



## **STAFF REPORT**

DATE: 6/6/23

**REGULAR**

**TO:** City Council Workshop  
**FROM:** Marty Powers, Director of Public Works  
**REVIEWED BY:** Kristina Handt, City Administrator  
Clarissa Hadler, Finance Director  
**AGENDA ITEM:** Irrigation Billing Policy

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### **BACKGROUND:**

In finding inconsistencies with the way irrigation systems have been categorized and billed in the past, Council directed staff in the May 9th workshop to create a policy that will bill all irrigation meters at an irrigation rate. The separate irrigation meters often serve systems designated for multiple properties, multiple homes, out lots, boulevards, medians, HOA properties and/or commercial properties. In an attempt to eliminate billing inconsistencies, all irrigation meters will be billed at a separate irrigation rate.

### **ISSUE BEFORE COUNCIL:**

At what rate does the council wish to charge water meters that serve only irrigation or landscaping systems?

### **PROPOSAL DETAILS/ANALYSIS:**

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. It was found the majority of Cities or water systems, charge a tiered commercial or irrigation rate that is higher than their residential rate. Below is Lake Elmo's current 2023 rate structure and below that are 3 options Council can consider:

Lake Elmo's current 2023 Resident, Commercial & Hotel water rates are below.

<b>Residential</b> - 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
<b>Commercial</b> - 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
<b>Hotel / Motel</b> - Quarterly Rate	\$27.33 Base
Hotel / Motel - Plus Rate Per 1,000 Gallons	
Plus Rate for 0 - 30,000 Gallons	\$3.39
Plus Rate for 30,001 - 50,000 Gallons	\$3.56
Plus Rate for 50,001 + Gallons	\$4.36

Three optional irrigation rate structures for consideration:

**Option #1**

Irrigation Meter Rate	Irr w/Tier 2 start	Example: cost for 1,166 units, per 1000 gallons used
Irrigation – Quarterly Base Rate	\$27.33	
Irrigation – Plus Rate per 1,000 Gallons		
Plus Rate for 0 – 30,000	\$2.63	
Plus Rate for 30,001 -50,000	\$3.15	
Plus Rate for 50,001 – 80,000	\$3.79	
Plus Rate for 80,001 + Gallons	\$4.52	
		\$5,099.24

**Option #2**

Irrigation Meter Rate	Irr @\$4.52/1000gal	Example: cost for 1,166 units, per 1000 gallons used
Irrigation – Quarterly Base Rate	\$27.33	
		\$5,270.32

**Option #3**

Irrigation Meter Rate	Irr + \$1 Res Rate	Example: cost for 1,166 units, per 1000 gallons used
Irrigation – Quarterly Base Rate	\$27.33	
Irrigation – Plus Rate per 1,000 Gallons		
Plus Rate for 0 – 30,000	\$3.63	
Plus Rate for 30,001 -50,000	\$4.15	
Plus Rate for 50,001 – 80,000	\$4.79	
Plus Rate for 80,001 + Gallons	\$5.52	
		\$6,252.04

For reference, below are the examples of cost at a residential or commercial rate:

Residential Irrigation Meter Rate	Irr@Residential rate	Example: cost for 1,166 units, per 1000 gallons used
Irrigation – Quarterly Base Rate	\$21.86	
Irrigation – Plus Rate per 1,000 Gallons		
Plus Rate for 0 – 30,000	\$2.63	
Plus Rate for 30,001 -50,000	\$3.15	
Plus Rate for 50,001 – 80,000	\$3.79	
Plus Rate for 80,001 + Gallons	\$4.52	
		\$5,086.04

Commercial Irrigation Meter Rate	Irr@Commercial rate	Example: cost for 1,166 units, per 1000 gallons used
Irrigation – Quarterly Base Rate	\$27.33	
Irrigation – Plus Rate per 1,000 Gallons		
Plus Rate for 0 – 30,000	\$2.63	
Plus Rate for 30,001 -50,000	\$3.15	
Plus Rate for 50,001 – 80,000	\$3.79	
Plus Rate for 80,001 + Gallons	\$4.52	
		\$8,025.52

**FISCAL IMPACT:**

Staff expects to see a slight increase in fees from those meters previously charged under the residential rate and a significant decrease in those charged at the commercial rate. The city will continue to review and adjust rates annually in order to cover expenses.

**OPTIONS:**

- 1) Approve the Lake Elmo Irrigation Meter Billing Policy and Adopt Option # \_\_\_\_ (see above) to set the new irrigation meter fee
- 2) Amend and then approve the Lake Elmo Irrigation Meter Billing Policy and Adopt Option # \_\_\_\_ (see above) to set the new irrigation meter fee
- 3) Amend and Approve the Lake Elmo Irrigation Meter Billing Policy and charge all meters the residential rate
- 4) Amend and Approve the Lake Elmo Irrigation Meter Billing Policy and charge all meters the commercial rate

**RECOMMENDATION:**

Based upon a review of other city fee schedule and practices, staff recommends categorizing all meters serving only irrigation or landscaping systems as an irrigation meter and charging a specific irrigation rate.

