



WATER RATE ANALYSIS UPDATE

September 17, 2012

Presentation Overview

1. Review of Selected Options
2. Committee discussion and recommendation

OPTION 3 - Fixed Fee plus Consumption Charge

RESIDENTIAL

	Base	Tier 1	Tier 2	Tier 3	Tier 4
Base Consumption	-	60	120	160	> Tier 3
Base Rate	\$ 86.00	\$ 42.00	\$ 72.00	\$ 94.00	
Rate per m3		\$ 0.70	\$ 1.20	\$ 2.35	\$ 3.00

FAMILY RATE

Rate per m3

	Base	Tier 1	Tier 2	Tier 3	Tier 4
Base Consumption		60	150	200	>Tier 3
Base Rate	\$ 86.00	\$ 42.00	\$ 108.00	\$ 117.50	
Rate per m3		\$ 0.70	\$ 1.20	\$ 2.35	\$ 3.00

COMMERCIAL

	Base	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Base Consumption	0	60	2,500	7,000	12,500	> Tier 4
Base Rate	\$ 86.00	\$ 42.00	\$2,928.00	\$10,575.00	\$ 14,300.00	
Rate per m3		\$ 0.70	\$ 1.20	\$ 2.35	\$ 2.60	\$ 3.00

OPTION 3 - Fixed Fee plus Consumption Charge

	REVENUES				BILLING AMOUNTS	
	Flat Base Rate - No Consumption					
Residential	Mar-13 Estimate	Sep-13 Estimate	TOTAL	2013 budget	Residential	Family
					60 m3	128.00 128.00
Residential Rate	\$ 634,548.37	\$ 894,106.02	\$ 1,528,654.40		120 m3	200.00 200.00
Multi Family	247,775.45	364,729.16	\$ 612,504.61		150 m3	270.50 236.00
Family Rate	5,953.30	7,113.35	\$ 13,066.65		200 m3	414.00 353.50
Total residential	\$ 888,277.12	\$ 1,265,948.53	\$ 2,154,225.65			
						Commercial
					100 m3	176.00
Commercial	328,647.70	542,343.40	870,991.10		1,000 m3	1,256.00
					5,000 m3	8,931.00
					10,000 m3	21,431.00
Totals	\$ 1,216,924.82	\$ 1,808,291.93	\$ 3,025,216.75	\$ 2,793,400.00	15,000 m3	35,431.00

OPTION 4 - Fixed Fee plus Consumption Charge – Same rate for all users

RESIDENTIAL

	Base	Tier 1	Tier 2	Tier 3	Tier 4
Base Consumption	-	60	120	160	> Tier 3
Base Rate	\$ 86.00	\$ 42.00	\$ 72.00	\$ 94.00	
Rate per m3		\$ 0.70	\$ 1.20	\$ 2.35	\$ 3.00

FAMILY RATE

Rate per m3	Base	Tier 1	Tier 2	Tier 3	Tier 4
Base Consumption	-	60	150	200	>Tier 3
Base Rate	\$ 86.00	\$ 42.00	\$ 108.00	\$ 117.50	
Rate per m3		\$ 0.70	\$ 1.20	\$ 2.35	\$ 3.00

COMMERCIAL

	Base	Tier 1	Tier 2	Tier 3	Tier 4
Base Consumption	-	60	120	160	>Tier 3
Base Rate	\$ 86.00	\$ 42.00	\$ 72.00	\$ 94.00	
Rate per m3		\$ 0.70	\$ 1.20	\$ 2.35	\$ 3.00

