Sewer Comparisons	
	Current	Proposed	Current	Proposed
		7.5%		4%
Inside City				
Residential Bill Comparison	\$37.15	\$39.94	\$34.20	\$35.57
Outside City				
Residential Bill Comparison	\$37.15	\$39.94	\$57.35	\$59.64

Total Water & Sewer Bill		
Residential		
Current	Proposed	Increase Amount
\$71.35	\$75.50	\$4.15
\$94.50	\$99.58	\$5.08

Commercial Usage Amount **10,000**

Commercial Comparison				
Commercial	Water Rates		Sewer Rates	
	Current	Proposed	Current	Proposed
		8%		6%
Inside City				
Commercial Comparison				
3/4-Inch Meter	\$92.35	\$99.74	\$82.12	\$87.05
1-Inch Meter	\$107.69	\$116.31	\$107.00	\$113.42
2-Inch Meter	\$123.07	\$132.92	\$131.77	\$139.88
3-Inch Meter	\$130.73	\$141.19	\$144.21	\$152.86
4-Inch Meter & Over	\$138.39	\$149.46	\$156.64	\$166.04
Outside City				
Base Charge				
3/4-Inch Meter	\$173.63	\$187.52	\$154.18	\$163.43
1-Inch Meter	\$188.99	\$204.11	\$178.99	\$189.73
2-Inch Meter	\$204.33	\$220.68	\$203.77	\$216.00
3-Inch Meter	\$212.00	\$228.96	\$216.18	\$229.15
4-Inch Meter	\$219.68	\$237.25	\$228.59	\$242.31
6-Inch Meter	\$242.69	\$262.11	\$265.71	\$281.65

Commercial		
Current	Proposed	Increase Amount
\$174.47	\$186.79	\$12.32
\$214.69	\$229.73	\$15.04
\$254.84	\$272.99	\$17.75
\$274.94	\$294.05	\$19.11
\$295.03	\$315.50	\$20.47
\$327.81	\$350.95	\$23.14
\$367.98	\$393.84	\$25.86
\$408.10	\$436.67	\$28.57
\$428.18	\$458.11	\$29.93
\$448.27	\$479.56	\$31.29
\$508.40	\$543.76	\$35.36

Projected Sewer Revenues

Mid-Year Sewer Revenue Projections	Current	Projected	Difference
Residential Sewer Revenue	\$ 2,792,253.66	\$ 2,903,943.81	\$ 111,690.15
Commercial Sewer Revenue	\$ 2,034,728.36	\$ 2,156,812.06	\$ 122,083.70
Total Revenue	\$ 4,826,982.02	\$ 5,060,755.87	\$ 233,773.85

RATE CODE	BILLED AMOUNT	ESTIMATED THROUGH JUNE	Residential Projected Sewer Revenue Proposed Sewer Increase
4%			
S01	\$ 1,354,790.34	\$ 2,709,580.68	\$ 2,817,963.91
S01-L	\$ 41,279.14	\$ 82,558.28	\$ 85,860.61
S02-L	\$ 57.35	\$ 114.70	\$ 119.29
		\$ 2,792,253.66	\$ 2,903,943.81

RATE CODE	BILLED AMOUNT	ESTIMATED THROUGH JUNE	Commercial Projected Sewer Revenue Proposed Sewer Increase
6%			
S03	\$ 168,293.85	\$ 336,587.70	\$ 356,782.96
S03-L	\$ 3,009.06	\$ 6,018.12	\$ 6,379.21
S04	\$ 142,081.17	\$ 284,162.34	\$ 301,212.08
S04-L	\$ 3,001.74	\$ 6,003.48	\$ 6,363.69
S05	\$ 297,237.09	\$ 594,474.18	\$ 630,142.63
S05-L	\$ 3,330.37	\$ 6,660.74	\$ 7,060.38
S06	\$ 276,720.89	\$ 553,441.78	\$ 586,648.29
S06-L	\$ 108.72	\$ 217.44	\$ 230.49
S07	\$ 109,174.17	\$ 218,348.34	\$ 231,449.24
S10	\$ 200.88	\$ 401.76	\$ 425.87
S13	\$ 3,028.78	\$ 6,057.56	\$ 6,421.01
S22	\$ 11,109.08	\$ 22,218.16	\$ 23,551.25
S22-L	\$ 68.38	\$ 136.76	\$ 144.97
		\$ 2,034,728.36	\$ 2,156,812.06
TOTALS	\$ 2,413,491.01	\$ 4,826,982.02	\$ 5,060,755.87

