

RESOLUTION NO. 1440

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND TO AMEND CITY WATER AND SEWER RATES TO ELIMINATE THE DECLINING BLOCK RATE SCHEDULE AND TO SUBSTITUTE IT WITH A RATE SCHEDULE BASED ON CLASSIFICATION OF CUSTOMERS

WHEREAS, the City of Salisbury has had a water and sewer rate schedule based on a declining block rate; and

WHEREAS, the Environmental Protection Agency has mandated that cities receiving water quality grants through the EPA base their rates on structures other than a declining block rate; and

WHEREAS, the City of Salisbury wishes to comply with the EPA mandate; and

WHEREAS, the former Finance Director has developed a rate structure that is based on classification of customers rather than a declining block rate; and

WHEREAS, the proposed schedule will not affect the amount of the bills received by the City's customers.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SALISBURY THAT the following water and sewer rate schedule shall be adopted by the City of Salisbury:

A. Water and Sewer Rate Schedules:

Schedule I	Metered Water Charges – In City Rates	
	Residential and Small Commercial	
	Minimum Charge	\$16.46 / quarter
	Commodity Charge	\$2.46 / thousand gallons
	Commercial	
	Customer Charge	\$308.00 / quarter
	Commodity Charge	\$1.43 / thousand gallons
	Large Commercial/Industrial	
	Customer Charge	\$476.00 / quarter
	Commodity Charge	\$1.15 / thousand gallons
Schedule II	Metered Water Charges – Outside City Rates	
	Residential and Small Commercial	
	Minimum Charge	\$32.92 / quarter
	Commodity Charge	\$4.92 / thousand gallons

	Commercial	
	Customer Charge	\$616.00 / quarter
	Commodity Charge	\$2.86 / thousand gallons
	Large Commercial/Industrial	
	Customer Charge	\$952.00 / quarter
	Commodity Charge	\$2.30 / thousand gallons
Schedule III	Metered Water Charges – Wor-Wic Community College and Urban Service District Rates	
	Residential and Small Commercial	
	Minimum Charge	\$24.69 / quarter
	Commodity Charge	\$3.69 / thousand gallons
	Commercial	
	Customer Charge	\$462.00 / quarter
	Commodity Charge	\$2.15 / thousand gallons
	Large Commercial/Industrial	
	Customer Charge	\$714.00 / quarter
	Commodity Charge	\$1.73 / thousand gallons
Schedule IV	Sewer Charges – In City Rates	
	Residential and Small Commercial	
	Minimum Charge	\$29.86 / quarter
	Commodity Charge	\$4.48 / thousand gallons
	Commercial	
	Customer Charge	\$564.00 / quarter
	Commodity Charge	\$2.60 / thousand gallons
	Large Commercial/Industrial	
	Customer Charge	\$870.00 / quarter
	Commodity Charge	\$2.09 / thousand gallons
Schedule V	Sewer Charges – Outside City Rates	
	Residential and Small Commercial	
	Minimum Charge	\$59.72 / quarter
	Commodity Charge	\$8.96 / thousand gallons
	Commercial	
	Customer Charge	\$1,128.00 / quarter
	Commodity Charge	\$5.20 / thousand gallons

	Large Commercial/Industrial	
	Customer Charge	\$1,740.00 / quarter
	Commodity Charge	\$4.18 / thousand gallons
Schedule VI	Sewer Charges – Wor-Wic Community College and Urban Service District Rates	
	Residential and Small Commercial	
	Minimum Charge	\$44.79 / quarter
	Commodity Charge	\$6.72 / thousand gallons
	Commercial	
	Customer Charge	\$846.00 / quarter
	Commodity Charge	\$3.90 / thousand gallons
	Large Commercial/Industrial	
	Customer Charge	\$1,305.00 / quarter
	Commodity Charge	\$3.14 / thousand gallons

Schedule VII Sewer Charges – Sewer Only Customers

Rate	Number of fixtures	Quarterly In City Rate	Quarterly Outside City Rate	Quarterly Urban Service District Rate
1	One to two fixtures	\$ 38.85	\$ 77.70	\$ 58.28
2	Three to five fixtures	\$ 68.25	\$136.50	\$102.38
3	Six to ten fixtures	\$102.20	\$204.40	\$153.30
4	Eleven to fifteen fixtures	\$136.15	\$272.30	\$204.23
5	Sixteen to twenty fixtures	\$170.10	\$340.20	\$255.15
	For every five fixtures over twenty	\$ 33.95	\$ 67.90	\$ 50.93

Schedule VIII Commercial and Industrial Activities

	Annual In City Rate	Annual Outside City Rate
1) For each fire service	\$300	\$600
2) For each standby operational service	\$300	\$600

B. Definitions:

Residential and Small Commercial Customers – These customers have average water utilization of less than 300,000 gallons in a quarter.

Commercial Customers – These customers have average water utilization of 300,000 gallons to 600,000 gallons per quarter.

Large Commercial/Industrial – These customers have average water utilization over 600,000 gallons per quarter.

Average Water Utilization Per Quarter – This will be based on annual consumption divided by 4 to get average quarterly water utilization.

C. Calculation of Bills:

For Residential and Small Commercial Customers – The minimum charge for both water and sewer will apply if water service is turned on at the water meter and usage is 0-6,000 gallons per quarter. Only the City can turn a meter on and off. For usage of 7,000 gallons and above, the commodity charge will be applied for each 1,000 gallons used and the minimum charge will not be applied.

For Commercial and Large Commercial/Industrial Customers – Every quarterly bill will receive a customer charge for both water and sewer. Then for each thousand gallons used the appropriate commodity charge will be applied.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on the ___ day of _____, 2006 and is to become effective with bills dated January 1, 2007 and after.

ATTEST:

Brenda J. Colegrove
CITY CLERK

Michael P. Dunn
PRESIDENT, City Council

APPROVED BY ME THIS

____ day of _____, 2006

Barrie P. Tilghman
MAYOR, City of Salisbury