



# Water and Wastewater Utility Rates

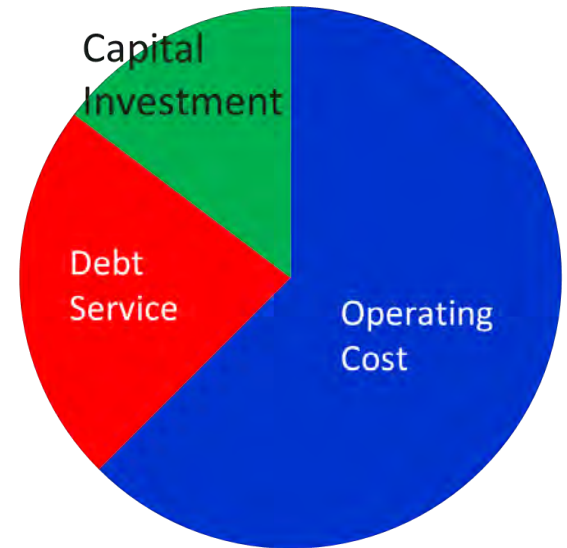


**Diana Langley, Interim City Manager**  
**May 28, 2019**

# Purpose of Rates



- To ensure adequate revenues in the Water and Wastewater Enterprise Funds for:
  - Operation and Maintenance
  - Debt Service Coverage
  - Capital Projects



# Background



- 4/5/16- Council adopted the Water and Wastewater Rate Study
  - Proposed adjustments to the City’s water and wastewater rates over the next 5 years
    - Covers rates through FY 20/21

# Background



- 6/21/16 – Council adopted Water and Wastewater Ordinances
  - Provides for Council review of rates on an annual basis as part of the fiscal year budget review process, prior to July 1 implementation of the increases for each year
  - Council retains authority to set rates by resolution

# Background



- 1/22/19 Water & Wastewater Workshop
  - Council directed staff to present 3 options for FY 19/20 for water and wastewater rates

# Water Conservation (Compared to 2013)



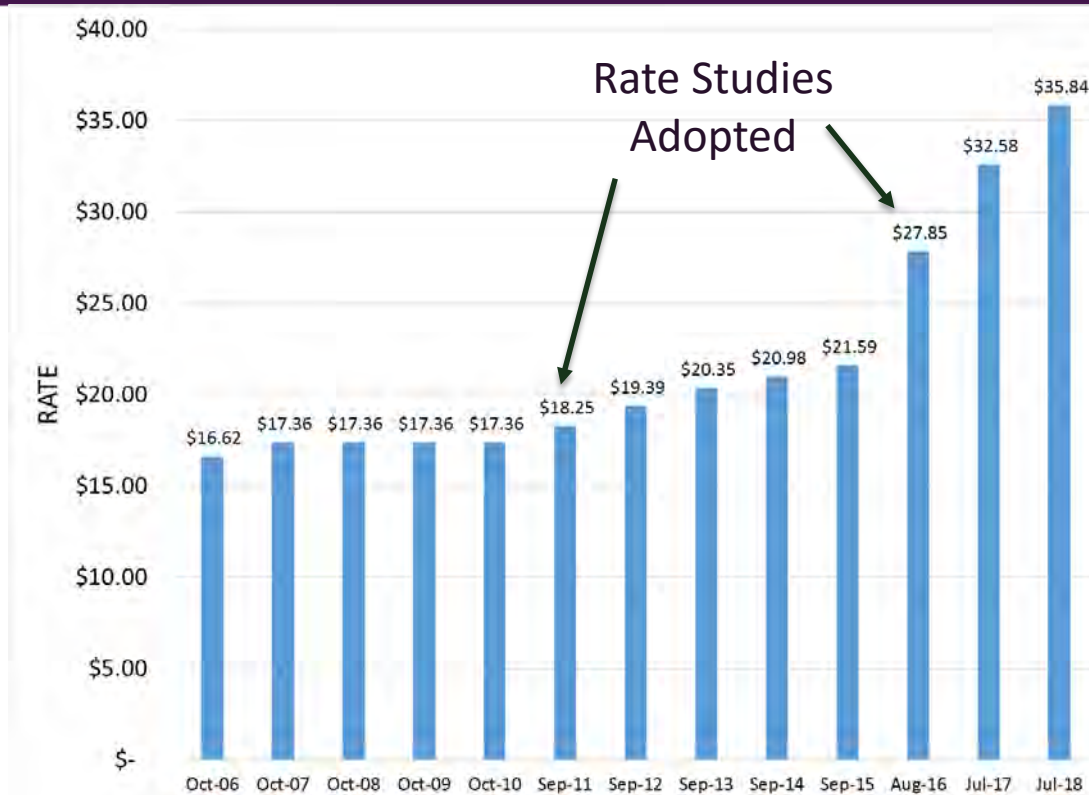
Month	2016	2017	2018
July	29.7%	17.0%	20.1%
August	20.8%	13.3%	18.8%
September	17.2%	8.0%	13.7%
October	24.0%	6.1%	11.3%
November	30.2%	24.0%	5.6%
December	22.4%	12.8%	16.4%
January	11.4%	10.4%	12.5%
February	24.5%	4.6%	20.7%
March	28.7%	29.9%	35.8%
April	35.8%	29.9%	34.4%
Average:	24.5%	15.6%	18.9%

