

AN ORDINANCE TO AMEND CHAPTER 45 OF THE CITY CODE TO REQUIRE THE ESTABLISHMENT OF WATER, SEWER, AND STORMWATER RATES AND CHARGES FOR CONSECUTIVE THREE-YEAR PERIODS

#0298

Sponsor:

Council Member Johnson

Co-Sponsors:

Council Members Harlee Bracy Oliver Cabrera B. Fields

WHEREAS, pursuant to Section 45-2 of the City Code, City Council has full power and authority to fix the rates, fees, and charges for the utility services provided to City residents, including water, sewer, and stormwater rates and charges; and

WHEREAS, City Council has historically established new water, sewer, and stormwater rates and charges on an annual basis; and

WHEREAS, establishing such rates and charges for three consecutive years instead of on an annual basis would provide City residents with more certainty in their long-term financial planning, and would also result in effective rate setting and revenue stability for the City's water and sewer fund; and

WHEREAS, establishing a consecutive three-year rate schedule of water, sewer, and stormwater rates and charges will also be more efficient for the Wilmington Water, Sewer, and Stormwater Citizens Advisory Board, whose primary function is to provide recommendations to City Council on water, sewer, and stormwater rates and charges; and

WHEREAS, in addition, establishing a consecutive three-year schedule of water, sewer, and stormwater rates and charges will better support the long-term operation, maintenance, and capital improvements of the City's water and sewer utilities; and

WHEREAS, City Council deems it necessary and proper to amend the City Code to require the establishment of water, sewer, and stormwater rates and charges on a consecutive three-year schedule.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON

HEREBY ORDAINS:

SECTION 1. Section 45-2 of the City Code is hereby amended by adding the underlined language to read as follows:

Sec. 45-2. – Same - Rates, fees or charges.

(a) The city council shall have full power and authority to fix the rates, fees or charges for the services, facilities and commodities of such undertaking, as referred to in the preceding section, and shall revise such rates, fees or charges from time to time whenever necessary so that such undertaking shall be and always remain self-supporting. Beginning with the fiscal year that commences on July 1, 2023, city council shall establish water, sewer, and stormwater rates and charges for consecutive three-year periods. City council may annually or otherwise revise the water, sewer, and stormwater rates and charges that have been established for a consecutive three-year period if necessary to address any financial or other circumstances that arise during such three-year period. The rates, fees or charges prescribed shall be such as will procure revenue at least sufficient to:

SECTION 2. Section 45-5 of the City Code is hereby amended by deleting the stricken language and adding the underlined language to read as follows:

Sec. 45-5. - Wilmington Water, Sewer and Stormwater Citizens Advisory Board (“CAB”).

(c) *Meetings; reports; recommendations.* The CAB shall meet not less than quarterly and shall provide oversight of the operations, finances, policies and procedures of the water, sewer and stormwater utilities. The CAB shall: (i) produce, or cause to be produced, periodic reports; (ii) review and recommend asset management plans; and (iii) provide critical oversight of cost and revenue projections during each fiscal year, as well as multi-year financial projections for not less than five years beyond each current fiscal year. Beginning with the fiscal year that commences on July 1, 2023, the CAB shall recommend financial performance

~~metrics and/or guidelines for the utilities and recommend to city council a consecutive three-year schedule of water, sewer, and stormwater rates and charges. The CAB shall recommend financial standards for the utilities and annually recommend to city council water, sewer service and stormwater rates and charges~~ sufficient to maintain and improve the financial condition of the utility aligned with the financial metrics and/or guidelines.

SECTION 3. This Ordinance shall become effective on July 1, 2023.

First Reading.....May 4, 2023
Second Reading.....May 4, 2023
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2023.

Mayor

SYNOPSIS: This Ordinance amends Chapter 45 of the City Code to require the establishment of a schedule of water, sewer, and stormwater rates and charges for consecutive three-year periods beginning in the fiscal year that commences on July 1, 2023. In addition, it requires the Wilmington Water, Sewer and Stormwater Citizens Advisory Board to make recommendations to City Council for consecutive three-year schedules of water, sewer, and stormwater rates and charges.

FISCAL IMPACT STATEMENT: This Ordinance has no anticipated fiscal impact.