

SUBSTITUTE NO. 1 TO ORDINANCE NO. 24-017

AN ORDINANCE TO AMEND CHAPTER 45 OF THE CITY CODE REGARDING SEWER SYSTEM RATES AND CHARGES, WATER RATES AND CHARGES, AND STORMWATER RATES AND CHARGES FOR FISCAL YEAR 2025

**Rev. 1
#0406**

Sponsor:

**Council
Member
Johnson**

WHEREAS, City Council enacted Chapter 45 of the Wilmington City Code, Article II of which includes provisions: (i) regarding sewer systems and sewage disposal and the associated rates and charges, such rates and charges being most recently increased by Ordinance No. 23-013; (ii) establishing a system of drinking water user rates and charges, such rates and charges being most recently increased by Ordinance No. 23-013; and (iii) establishing a system of stormwater rates and charges, such rates and charges being most recently increased by Ordinance No. 23-013; and

WHEREAS, City Council deems it necessary and appropriate to amend Chapter 45 of the City Code to increase the sewer, water, and stormwater rates and charges for Fiscal Year 2025, which begins on July 1, 2024 and ends on June 30, 2025, as set forth herein.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

SECTION 1. Chapter 45 of the City Code is hereby amended by amending Section 45-175 thereof by adding the underlined language and deleting the stricken language to read as follows:

Sec. 45-175. Monthly water rates and fire service charges.

(a) *General water rates, excluding residential.* Charges for water service shall be composed of a monthly facilities charge for each meter, based on meter size, and usage charges based on rates per 1,000 gallons of actual consumption. The monthly facilities charge for five-eighths-inch, three-fourths-inch and one-inch meters shall include a monthly allowance of 3,000 gallons of water. Facilities and usage charges for each customer account in each classification of customers shall be charged monthly based on the account's meter size and monthly meter readings, respectively. The classification of customers, monthly facilities charges, and usage charges shall be as follows:

Meter Size (Inches)	Monthly Facilities Charge \$		Inside City Usage Charges (\$ per 1,000 gallons)					
			Commercial		Industrial		Apartment	
5/8	26.18	<u>27.70</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>
3/4	29.49	<u>31.20</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>
1	32.75	<u>34.65</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>
1 1/2	32.75	<u>34.65</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>
2	42.60	<u>45.07</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>
3	137.54	<u>145.52</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>
4	261.89	<u>277.08</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>
6	353.57	<u>374.08</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>
8	491.07	<u>519.55</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>
10	491.07	<u>519.55</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>
12	491.07	<u>519.55</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>
14	491.07	<u>519.55</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>
16	491.07	<u>519.55</u>	10.721	<u>11.343</u>	8.574	<u>9.071</u>	10.118	<u>10.705</u>

Meter Size (Inches)	Monthly Facilities Charge \$		Outside City Usage Charges (\$ per 1,000 gallons)					
			Commercial		Industrial		Apartment	
5/8	39.80	<u>42.11</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>
3/4	43.55	<u>46.08</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>
1	48.51	<u>51.32</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>
1 1/2	46.02	<u>48.69</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>
2	62.17	<u>65.78</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>
3	211.44	<u>223.70</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>
4	410.41	<u>434.21</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>
6	547.18	<u>578.92</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>
8	777.71	<u>822.82</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>
10	777.71	<u>822.82</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>
12	777.71	<u>822.82</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>
14	777.71	<u>822.82</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>
16	777.71	<u>822.82</u>	13.970	<u>14.780</u>	11.805	<u>12.490</u>	15.074	<u>15.948</u>

(b) *General water rates, residential only.* Charges for water service shall be composed of a monthly facilities charge for each meter, based on meter size, and usage charges based on rates per 1,000 gallons of actual consumption. The monthly facilities charge for five-eighths-inch, three-fourths-inch, and one-inch meters shall include a monthly allowance of 2,000 gallons of water. Facilities and usage charges for each customer account in each classification of customers shall be charged monthly based on the account's meter size and monthly meter readings, respectively. The classification of customers, monthly facilities charges, and usage charges shall be as follows:

