

Wastewater Base Rate Changes



Wastewater Rate Philosophy

- Base Rate (Currently \$8.76)
 - Intended to cover operating costs or access to sewer system
 - Certain infrastructure is needed based on potential usage before anything ever goes down the drain
 - Fixed costs of utility – what if usage dropped drastically for a month?
- Commodity (Usage) Charge (\$2.40 per 1,000 Gallons)
 - Intended to cover cost of CIP projects or actual collection and treatment
 - Capacity related concerns, size of pipe and treatment volume

Objectives of Phased Options

- Stick to 5-Year plan and percentage impacts on single family homes previously presented to Council
- More evenly distribute the burden to all sewer users, reducing burden to single family homes
- Phase into base rate revenue covering operating costs

Recommended Approach

- Residential per Unit
- Commercial by Meter Size

Proposed 10-50-90 Implementation- Multi-Unit

- Multi-Unit Base Rate in two parts for phase-in (explained in later slide)
 - Per Connection Charge
 - Per Unit Charge
- Fully implemented in FY19 with multi-units being charged per unit at 90% of single family rate

Proposed 10-50-90 Implementation- Commercial

- FY17 - 90% of current charge plus 10% of what charge would be if fully implemented now
- FY18 – 50% of FY18 single family charge plus 50% of what charge would be if fully implemented in FY18
- FY19 – 100% of FY19 single family charge for 5/8” meters, AWWA multiplier applied to larger sizes

10-50-90 Fee Schedule Changes FY17

- Monthly Residential Base Charge
 - Base Rate Single Unit - \$8.76 per connection
 - Base Rate Multiple Units - \$7.88 per connection, \$0.79 per unit
 - All Uses Commodity Charge - \$2.40 per 1,000 gallons

10-50-90 Fee Schedule Changes FY17

- Monthly Non-Residential Base Charge

Meter Size	AWWA Multiplier	Base Charge
5/8	1	\$8.76
1	2.5	\$10.07
1.5	5	\$12.26
2	8	\$14.89
3	15	\$21.02
4	25	\$29.78
6	50	\$51.68
8	80	\$77.96

- All Uses Commodity Charge - \$2.40 per 1,000 gallons

10-50-90 Implementation - Residential

	FY17	FY18	FY19	FY20
Single Unit Base Rate	\$8.76	\$10.03	\$11.94	\$13.73
Multi-Unit Connection Charge	\$7.88	\$4.51	\$0.00	\$0.00
Multi-Unit per Unit Charge	\$0.79	\$4.51	\$10.75	\$12.36

10-50-90 Implementation - Residential

Units	FY17	FY18	FY19	FY20
1	\$8.76	\$10.03	\$11.94	\$13.73
2	\$9.46	\$13.54	\$21.49	\$24.71
4	\$11.04	\$22.57	\$42.98	\$49.43
8	\$14.19	\$40.62	\$85.97	\$98.86
16	\$20.50	\$76.73	\$171.94	\$197.71
32	\$33.11	\$148.95	\$343.87	\$395.42
64	\$58.34	\$293.38	\$687.74	\$790.85
128	\$108.80	\$582.24	\$1,375.49	\$1,581.70

10-50-90 Implementation - Non-Residential

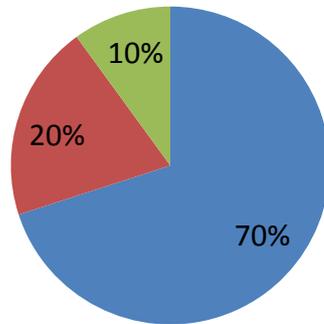
Size	FY17	FY18	FY19	FY20
5/8"	\$8.76	\$10.03	\$11.94	\$13.73
1"	\$10.07	\$17.55	\$29.85	\$34.33
1.5"	\$12.26	\$30.09	\$59.70	\$68.65
2"	\$14.89	\$45.14	\$95.52	\$109.84
3"	\$21.02	\$80.24	\$179.10	\$205.95
4"	\$29.78	\$130.39	\$298.50	\$343.25
6"	\$51.68	\$255.77	\$597.00	\$686.50
8"	\$77.96	\$406.22	\$955.20	\$1,098.40

10-50-90 Implementation - Base Rate Revenue

Rate	FY17	FY18	FY19	FY20
Per Connection (6 Mo.)	\$979 K			
Single Family	\$751 K	\$1.72 M	\$2.05 M	\$2.35 M
Multi Unit	\$191 K	\$820 K	\$1.59 M	\$1.83 M
Commercial	\$109 K	\$515 K	\$1.01 M	\$1.16 M
Total	\$2.03 M	\$3.05 M	\$4.65 M	\$5.34 M
Operating Cost (3% Inflation)	\$4.9 M	\$5.04 M	\$5.20 M	\$5.35 M