TOTAL INCREASE FROM CURRENT RATES \$ 233,773.85

Projected Water Revenues

Mid-Year Water Revenue Projections

Residential Water Revenue
Commercial Water Revenue

Total Revenue

Current	Projected	Difference
\$ 3,227,283.72	\$ 3,469,330.00	\$ 242,046.28
\$ 2,544,136.50	\$ 2,747,667.42	\$ 203,530.92
\$ 5,771,420.22	\$ 6,216,997.42	\$ 445,577.20

Projected Revenues	ESTIMATED TOTAL THROUGH JUNE	Residential Projected Water Revenue Proposed Water Increase
		7.5%
RATE CODES		
W01	\$ 1,536,320.12	\$ 3,072,640.24
W01-L	\$ 46,427.78	\$ 92,855.56
W02	\$ 30,856.81	\$ 61,713.62
W02-L	\$ 37.15	\$ 74.30
	\$ 3,227,283.72	\$ 3,469,330.00

Projected Revenues	ESTIMATED TOTAL THROUGH JUNE	Commercial Projected Revenue Proposed Water Increase
		8%
Rate Codes		
W03	\$ 202,125.20	\$ 404,250.40
W03-L	\$ 3,579.85	\$ 7,159.70
W04	\$ 163,838.45	\$ 327,676.90
W04-L	\$ 3,130.89	\$ 6,261.78
W05	\$ 385,159.45	\$ 770,318.90
W05-L	\$ 3,928.60	\$ 7,857.20
W06	\$ 311,122.20	\$ 622,244.40
W06-L	\$ 1,437.54	\$ 2,875.08
W07	\$ 169,176.84	\$ 338,353.68
W08	\$ 1,785.65	\$ 3,571.30
W10	\$ 4,742.04	\$ 9,484.08
W10-L	\$ 202.11	\$ 404.22
W12	\$ 2,992.50	\$ 5,985.00
W13	\$ 3,613.69	\$ 7,227.38
W22	\$ 14,048.64	\$ 28,097.28
W22-L	\$ 1,184.60	\$ 2,369.20
TOTALS	\$ 2,544,136.50	\$ 2,747,667.42
	\$ 2,885,710.11	\$ 6,216,997.42

Total Increase from Current Rates \$ 445,577.20

Projected Difference to Budgeted Amount \$ 816,997.42

Council's February Bill

	Bill with Current Rates	Proposed Water & Sewer Rate	
		7.5% Water and 4% Sewer	
512 Magnolia St	1,000		
Water (W01)	\$ 23.35	\$	25.10
Sewer (S01)	\$ 22.21	\$	23.11
Total Bill	\$ 45.56	\$	48.21
1957 Rivershore Rd	1,000		
Water (W01)	\$ 23.35	\$	25.10
Sewer (S01)	\$ 22.21	\$	23.11
Total Bill	\$ 45.56	\$	48.21
1525 Rivershore Rd	2,000		
Water (W01)	\$ 50.95	\$	32.52
Sewer (S01)	\$ 46.17	\$	29.34
Total Bill	\$ 97.12	\$	61.86
115 Golf Club Dr	5,000		
Water (W01)	\$ 64.75	\$	54.77
Sewer (S01)	\$ 58.15	\$	48.03
Total Bills	\$ 122.90	\$	102.80
502 Raven Way	Not on City Water/Sewer		
339 Paxton St	2,000		
Water (W01)	\$ 30.25	\$	32.52
Sewer (S01)	\$ 28.20	\$	29.34
Total Bills	\$ 58.45	\$	61.86
337 Paxton St	1,000		
Water (W01)	\$ 23.35	\$	25.10
Sewer (S01)	\$ 22.21	\$	23.11
Total Bills	\$ 45.56	\$	48.21
1699 Weeksville Rd Apt 109A	Landlord billed for WA/SW		
401 New York Ave	2,000		
Water (W01)	\$ 23.35	\$	32.52
Sewer (S01)	\$ 22.21	\$	29.34
Total Bills	\$ 45.56	\$	61.86



