



STAFF REPORT

DATE: 5/9/23

DISCUSSION

TO: City Council Workshop
FROM: Marty Powers, Director of Public Works
REVIEWED BY: Adam Swanepoel, Assistant Public Works Director
AGENDA ITEM: Irrigation Billing Policy

BACKGROUND:

Inconsistencies have been identified in the way irrigation systems have been categorized and billed throughout the city. The larger stand-alone irrigation systems often serve multiple properties, multiple homes, out lots, boulevards, medians, HOA properties and/or commercial properties. To stay consistent when billing, staff needs direction on how to categorize and bill irrigation systems.

ISSUE BEFORE COUNCIL:

How does the council wish to categorize and bill standalone irrigation or landscaping water systems? Should a meter serving only an irrigation system or landscaping system be identified and billed as commercial or at a higher rate? Should a meter that serves only an irrigation systems on a single residential property that has living quarters on it, be billed at a residential, commercial or at an increased rate?

ANALYSIS:

A residential home typically has one water meter that serves both its domestic and irrigation needs. These meters are billed at residential rates. A water meter serving only an irrigation or landscaping system often serves out lots, multiple homes, multifamily buildings, boulevards, medians and/or larger landscaping on HOA or commercial properties.

Staff gathered information from other cities as to how they classify and bill water usage going through a meter that only serves an irrigation or landscaping systems. We found the majority of Cities or water systems, charge a commercial or rate higher than their residential rate for this water. Commercial Rates for irrigation typically start higher and have a more aggressive tier. Lake Elmo's quarterly base rates of \$21.86 for residential and \$27.33 for commercial are slightly under the average commercial base charge of \$31.57 for the compared cities. Irrigating is a luxury, not a necessity.

Currently one city well can meet the demand of 560,000 gallons per day during fall, winter and spring. During the summer irrigation season, all three wells are required to operate at or above max pumping capacity to meet demands which average nearly 3 million gallons per day. Increased irrigation rates often discourages excessive watering.

FISCAL IMPACT:

Commercial or increased irrigation rates will increase revenue to cover additional expenses associated with increased pumping, treating and distributing.

OPTIONS:

Direct staff on how to categorize and bill each stand-alone irrigation or landscaping system meter.

RECOMMENDATION:

Based upon a review of other city fee schedule and practices, staff recommends to categorize all stand-alone irrigation/landscaping meters as commercial and to bill as such.

ATTACHMENTS:

Proposed Lake Elmo Irrigation Policy

Lake Elmo Fee Schedule

Other City Billing Data

LAKE ELMO IRRIGATION METER BILLING POLICY

Determining Water Rates for Irrigation Systems

Irrigation: The process of watering of land by artificial means to foster lawn, tree and plant growth. The waste water from these systems does not go down the city sanitary sewer

Purpose:

It is the purpose of the policy to provide a uniform and systematic method for staff in classifying and billing water use through meters that only serve irrigation or outdoor landscaping systems. It is the intent to classify and bill the water use and water meters at commercial rates.

Commercial Rates will be applied to all water meters that serve only irrigation or landscaping system. A metered irrigation system can (but is not limited to) serve one or more properties that could include HOA systems, common areas, medians, boulevards, green spaces, commercial properties, multiple residential yards or a combination. Landscaping systems can include (but is not limited to) decorative water fountains and gardens. The wastewater from these systems does not drain into the city sanitary sewer system nor are sewer related fees charged on the water use.

Public Works staff will determine how each water meter should be classified and relay that information to Utility Billing for proper processing.

Residential and Commercial rates include different base charges, fees and tiers which are set at the beginning of each year and approved by council in the fee schedule

4/25/2023

Lake Elmo's 2023 Fee Schedule Water Rates

Water Usage	
Residential - Quarterly Base Rate	\$21.86 Base
Residential - Plus Rate per 1,000 Gallons	
Plus Rate for 0-15,000 Gallons	\$2.18
Plus Rate for 15,001-30,000 Gallons	\$2.63
Plus Rate for 30,001-50,000 Gallons	\$3.15
Plus Rate for 50,001-80,000 Gallons	\$3.79
Plus Rate for 80,001 + Gallons	\$4.52

Water Usage	
Commercial - Quarterly Rate	\$27.33 Base
Commercial - Plus Rate Per 1,000 Gallons	
Plus Rate for 0 - 15,000 Gallons	\$3.39
Plus Rate for 15,001 - 30,000 Gallons	\$3.56
Plus Rate for 30,001 - 50,000 Gallon	\$4.12
Plus Rate for 50,001 - 80,000 Gallons	\$5.46
Plus Rate for 80,001 + Gallons	\$7.25

STAND ALONE IRRIGATION SYSTEM WATER FEES

WATER SYSTEM	BILLED AT RESIDENTIAL, COMMERCIAL OR A SPECIFIC IRRIGATION RATE	IRRIGATION STARTING RATE	TEIRD Y/N	DOMESTIC RESIDENTIAL STARTING RATE FOR COMPARISON	BASE CHARGES R (residential) C (commercial) I (Irrigation only)
Oak Park Heights	\$1 more than Residential Rate	\$4.60	YES	\$3.60	\$44.33/ Quarter
Mahtomedi	SPECIFIC IRR Rate	\$5.86	NO	\$3.31	\$21.64
White Bear TWP	SPECIFIC IRR Rate	\$6.75	YES	\$2.55	R- 43.50 C- \$43.50 – \$107.6 (Based on size of MTR)
Shoreview	Commercial Rate	\$3.02	YES	\$1.87	\$33.00 /Account
Woodbury	Commercial Rate	\$4.00	NO	\$1.90	R- \$8.00/Quarter C- \$8.00/ Month I-\$8.00/Quarter
Mounds View	Commercial Rate includes a more aggressive tier system	\$2.70	YES	\$2.70	\$21.00/Quarter
Brooklyn Park	SPECIFIC IRR Rate	\$4.48	NO	\$2.50	Charged based on size of MTR/ Quarter
Brooklyn Center	SPECIFIC IRR Rate	\$3.42	YES	\$3.42	\$20.53/Quarter
St. Louis Park	SPECIFIC IRR RATE	\$4.42	NO	\$2.23	
Wyoming	Commercial Rate	\$3.44	YES	\$3.44	¾" \$41.72/Quarter 1.5" \$75.08/quarter 2" \$120/quarter
Stillwater	IRR box – Commercial HOA's serving homes - Res, water rates are increased during the irrigation quarters	\$2.94	YES	\$2.94	TBD
Oakdale	COMMERCIAL TEIRS ARE MORE AGREESSIVE THAN RESIDENTIAL	\$2.23	YES	\$2.23	R – Quarterly 13.57 C – Monthly -10k