OPTION 4 - Fixed Fee plus Consumption Charge – Same rate for all users

REVENUES				BILLING AMOUNTS			
Flat Rate Base - Same Rate Res/Comm							
Residential	Mar-13 Estimate	Sep-13 Estimate	TOTAL	2013 budget	Residential	Family	
					60 m3	128.00	128.00
Residential Rate	\$ 634,548.37	\$ 894,106.02	\$ 1,528,654.40		120 m3	200.00	200.00
Multi Family	247,775.45	364,729.16	\$ 612,504.61		150 m3	270.50	236.00
Family Rate	5,953.30	7,113.35	\$ 13,066.65		200 m3	414.00	353.50
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Total residential	\$ 888,277.12	\$ 1,265,948.53	\$ 2,154,225.65				
					Commercial		
Commercial	567,223.35	860,361.50	1,427,584.85		100 m3	176.00	
					1,000 m3	2,814.00	
					5,000 m3	14,814.00	
					10,000 m3	29,814.00	
Totals	\$ 1,455,500.47	\$ 2,126,310.03	\$ 3,581,810.50	\$ 2,793,400.00	15,000 m3	44,814.00	

OPTION 4A - Fixed Fee plus Consumption Charge – Same rate for all users – expanded for Commercial Users

RESIDENTIAL

	Base	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Base Consumption	-	60	120	160	500	>500
Base Rate	\$ 86.00	\$ 42.00	\$ 72.00	\$ 94.00	\$ 1,020.00	
Rate per m3		\$ 0.70	\$ 1.20	\$ 2.35	\$ 3.00	\$ 1.70

FAMILY

	Base	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Base Consumption	-	60	150	200	500	>500
Base Rate	\$ 86.00	\$ 42.00	\$ 108.00	\$ 117.50	\$ 900.00	
Rate per m3		\$ 0.70	\$ 1.20	\$ 2.35	\$ 3.00	\$ 1.70

COMMERCIAL

	Base	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6	Tier 7
Base Consumption	0	60	120	160	500	1,000	5,000	> 5000
Base Rate	\$ 86.00	\$ 42.00	\$ 72.00	\$ 94.00	\$ 1,020.00	\$ 1,000.00	\$ 8,000.00	
Rate per m3		\$ 0.70	\$ 1.20	\$ 2.35	\$ 3.00	\$ 1.70	\$ 1.70	\$ 1.70

Water Billing Cost Examples

		2013 Estimate	2013 Estimate	2013 Estimate	
		<u>Option 3</u>	<u>Option 4</u>	<u>Option 4a</u>	
Cubic Meters		Flat Base Rate - No Consumption	Flat Base Rate - Same Rate Res/Comm	Flat Base Rate - Same Rate Res/Comm- Expanded commercial rates	Current Rates
Residential Rate		\$	\$	\$	\$
R	60	128.00	128.00	128.00	114.02
R	90	164.00	164.00	164.00	114.02
R	120	200.00	200.00	200.00	151.22
R	150	270.50	270.50	270.50	206.72
R	200	414.00	414.00	414.00	387.67
R	250	564.00	564.00	564.00	550.05
Family Rate					
F	60	128.00	128.00	128.00	114.02
F	90	164.00	164.00	164.00	114.02
F	120	200.00	200.00	200.00	151.22
F	150	236.00	236.00	236.00	188.42
F	200	353.50	353.50	353.50	271.77
F	250	503.50	503.50	503.50	399.51
Commercial Rate					
C	60	128.00	128.00	128.00	133.90
C	100	176.00	176.00	176.00	133.90
C	200	296.00	414.00	414.00	257.90
C	1,000	1,256.00	2,814.00	2,164.00	1,240.74
C	5,000	8,931.00	14,814.00	8,964.00	6,203.69
C	10,000	21,431.00	29,814.00	17,464.00	15,329.90
C	15,000	35,431.00	44,814.00	25,964.00	24,329.90

Recommendations

- Option 4A – Flat Rate Base plus consumption fee - same rate for all users – expanded commercial rates
 - Further promote water conservation in the commercial sector
 - Remove perceived inequity in the current rates between customer groups
 - Maintain stable parcel tax rate
 - Excess revenues generated to be used to reduce debt needs for water treatment plant



COMMITTEE DISCUSSION AND RECOMMENDATION