Meter Size (Inches)	Monthly Facilities Charge \$ (1)		Inside City Residential Customers Usage Charges (\$ per 1,000 gallons)			
			1st Block (2)		2nd Block (3)	
$\frac{5}{8}$	22.24	<u>23.53</u>	7.045	<u>7.454</u>	8.806	<u>9.317</u>
$\frac{3}{4}$	25.08	<u>26.53</u>	7.045	<u>7.454</u>	8.806	<u>9.317</u>
1	27.81	<u>29.42</u>	7.045	<u>7.454</u>	8.806	<u>9.317</u>
1½	32.75	<u>34.65</u>	7.045	<u>7.454</u>	8.806	<u>9.317</u>
2	42.60	<u>45.07</u>	7.045	<u>7.454</u>	8.806	<u>9.317</u>
3	137.54	<u>145.52</u>	7.045	<u>7.454</u>	8.806	<u>9.317</u>
4	261.89	<u>277.08</u>	7.045	<u>7.454</u>	8.806	<u>9.317</u>
6	353.57	<u>374.08</u>	7.045	<u>7.454</u>	8.806	<u>9.317</u>
8	491.07	<u>519.55</u>	7.045	<u>7.454</u>	8.806	<u>9.317</u>

- (1) Includes a monthly allowance of 2,000 gallons for five-eighths-inch, three-fourths-inch, and one-inch metered customers.
- (2) All usage between 2,001 gallons and 5,000 gallons per month for five-eighths-inch, three-fourths-inch, and one-inch metered customers. All usage up to 5,000 gallons per month for all other meter sizes.
- (3) All usage over 5,000 gallons per month.

Meter Size (Inches)	Monthly Facilities Charge \$ (1)		Outside City Residential Customers Usage Charges (\$ per 1,000 gallons)			
			1st Block (2)		2nd Block (3)	
5/8	33.82	<u>35.78</u>	12.114	<u>12.817</u>	15.134	<u>16.012</u>
3/4	37.01	<u>39.16</u>	12.114	<u>12.817</u>	15.134	<u>16.012</u>
1	41.23	<u>43.62</u>	12.114	<u>12.817</u>	15.134	<u>16.012</u>
1½	46.02	<u>48.69</u>	12.114	<u>12.817</u>	15.134	<u>16.012</u>
2	62.17	<u>65.78</u>	12.114	<u>12.817</u>	15.134	<u>16.012</u>
3	211.44	<u>223.70</u>	12.114	<u>12.817</u>	15.134	<u>16.012</u>
4	410.41	<u>434.21</u>	12.114	<u>12.817</u>	15.134	<u>16.012</u>
6	547.18	<u>578.92</u>	12.114	<u>12.817</u>	15.134	<u>16.012</u>
8	777.71	<u>822.82</u>	12.114	<u>12.817</u>	15.134	<u>16.012</u>

- (1) Includes a monthly allowance of 2,000 gallons for five-eighths-inch, three-fourths-inch, and one-inch metered customers.
- (2) All usage between 2,001 gallons and 5,000 gallons per month for five-eighths-inch, three-fourths-inch, and one-inch metered customers. All usage up to 5,000 gallons per month for all other meter sizes.
- (3) All usage over 5,000 gallons per month.

(c) *Charges for certain elderly homeowners.* All property owners including the disabled who are eligible for and have been granted exemptions from municipal taxation of real property in the city pursuant to the provisions of section 44-64 shall be charged monthly for all meters servicing their exempt properties and shall be charged the monthly facilities charge of ~~\$15.28~~ \$16.17 for the monthly allowance of 2,000 gallons. All usage between 2,001 gallons and 5,000 gallons per month shall be charged at ~~\$2.645~~ \$2.798 per 1,000 gallons. All usage above 5,000 gallons per month shall be charged at ~~\$3.307~~ \$3.499 per 1,000 gallons.

SECTION 2. Chapter 45 of the City Code is hereby amended by amending Section 45-53 thereof by adding the underlined language and deleting the stricken language to read as follows:

Sec. 45-53. - Sanitary and storm water rates and charges.

(a) *Definitions.* The following words, terms and phrases as used in this section shall mean the following:

Equivalent storm water ~~monthly~~ unit monthly rate or ESU rate means the storm water charge rate imposed monthly on the non-vacant, non-exempt parcels of the first tier impervious area, of the single-family residential storm water class.