***“Motion to approve Lake Elmo Irrigation Meter Billing Policy and Approve Ordinance No 2023-13 to Update the Fee Schedule to Include Option \_\_\_\_\_”***

**“Motion to Approve Resolution 2023-061 A Resolution to Approving Summary Publication of Ordinance No 2023-13”**

**ATTACHMENTS:**

Proposed Lake Elmo Irrigation Policy  
Neighboring City Rates  
Updated Fee Schedule  
Summary Publication of Fee Schedule

## LAKE ELMO IRRIGATION METER BILLING POLICY

### Determining Water Rates for Meters Serving Only Irrigation/Landscape 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 a specific irrigation rate.

**An Irrigation Rate** 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.

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

5/22/2023

# IRRIGATION METER WATER RATES

<b>WATER SYSTEM</b>	<b>BILLED AT RESIDENTIAL, COMMERCIAL OR A SPECIFIC IRRIGATION RATE</b>	<b>IRRIGATION STARTING RATE</b>	<b>TEIRD Y/N</b>	<b>DOMESTIC RESIDENTIAL STARTING RATE FOR COMPARISON</b>	<b>BASE CHARGES R (residential) C (commercial) I (Irrigation only)</b>
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
Maple Grove	SPECIFIC IRR RATE	\$2.49	NO	\$1.59	Per Quarter ¾" & 1" \$15.90 1 ½" & 2" \$31.80 3" & 4" \$38.16 Larger than 4" \$54.06

## IRRIGATION METER WATER RATES

Plymouth	Separate residential irrigation meter	\$2.25	YES	R \$1.79	R \$4.96/month
	Commercial separate irrigation meter	\$2.67	NO	C \$2.14	C \$4.96/month

CITY OF LAKE ELMO  
COUNTY OF WASHINGTON  
STATE OF MINNESOTA

ORDINANCE NO. 2023-\_\_\_\_\_

AN ORDINANCE REVISING THE 2023 FEE SCHEDULE  
FOR THE CITY OF LAKE ELMO

The City Council of the City of Lake Elmo ordains:

**SECTION I. Schedule Adopted.** The 2023 Fee Schedule is amended with the Irrigation Water Usage rates as shown below;

Irrigation Meter Rate	
Irrigation – Quarterly Base Rate	\$27.33
Irrigation – Plus Rate per 1,000 Gallons	
Plus Rate for 0 – 30,000	\$2.63
Plus Rate for 30,001 -50,000	\$3.15
Plus Rate for 50,001 – 80,000	\$3.79
Plus Rate for 80,001 + Gallons	\$4.52

**SECTION II. Not Codified.** This ordinance is transitory in nature and shall not be codified in the City Code. This ordinance and the fee schedule established hereby shall be placed on file and available for public inspection at City Hall.

**SECTION IV. Effective Date.** This ordinance shall become effective for all billings rendered after adoption and publication in the official newspaper of the City of Lake Elmo.

**SECTION V. Adoption Date.** Adopted on this 6<sup>th</sup> day of June, 2023, by a vote of \_\_\_\_Ayes and \_\_\_\_Nays.

LAKE ELMO CITY COUNCIL

\_\_\_\_\_  
Charles Cadenhead, Mayor

ATTEST:

\_\_\_\_\_  
Julie Johnson, City Clerk

This Ordinance\_\_\_\_\_was published on the\_\_\_\_\_day of\_\_\_\_\_, 2023.

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**CITY OF LAKE ELMO  
COUNTY OF WASHINGTON  
STATE OF MINNESOTA**

**RESOLUTION NO. 2023-061**

**RESOLUTION AUTHORIZING PUBLICATION OF A SUMMARY OF ORDINANCE  
2023-13**

**WHEREAS**, the Lake Elmo City Council has adopted Ordinance No. 2023-13, an ordinance that amends the City's Fee Schedule related to irrigation water usage rates.

**WHEREAS**, the ordinance is lengthy; and

**WHEREAS**, Minnesota Statutes, section 412.191, subd. 4, allows publication by title and summary in the case of lengthy ordinances or those containing charts or maps; and

**WHEREAS**, the City Council believes that the following summary would clearly inform the public of the intent and effect of the ordinance.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Lake Elmo that the City Clerk shall cause the following summary of Ordinance No. 2023-13 to be published in the official newspaper in lieu of the entire ordinance:

**Public Notice**

The City Council of the City of Lake Elmo has adopted Ordinance No. 2023-13, an ordinance that amends the Irrigation Water Usage Rates in the City's Fee Schedule. .

The full text of Ordinance No. 2023-13 is available for inspection at Lake Elmo City Hall during regular business hours

**BE IT FURTHER RESOLVED** by the City Council of the City of Lake Elmo that the City Administrator keep a copy of the ordinance at City Hall for public inspection and that a full copy of the ordinance be placed in a public location within the City.

Dated: June 6, 2023

\_\_\_\_\_  
Charles Cadenhead, Mayor

ATTEST:

\_\_\_\_\_  
Julie Johnson, City Clerk

(SEAL)