

**RESOLUTION 12-80 B**

**A RESOLUTION TO ESTABLISH SEWER RATES FOR THE CITY OF SPRING HILL,  
AS SET FORTH IN ORDINANCE 10-09**

**WHEREAS**, the Board of Mayor and Aldermen of the City of Spring Hill passed Ordinance 10-09 to establish sewer rates for customers inside the city limits; and

**WHEREAS**, the Board of Mayor and Aldermen desires to review the scheduled rate adjustment prior to implementation as stated in Section 3 of Ordinance 10-09; and

**WHEREAS**, Ordinance 10-09, section 3 states:

**“Section 3.** The Sewer rates shall increase on July 1, 2012, upon review by the Board of Mayor and Aldermen by April 2012, to the following:

<u>Gallons per month:</u>	<u>Sewer Rate Inside City:</u>
0- 2,000	\$ 14.26 (minimum)
Over 2,000	\$ 5.34 per thousand gal.”

**WHEREAS**, after review of sewer rates, revenues, projected income and growth assumptions, the Board of Mayor and Aldermen does not feel that a 30% increase is warranted at this time as stated in Ordinance 10-09, Section 3, due to city staff analysis and recommendation; and

**NOW, THEREFORE BE IT RESOLVED** that the Board of Mayor and Aldermen of the City of Spring Hill hereby accepts staff’s recommendation and hereby approves a 10% (ten percent) increase, resulting in the following sewer rate:

<u>Gallons per month:</u>	<u>Sewer Rate Inside City:</u>
0- 2,000	\$ 12.07 (minimum)
Over 2,000	\$ 4.52 per thousand gal.”

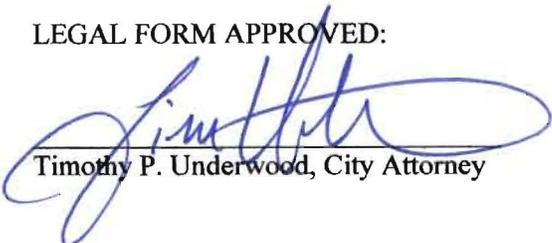
Passed and adopted this 20<sup>th</sup> day of August, 2012.

  
Michael Dinwiddie, Mayor

ATTEST:

  
April Goad, City Recorder

LEGAL FORM APPROVED:

  
Timothy P. Underwood, City Attorney

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
<b>ected Revenues (Sewer Rate Only)</b>	\$2,656,146	\$3,307,682	\$4,320,000	\$4,389,350	\$4,076,787	\$4,158,323
Projected Expenses Sewer	\$ 2,649,859	\$ 1,960,701	\$ 2,733,381	\$ 2,376,390	\$ 2,403,488	\$ 2,538,682
Depreciation	\$490,000	\$490,000	\$490,000	\$892,504	\$892,504	\$892,504
YEAR ?? ---->	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>
CIP Debt Payment	\$0	\$0	\$0	\$914,768	\$914,768	\$914,768
<b>TOTAL EXPENSES INCL Dep&amp;CIP</b>	\$3,139,859	\$2,450,701	\$3,223,381	\$4,183,662	\$4,210,759	\$4,345,954
	<b>(\$483,713)</b>	<b>\$856,982</b>	<b>\$1,096,619</b>	<b>\$205,688</b>	<b>(\$133,972)</b>	<b>(\$187,631)</b>
	<b>25%</b>	<b>-36%</b>	<b>-37%</b>	<b>-7%</b>	<b>4%</b>	<b>6%</b>

Revenue increase needed in Sewer Rate

<b>PROPOSED RATE INCREASES</b>	<b>0%</b>	<b>25%</b>	<b>30%</b>	<b>10%</b>	<b>0%</b>	<b>0%</b>
<b>Projected Revenue</b>	<b>\$2,656,146</b>	<b>\$3,307,682</b>	<b>\$4,320,000</b>	<b>\$4,695,350</b>	<b>\$4,388,907</b>	<b>\$4,476,685</b>
<b>Prjtd Income minus Expense, Dep, CIP</b>	<b>-\$483,713</b>	<b>\$856,982</b>	<b>\$1,096,619</b>	<b>\$511,688</b>	<b>\$178,148</b>	<b>\$130,731</b>
Months left in 2009-2010 ---->	0					
					Cash gain(loss) from 2009-2015	<b>\$2,290,455</b>