(d) *Storm water charge.* The storm water charge represents an equitable system for recovering costs related to all aspects of storm water management, including but not limited to: capital improvements including debt service; operation and maintenance costs including routine replacements; combined sewer overflow mitigation and long term control plan creation and implementation; compliance with all current and future storm water and surface water regulatory requirements; surface water quality monitoring, inspection, management and improvement projects; flooding mitigation; inspections of storm water management facilities; billing and administration; plan review and inspection of sediment control and storm water management plans and practices; acquisition of interests in land including easements; and watershed planning and protection initiatives. All parcels that are within the city's corporate boundaries, shall be assessed a monthly storm water charge as per the provisions of this article. In the event that the owner of a parcel and the user of a parcel are not the same, the owner shall be liable for the storm water charge.

The storm water charge shall be determined as per the provisions of this article, based on the equivalent storm water unit ("ESU") and the ESU rate. The ESU, the ESU rate and the single-family residential tiers may be amended by city council from time to time as necessary. The storm water charge for the various storm water classes shall be determined as follows:

(1) *Single-family residential storm water classes.* For the single-family residential storm water classes, a four-tiered storm water charge is established to accommodate the wide range of impervious area square footage that exists among the single-family residential parcels in the city. The four tiers of impervious area and the storm water charge for each tier are as shown in Table 1:

Table 1: Single-Family Residential Parcels

Tier	Impervious Area (square feet)	Equivalent Storm Water Unit Ratio (ESU ratio)	Monthly Storm Water Charge*
Tier 1	0 to 799	1.00	\$5.35 <u>\$5.57</u>
Tier 2	800 to 1,299	1.45	\$7.76 <u>\$8.07</u>
Tier 3	1,300 to 2,399	2.48	\$13.27 <u>\$13.80</u>
Tier 4	2,400 and over	4.40	\$23.54 <u>\$24.49</u>

*The monthly storm water charge, rounded to two decimals, is calculated by multiplying the assigned ESU ratio by the ESU rate.

The impervious area for each residential parcel is determined based on the actual main floor, attached area, and detached structure square footage data provided by New Castle County’s tax assessment system. Based on the impervious area determined, the residential parcels are assigned to one of the four tiers of impervious area. The department of public works shall assign a tier and apply the associated ESU ratio to each single-family residential parcel. A storm water charge will be assessed monthly based on the assigned ESU ratio and ESU rate. In the event of a newly constructed single-family residential dwelling, the department of public works shall assign a tier and ESU ratio upon issuance of the certificate of occupancy for that dwelling and upon recording of the parcel attributes in New Castle County’s tax assessment system.

* * * *

(9) *Equivalent storm water ~~monthly~~ unit monthly rate.* The equivalent storm water ~~monthly~~ unit monthly rate (ESU rate) is ~~\$5.351~~ \$5.565 per ESU.

SECTION 3. This Substitute Ordinance shall become effective as of July 1, 2024.

First Reading.....March 21, 2024
 Second Reading.....March 21, 2024
 Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2024.

Mayor

SYNOPSIS & FISCAL IMPACT: This Substitute Ordinance enacts new water, sewer, and stormwater rates and charges for Fiscal Year 2025 (July 1, 2024 - June 30, 2025). The rates and charges for water and sewer services in Fiscal Year 2025 will increase by five and eight-tenths percent (5.8%) from the rates and charges in Fiscal Year 2024. The stormwater rates and charges in Fiscal Year 2025 will increase by four percent (4.0%) from the rates and charges in Fiscal Year 2024. This Substitute Ordinance does not amend the unit charges for sewer service contained in City Code Section 45-58.

The projected fiscal impact of this Substitute Ordinance is an annual increase of \$3.7 million in revenue (net of bad debt) to the Water/Sewer Fund. Below is a table showing the fiscal impact on a typical residential customer living in the City.

Finally, as a housekeeping matter, this Substitute Ordinance makes some minor revisions to the text of City Code Section 45-53 for accuracy and consistency of terminology.

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FY 2025 Rate Increase Impact on Typical Residential Customer

Water, Sewer & Stormwater Typical Monthly Bill Impact
(Inside City Residential 5/8 inch meter @ 4,000 gallons monthly consumption)

Services	Monthly Charge FY 2024	Monthly Charge FY 2025	Monthly Increase	Monthly % Increase
Water	\$36.33	\$38.44	\$2.11	5.81%
Sewer	26.58	28.12	1.54	5.79%
Stormwater	5.35	5.56	0.21	3.93%
Total Bill	\$68.26	\$72.12	\$3.86	5.65%