# FY 18/19 Revenue Projections



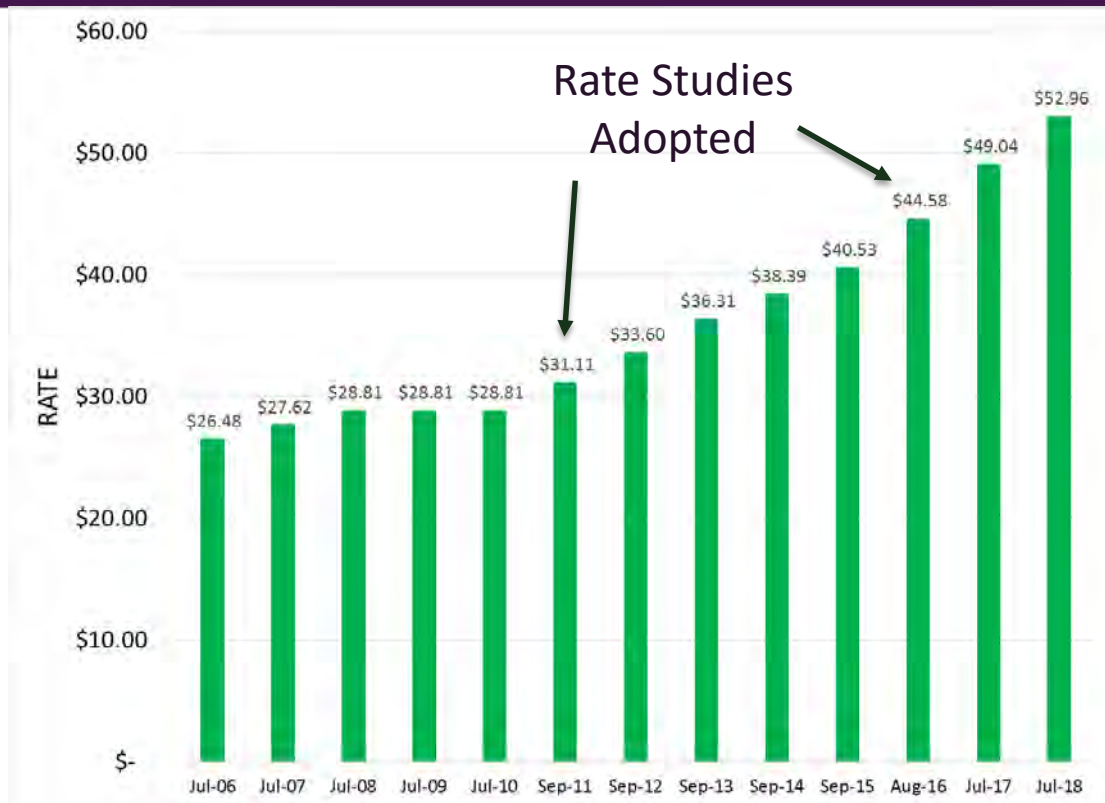
- **Water Sales**
  - Expected to be approximately 6.5% higher as compared to 10% rate increase
- **Wastewater Service Charges**
  - Expected to be approximately 6.1% higher as compared to 8% rate increase

# Water Rate History – 1" Meter





# Wastewater Rate History - SFD



# Rate Options



- Three options for FY 19/20 rates:

Options	Water	Wastewater
1	0%	0%
2	3.5%	4.0%
3	7.0%	8.0%

# Proposed Water Rates

\*1HCF=748 Gallons

Meter Size	Baseline HCF's*	Current Rate	0% Increase	3.5% Increase	7% Increase	Prop. 218 Approved Amount
1"	15	\$35.84	\$35.84	\$37.09	\$38.35	\$41.01
1-1/2"	30	\$71.69	\$71.69	\$74.20	\$76.71	\$82.03
2"	60	\$143.40	\$143.40	\$148.42	\$153.44	\$164.07
3"	240	\$573.56	\$573.56	\$593.63	\$613.71	\$656.26
4"	480	\$1,147.14	\$1,147.14	\$1,187.29	\$1,227.44	\$1,312.54
6"	900	\$2,150.86	\$2,150.86	\$2,226.14	\$2,301.42	\$2,461.00
8"	2,100	\$5,018.70	\$5,018.70	\$5,194.35	\$5,370.01	\$5,742.34
Flow Rate Per Excess HCF		\$1.840	\$1.840	\$1.904	\$1.969	\$2.057

# Proposed Wastewater Rates

Sewer Rate Schedule	Current Rate	0% Increase	4% Increase	8% Increase	Prop. 218 Approved Amount
Single Family	\$52.96	\$52.96	\$55.08	\$57.20	\$59.34
Multi-Family	\$42.38	\$42.38	\$44.08	\$45.77	\$47.48
Commercial – C1	\$52.96	\$52.96	\$55.08	\$57.20	\$59.34
Commercial – C2	\$59.59	\$59.59	\$61.97	\$64.36	\$66.76
Commercial – C3	\$72.17	\$72.17	\$75.06	\$77.94	\$80.86
Commercial Volumetric Charge (HCF)	\$2.09	\$2.09	\$2.17	\$2.26	\$2.34
Schools – Per Student/Year	\$24.32	\$24.32	\$25.29	\$26.27	\$27.25

