

This document has been sent with your utility bill to inform you of proposed changes to the Lovington Municipal Code. Ordinance No. 553 will amend Title 13, Chapter 13.04 – Water Service System, Chapter 13.08 Sewer Service System, and Chapter 13.12 Rates Billing and Collection of the Lovington Municipal Code. The amendments define policy and procedures for utility services so that all of our customers are treated consistently and the policy and procedures are easily understood. In addition, rate increases for water, sewer, and garbage services are included. Rate increases are necessary to ensure that repair and replacement for City utilities are conducted as well as ensuring minimum reserve levels as required by the existing loans implemented in 2007 for water system and wastewater treatment plant improvements.

The full Proposed Ordinance may be examined by any interested person during regular business hours at the office of the City Clerk at City Hall or on the City website at www.lovington.org. Citizens are encouraged to contact City Hall, their Commissioner, or attend City Commission meetings on June 12, 2017 or on June 26, 2017. Commission meetings are held at Lovington City Hall, 214 S. Love St, at 5:30 p.m. The final version of this ordinance will be up for consideration at the June 26, 2017 meeting. The following is a summary of the proposed changes as well as the proposed rate increases.

- The cost of water or sewer line extensions shall be the responsibility of the owner of the lot requesting service
- All connections to the water or sewer system of the City are required to conform with State of New Mexico Plumbing Code
- Clarification of disposition of funds. Revenues received from water and sewer charges shall be deposited into the Utilities Fund and may only be used for the purpose of water and sewer operating and maintenance purposes. Revenues received from garbage services shall be deposited into the Solid Waste Fund and may only be utilized for solid waste operating and maintenance purposes.
- Deposits for new services, new accounts, or restored or reinstated accounts effective July 1, 2017 will be:

| Type | Water | Sewer | Garbage | Total |
|--------------------------------|-------|-------|---------|----------|
| Residential – owner occupied | \$30 | \$20 | \$35 | \$55.00 |
| Residential rental – no waiver | \$60 | \$20 | \$35 | \$115.00 |
| Residential – waiver | \$100 | \$100 | \$40 | \$240.00 |
| Commercial – owner occupied | \$40 | \$10 | \$35 | \$85.00 |
| Commercial - rental | \$200 | \$50 | \$40 | \$290.00 |

- Rate reductions – Residential customers who provide proof that they are 65 years of age or older are eligible for a 10% rate reduction to their monthly utility bill. Residential customers who provide proof that they are receiving SSD or SSI benefits are eligible for a 10% rate reduction to their monthly utility bill. Only one type of rate reduction is allowed, the account holder must reside at the service address, and it is limited to one household per family.
- Rental property cleanup – Allowed metered use for 5 calendar days. A \$10 deposit is required. Charge is \$0.89 per every 100 gallons.
- Unless deemed an emergency at the discretion of the City Manager or designee, a \$50 charge will be incurred for turning water on or off outside of normal City business hours.
- Water leaks – If the utility office is notified of a customer water leak within the current billing cycle and proof is provided that the leak has been repaired, the bill will be adjusted by averaging the previous six months of water and sewer use.
- Delinquent Payments – if payment is not received by the 26th day of each month, service is subject to disconnection. A \$50 penalty will be added to the bill.
- Payment extensions – Payment extensions are allowed twice per calendar year. Account holder is allowed 30 additional days to pay the account balance in full.

- Rate adjustments
 - These are proposed rates
 - If approved, the new rates will be effective on July 1, 2017.
 - A 2% annual increase will be in effect every July 1 unless rescinded by the City Commission sixty days in advance.

| WATER RATES | | |
|---------------|--|--|
| Type | Current | Proposed |
| Residential | \$15.91 min / \$1.41 ea. additional 1,000 gal | \$21.15 min / \$1.87 ea. additional 1,000 gal |
| Commercial | \$23.92 min / \$1.45 ea. additional 1,000 gal | \$31.79 min / \$1.93 ea. additional 1,000 gal |
| Industrial | \$1.85 1 st 5,000 gal / \$2.35 ea. additional 1,000 gal | \$2.46 1 st 5,000 gal / \$3.12 ea. additional 1,000 gal |
| Industrial II | \$7.10 1 st 1,000 gal / \$0.67 ea. additional 100 gal | \$9.43 1 st 1,000 gal / \$0.89 ea. additional 100 gal |

| SEWER RATES | | |
|-------------|---|---|
| Type | Current | Proposed |
| Residential | \$11.48 min / \$0.78 ea. additional 1,000 gal | \$15.26 min / \$1.04 ea. additional 1,000 gal |
| Commercial | \$17.73 min / \$0.78 ea. additional 1,000 gal | \$23.57 min / \$1.04 ea. additional 1,000 gal |
| Industrial | Industrial formula adjusted to reflect same percentage increase | |

| GARBAGE RATES - RESIDENTIAL | | | | |
|-----------------------------|----------------|-----------------|-----------------|------------------|
| Type | Current 1 Cart | Current 2 Carts | Proposed 1 Cart | Proposed 2 Carts |
| Residential | \$23.48 | \$30.23 | \$27.00 | \$34.76 |
| Residential – ETZ | \$27.33 | \$34.11 | \$31.43 | \$39.23 |

| GARBAGE RATES - COMMERCIAL | | | | |
|----------------------------|--------------------|---------------------|---------------------|----------------------|
| Type | Current – 1 Pickup | Current – 2 Pickups | Proposed – 1 Pickup | Proposed – 2 Pickups |
| 1 Polycart | \$37.56 | N/A | \$43.19 | N/A |
| 2 Polycarts | \$73.75 | N/A | \$84.81 | N/A |
| 2 yard | \$74.92 | \$149.64 | \$86.16 | \$172.09 |
| 3 yard | \$111.68 | \$223.37 | \$128.43 | \$256.88 |
| 4 yard | \$145.84 | \$291.66 | \$167.72 | \$335.41 |
| 6 yard | \$213.72 | \$427.46 | \$245.78 | \$491.58 |
| 8 yard | \$283.10 | \$566.19 | \$325.57 | \$651.12 |

- Below is an example of how a minimum residential monthly City utility bill would be affected by the proposed rate increases for water, sewer, and garbage bill. The below amounts do not reflect the required 5% State tax.

| Service Description | Current Rates | Proposed Rates |
|----------------------|---------------|----------------|
| Water Service | \$15.91 | \$21.15 |
| Sewer Service | \$11.48 | \$15.26 |
| Garbage (1 polycart) | \$23.48 | \$27.00 |
| Total | \$50.87 | \$63.41 |
| Difference per month | \$12.54 | |