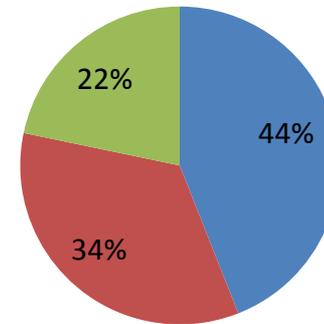
10-50-90 Base Rate Revenue Distribution

Existing Revenue Distribution



■ Single ■ Multi ■ Commercial

FY19 Projected Revenue Distribution



■ Single ■ Multi ■ Commercial

10-90 Implementation - Residential

	FY17	FY18	FY19	FY20
Single Unit Base Rate	\$8.76	\$10.03	\$11.94	\$13.73
Multi-Unit Connection Charge	\$7.88	\$0.00	\$0.00	\$0.00
Multi-Unit per Unit Charge	\$0.79	\$9.03	\$10.75	\$12.36

10-90 Implementation - Residential

Units	FY17	FY18	FY19	FY20
1	\$8.76	\$10.03	\$11.94	\$13.73
2	\$9.46	\$18.05	\$21.49	\$24.71
4	\$11.04	\$36.11	\$42.98	\$49.43
8	\$14.19	\$72.22	\$85.97	\$98.86
16	\$20.50	\$144.43	\$171.94	\$197.71
32	\$33.11	\$288.86	\$343.87	\$395.42
64	\$58.34	\$577.73	\$687.74	\$790.85
128	\$108.80	\$1,155.46	\$1,375.49	\$1,581.70

10-90 Implementation - Non-Residential

Size	FY17	FY18	FY19	FY20
5/8"	\$8.76	\$10.03	\$11.94	\$13.73
1"	\$10.07	\$25.08	\$29.85	\$34.33
1.5"	\$12.26	\$50.15	\$59.70	\$68.65
2"	\$14.89	\$80.24	\$95.52	\$109.84
3"	\$21.02	\$150.45	\$179.10	\$205.95
4"	\$29.78	\$250.75	\$298.50	\$343.25
6"	\$51.68	\$501.50	\$597.00	\$686.50
8"	\$77.96	\$802.40	\$955.20	\$1,098.40

10-90 Accelerated Implementation - Residential

	FY17	FY18	FY19	FY20
Single Unit Base Rate	\$8.76	\$13.73	\$13.73	\$13.73
Multi-Unit Connection Charge	\$7.88	\$0.00	\$0.00	\$0.00
Multi-Unit per Unit Charge	\$0.79	\$12.36	\$12.36	\$12.36

10-90 Accelerated Implementation - Residential

Units	FY17	FY18	FY19	FY20
1	\$8.76	\$13.73	\$13.73	\$13.73
2	\$9.46	\$24.71	\$24.71	\$24.71
4	\$11.04	\$49.43	\$49.43	\$49.43
8	\$14.19	\$98.86	\$98.86	\$98.86
16	\$20.50	\$197.71	\$197.71	\$197.71
32	\$33.11	\$395.42	\$395.42	\$395.42
64	\$58.34	\$790.85	\$790.85	\$790.85
128	\$108.80	\$1,581.70	\$1,581.70	\$1,581.70

10-90 Accelerated Implementation - Non-Residential

Size	FY17	FY18	FY19	FY20
5/8"	\$8.76	\$13.73	\$13.73	\$13.73
1"	\$10.07	\$34.33	\$34.33	\$34.33
1.5"	\$12.26	\$68.65	\$68.65	\$68.65
2"	\$14.89	\$109.84	\$109.84	\$109.84
3"	\$21.02	\$205.95	\$205.95	\$205.95
4"	\$29.78	\$343.25	\$343.25	\$343.25
6"	\$51.68	\$686.50	\$686.50	\$686.50
8"	\$77.96	\$1,098.40	\$1,098.40	\$1,098.40

Forecasted Base Rate Revenue for 3 Options

	FY17	FY18	FY19	FY20
10-50-90	\$2.03 M	\$3.05 M	\$4.65 M	\$5.34 M
10-90	\$2.03 M	\$3.90 M	\$4.80 M	\$5.34 M
10-90 Accelerated	\$2.03 M	\$5.34 M	\$5.34 M	\$5.34 M

Fund Balance Impact