# Proposed Wastewater Rates

Sewer Rate Schedule	Current Rate	0% Increase	4% Increase	8% Increase	Prop. 218 Approved Amount
Industrial					
Volume (MG)	\$3,053.89	\$3,053.89	\$3,176.05	\$3,298.20	\$3,421.48
TSS (lbs)	\$0.235	\$0.235	\$0.24	\$0.25	\$0.264
BOD (lbs)	\$0.313	\$0.313	\$0.33	\$0.34	\$0.350
Septage Hauler					
\$/Gallon	\$0.408	\$0.408	\$0.424	\$0.441	\$0.502
Min. Charge 400 Gallons/ Dump	\$163.09	\$163.09	\$169.61	\$176.14	\$200.99

## Bill Comparison for 1" Water Service (Single-Family Dwelling)

Average Consumption	Current Water Bill	Current Sewer Bill	Total Bill	3.5 % Increase Water Bill	4% Increase Sewer Bill	Total Bill
Winter (7 HCF)	\$35.84	\$52.96	\$88.80	\$37.09	\$55.08	\$92.17
Annual (15 HCF)	\$35.84	\$52.96	\$88.80	\$37.09	\$55.08	\$92.17
Summer (24 HCF)	\$52.40	\$52.96	\$105.36	\$54.23	\$55.08	\$109.31

Average Consumption	7% Increase Water Bill	8% Increase Sewer Bill	Total Bill	Prop. 218 Water Bill	Prop. 218 Sewer Bill	Total Bill
Winter (7 HCF)	\$38.35	\$57.20	\$95.55	\$41.01	\$59.34	\$100.35
Annual (15 HCF)	\$38.35	\$57.20	\$95.55	\$41.01	\$59.34	\$100.35
Summer (24 HCF)	\$56.07	\$57.20	\$113.27	\$59.52	\$59.34	\$118.86

# Next Steps



- Resolutions to Council 6/18/19 for adoption
- Rates Become Effective 7/1/19
  - Rates will be reflected in bill that is mailed in late July and will apply to June consumption

# Questions?





# Proposition 218 Approved Rates - Water



Meter Size	Baseline HCF's*	Year 1	Year 2	Year 3	Year 4	Year 5
1"	11	\$28.50	\$33.91	\$39.49	\$41.01	\$42.59
1-1/2"	22	\$57.00	\$67.83	\$78.98	\$82.03	\$85.18
2"	44	\$114.01	\$135.67	\$157.99	\$164.07	\$170.39
3"	176	\$456.02	\$542.66	\$631.93	\$656.26	\$681.53
4"	352	\$912.05	\$1,085.34	\$1,263.88	\$1,312.54	\$1,363.08
6"	660	\$1,710.09	\$2,035.00	\$2,369.76	\$2,461.00	\$2,555.74
8"	1,540	\$3,990.21	\$4,748.36	\$5,529.46	\$5,742.34	\$5,963.42
Flow Rate Per Excess HCF		\$1.430	\$1.701	\$1.981	\$2.057	\$2.137

# Proposition 218 Approved Rates - Wastewater



Sewer Rate Schedule	Year 1	Year 2	Year 3	Year 4	Year 5
Single Family	\$44.58	\$49.04	\$53.95	\$59.34	\$65.27
Multi-Family	\$35.67	\$39.24	\$43.16	\$47.48	\$52.23
Commercial – C1	\$44.58	\$49.04	\$53.95	\$59.34	\$65.27
Commercial – C2	\$50.16	\$55.18	\$60.69	\$66.76	\$73.44
Commercial – C3	\$60.75	\$66.83	\$73.51	\$80.86	\$88.95
Commercial Volumetric Charge (HCF)	\$1.76	\$1.93	\$2.13	\$2.34	\$2.57
Schools – Per Student/Year	\$20.47	\$22.52	\$24.77	\$27.25	\$29.97

# Proposition 218 Approved Rates - Wastewater



Sewer Rate Schedule	Year 1	Year 2	Year 3	Year 4	Year 5
Industrial					
Volume (MG)	\$2,570.61	\$2,827.67	\$3,110.44	\$3,421.48	\$3,763.63
TSS (lbs)	\$0.198	\$0.218	\$0.240	\$0.264	\$0.290
BOD (lbs)	\$0.263	\$0.290	\$0.319	\$0.350	\$0.385
Septage Hauler					
\$/Gallon	\$0.343	\$0.378	\$0.415	\$0.457	\$0.502
400 Gallons	\$137.28	\$151.01	\$166.11	\$182.72	\$200.99
1,000 Gallon	\$343.20	\$377.52	\$415.27	\$456.80	\$502.48
1,500 Gallon	\$514.80	\$566.28	\$622.91	\$685.20	\$753.72