

BOPU RESOLUTION NO. 2024-02

ENTITLED: "A RESOLUTION ADOPTING REVISED SEWER RATES TO BE CHARGED TO USERS OF THE CHEYENNE SEWER SYSTEM."

WHEREAS, the Board of Public Utilities ("Board") is authorized by State Statute and City Code to fix rates, fees and penalties for water and sanitary sewer services furnished to customers and any revision thereof is subject to the local governing body's review, modification and approval;

WHEREAS, the rates shall secure an income sufficient to:

- (a) Pay interest charges and principal payments on all outstanding sewer loans and bonds as they are due;
- (b) Pay for the operation and maintenance of the sewer system, including salaries, wages and benefits, and the cost of all materials and supplies necessary for repairs, replacements and upgrades to the system;
- (c) Cover all miscellaneous expenses;
- (d) Cover all usual extensions and enlargements, together with a reasonable allowance for emergency and unforeseen expenses; and
- (e) Provide and maintain a depreciation fund for the sewer department;

WHEREAS, the Board has determined that an increase in the sewer rates is justified to ensure adequate revenue is generated in order to pay for costs associated with those services;

WHEREAS, the Governing Body of the City of Cheyenne, pursuant to Ordinance 4505, adopted June 12, 2023, requires that prior to the beginning of each fiscal year, the Board will calculate new rates for Water and Sewer services based on the Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, Water and Sewer Maintenance, and the Wyoming Cost of Living Index – Southeast Region and prepare new rate schedules for Water and Sewer services that shall be presented in the form of an ordinance to the Governing Body;

WHEREAS, user charges for contributors shall be based on requirements to adequately fund operation & maintenance, capital equipment, infrastructure replacement and improvement, and debt service expenditures;

WHEREAS, residential user charges for contributors connected to city sewer may be based on the user's average monthly water consumption as determined by water meter readings taken in January, February and March of each year or based on the actual metered water use each month;

WHEREAS, user charges for industrial and commercial contributors shall be based on water used each month. If an industrial or commercial contributor uses water which is not returned to the wastewater collection system, the user charge for that contributor may be based on a wastewater meter or meters or a water meter or meters installed and maintained at the contributor's expense, or any other method acceptable to the Board;

WHEREAS, the Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, Water and Sewer Maintenance for the calendar year 2023 was 4.7% and the Wyoming Cost of Living Index – Southeast Region for the second quarter of 2023 was 4.3%; and the Engineering News Record Construction Cost Index (ENR CCI) for calendar year 2023, was 4.2%;

WHEREAS, the 2020 Board of Public Utilities Water and Wastewater Rate Study recommends a cost of service adjustment to sewer rates, for fiscal year 2025, in order to adequately fund operation & maintenance, capital equipment, infrastructure replacement and improvement, and debt service expenditures;

NOW, THEREFORE, BE IT RESOLVED that the sewer rate schedule will transition to cost of service and be adjusted by approximately 8.0% overall effective January 1, 2025.

BE IT FURTHER RESOLVED that the following Sewer Rate Schedule is adopted by the Board, and that it be presented in the form of an ordinance to the Governing Body of the City of Cheyenne for approval, to become effective on consumption and bills issued on or after the dates noted below on the Sewer rate schedule:

SEWER RATE SCHEDULE

Effective with metered consumption after November 01, 2024 on bills issued on or after the date indicated:

| <u>Meter Size</u> | <u>January 1, 2025 Monthly Service Fee</u> | <u>January 1, 2024 Monthly Service Fee</u> |
|-----------------------|--|--|
| 5/8 In. & 3/4 In. | \$ 6.85 | \$ 6.34 |
| 1 In. | 7.95 | 7.36 |
| 1 1/4 In. & 1 1/2 In. | 9.73 | 9.01 |
| 2 In. | 13.74 | 12.72 |
| 3 In. | 19.60 | 18.15 |
| 4 In. | 27.57 | 25.53 |
| 6 In. | 47.06 | 43.57 |
| 8 In. | 70.58 | 65.35 |
| 10 In. | 94.10 | 87.13 |
| 12 In. | 117.66 | 108.94 |

Service Fee: The monthly service fee is charged in addition to the charge per 1,000 gallons. This service fee is based upon the size of the water or sewer meter. The monthly service fee for outside city users will be 1.5 times the above rates.

| | <u>January 1, 2025 Volume Rate Charge Per 1,000 Gallons</u> | <u>January 1, 2024 Volume Rate Charge Per 1,000 Gallons</u> |
|---------------------------------------|---|---|
| Residential | \$ 6.74 | \$ 6.24 |
| Commercial | 6.87 | 6.36 |
| Industrial | 6.91 | 6.40 |
| South Cheyenne Water & Sewer District | 6.56 | 6.07 |
| F.E. WAFB | 6.43 | 5.95 |
| Large volume Commercial / Industrial | 6.75 | 6.25 |

Residential Multifamily Structure with 8 or less units will be charged at the Residential Structure rate. Residential Multifamily Structure with more than 8 units will be charged at the Commercial Structure rate.

BE IT FURTHER RESOLVED that whenever a commercial / industrial user's Biochemical Oxygen Demand concentration exceeds 350 mg/l the sewage volume rate charge shall be increased by \$.70 per pound of waste and whenever the Total Suspended Solids concentration exceeds 700 mg/l the sewage volume rate charge shall be increased by \$.57 per pound of waste.

BE IT FURTHER RESOLVED that outside city customers, unless specifically identified above, will be charged 1.5 times the above rates.

BE IT FURTHER RESOLVED that the Board is authorized to negotiate contracts with sewer system users based upon the above rates and any revision of the above rates shall be subject to Governing Body review, modification, and approval.

BE IT FURTHER RESOLVED that the fees established by the Board be submitted to the Governing Body of the City of Cheyenne for approval and filing as provided by the Code of the City of Cheyenne, Wyoming.

ADOPTED this 29th day of April, 2024.

BOARD OF PUBLIC UTILITIES

BY:


Allan Cunningham, President

(SEAL)

ATTEST:

BY:


Keith Zabka, Secretary