**Growth Assumptions (Expenses)**

		CIP Funding	Interest Rate	Payment
General	5%	\$14,100,144	2.62%	\$914,768 <--- Year 1
Employee Salaries	5%			\$914,768 <--- Year 2
Employee Benefits	10%	\$15,960,000	Contract	\$914,768 <--- Year 3
Utilities	5%	(\$2,000,000)	Principal Forgiveness	\$914,768 <--- Year 4
Repair & Maintenance	5%	12-20	\$59,839	Change Order #1
Operating Supplies	5%	12-34	\$55,357	Change Order #2
Property/Liability Insurance	20%	12-49	\$24,948	Change Order #3

*w/o winterized billing*

**Growth Assumptions (Revenue)**

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
Existing Rates	Rates	Rates	Rates	Rates	Rates	Rates	
\$	6.75	\$ 6.75	\$ 8.44	\$ 10.97	\$ 12.07	\$ 12.07	\$ 12.07
\$	2.53	\$ 2.53	\$ 3.16	\$ 4.11	\$ 4.52	\$ 4.52	\$ 4.52
\$	2.17	\$ 2.53	\$ 3.16	\$ 4.11	\$ 4.52	\$ 4.52	\$ 4.52
\$	1.97	\$ 2.53	\$ 3.16	\$ 4.11	\$ 4.52	\$ 4.52	\$ 4.52
\$	1.76	\$ 2.53	\$ 3.16	\$ 4.11	\$ 4.52	\$ 4.52	\$ 4.52
\$	<b>14.34</b>	\$ <b>14.34</b>	\$ <b>17.93</b>	\$ <b>23.30</b>	\$ <b>25.63</b>	\$ <b>25.63</b>	\$ <b>25.63</b> AVERAGE E
		\$ -	\$ 3.59	\$ 5.38	\$ 2.33	\$ -	\$ - net change,

**ORDINANCE NO. 10-09**

**AN ORDINANCE TO AMEND ORDINANCE 02-33, ORDINANCE NO. 86-41, PART C, AS AMENDED BY ORDINANCE NO. 91-9, ORDINANCE NO. 93-11, ORDINANCE 95-10, AND ORDINANCE 96-1, TO ESTABLISH SEWER RATES FOR CUSTOMERS INSIDE THE CITY OF SPRING HILL**

**WHEREAS**, the Mayor and Board of Aldermen of The City of Spring Hill desire to set fair sewer rates for the residents of Spring Hill; and

**WHEREAS**, it has been determined by a rate study completed by the Municipal Technical Advisory Service (MTAS), and by City Staff, that Sewer rates should be adjusted in order to cover costs incurred by the system; and

**WHEREAS**, it has been determined that a phased, multi-year increase approach is desirable;

**BE IT THEREFORE ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF SPRING HILL, TENNESSEE**, that the following rates be established and shall take effect on as follows.

**Section 1.** The established Sewer rates for customers served by the City of Spring Hill municipal sewer system inside the city limits beginning July 1, 2010 are as follows:

<u>Gallons per month:</u>	<u>Sewer Rate Inside City:</u>
0- 2,000	\$ 8.44 (minimum)
Over 2,000	\$ 3.16 per thousand gal.

**Section 2.** The Sewer rates shall increase on July 1, 2011, upon review by the Board of Mayor and Aldermen by April 2011, to the following:

Gallons per month:

0- 2,000  
Over 2,000

Sewer Rate Inside City:

\$ 10.97 (minimum)  
\$ 4.11 per thousand gal.

**Section 3.** The Sewer rates shall increase on July 1, 2012, upon review of the Board of Mayor and Aldermen by April 2012, to the following:

Gallons per month:

0- 2,000  
Over 2,000

Sewer Rate Inside City:

\$ 14.26 (minimum)  
\$ 5.34 per thousand gal.

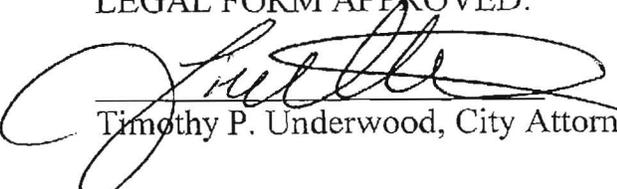
Passed and adopted by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee on the 19th day of April, 2010.

  
Michael Dinwiddie, Mayor

ATTEST:

  
April Goad, City Recorder

LEGAL FORM APPROVED:

  
Timothy P. Underwood, City Attorney

PASSED ON 1<sup>ST</sup> READING: March 15, 2010

PASSED ON 2<sup>ND</sup> READING: April 19, 2010