Ordinance #2023-3-03
An Ordinance Amending the FY 2022-2023 Fee Schedule
of the City of Elizabeth City

WHEREAS, each year, the City of Elizabeth City adopts a Fee Schedule, which corresponds to the annual budget; and

WHEREAS, the City Council adopted the FY 2022-2023 Budget and Fee Schedule on June 30, 2022; and

WHEREAS, within the FY 2022-2023 Budget, the Fee Schedule reported a current residential base charge for water of \$23.35 both inside and outside of the city, with all volume above 1,000 gallons beginning at \$6.90. The schedule reports a commercial base charge of \$23.35 for 3/4-inch meter; \$38.69 for a 1-inch meter; \$54.07 for a 2-inch meter; \$61.73 for a 3-inch meter; and \$69.39 for 4-inch meters and above inside of the city, with a volume charge beginning at \$6.90 for 1,000 gallons. Commercial meters outside of the city are listed as \$35.03 for 3-4 inch; \$50.39 for 1-inch; \$65.73 for 2-inch; \$73.40 for 3-inch; \$81.80 for 4-inch; and \$104.09 for 6-inch, with volume charges beginning at \$13.86 for 1,000 gallons; and

WHEREAS, within the FY 2022-2023 Budget, the Fee Schedule reported a current residential base charge for sewer of \$22.22 inside the city, with a volume fee beginning at \$5.99 for above 1,000 gallons, and a base charge of \$33.41 for outside of the city, with the volume charge of \$11.97 for above 1,000 gallons. The schedule reports a commercial base charge of \$22.22 inside of the city for a 3/4-inch meter; \$47.10 for a 1-inch meter; \$71.87 for a 2-inch meter; \$84.31 for a 3-inch; and \$96.74 for a 4-inch meter and over, with a volume charge of \$5.99 for all usage. Outside of the city, the base charge is \$33.48 for a 3/4-inch meter; \$58.29 for a 1-inch meter; 83.07 for a 2-inch meter; \$95.48 for a 3-inch meter; \$107.89 for a 4-inch meter; and \$145.01 for a 6-inch meter, with a volume charge for all usage of \$12.07.

WHEREAS, the Council is aware that the City is experiencing increasing costs due to our aging infrastructure and that there are many needed repairs; and

WHEREAS, during the March 13, 2023 City Council meeting, the Council called for a Public Hearing, which was subsequently held during the March 27, 2023 Regular Session, at which time a quorum of the membership was present.

NOW THEREFORE BE IT ORDAINED that the City of Elizabeth City Fee Schedule for FY 2022-2023 is hereby amended to include the following:

SECTION I:

- All residential water rates shall increase by 7.5%.
 - All commercial water rates shall increase by 8%.
 - All residential sewer rates shall increase by 4%
 - All commercial sewer rates shall increase by 6%
- I. All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.
 - II. If any section, subsection, paragraph, sentence, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed severable and such holding shall not affect the validity of the remaining portions hereof.
 - III. The enactment of this ordinance shall in no way affect the running of any amortization provisions or enforcement actions, or otherwise cure any existing municipal code violations.
 - IV. This ordinance shall be in full force and effect and included in the City of Elizabeth City's fee schedule from and after the date of its adoption. This ordinance may be amended from time to time with the consideration of the City Council of the City of Elizabeth and with the requisite Public Hearing for a 1-s associated with such decisions.

ADOPTED this the 27th day of March 2023.

E. Kirk Rivers
Mayor

April D. Onley, NCCMC
City Clerk