

Olivehurst Public Utility District

Agenda Item Staff Report



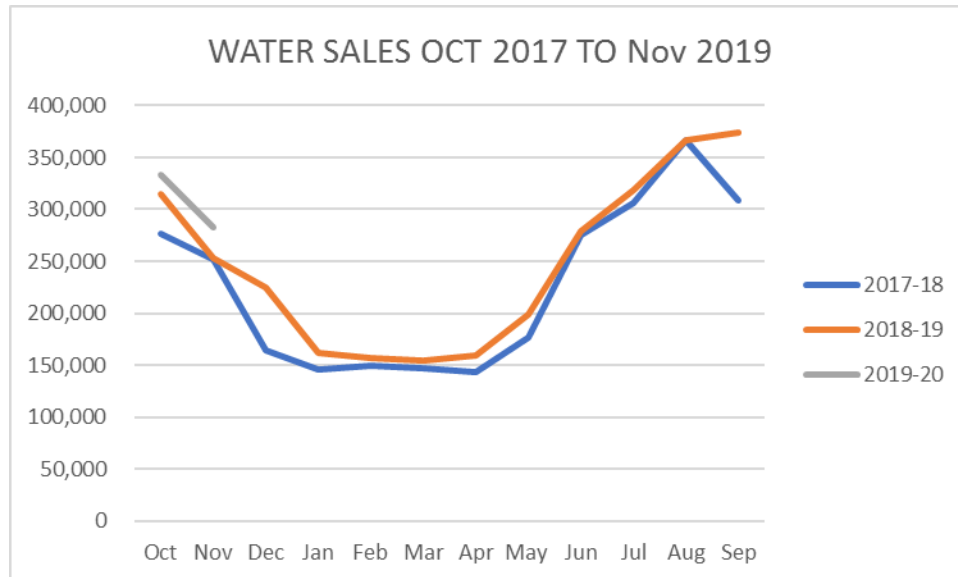
Meeting Date: December 19, 2019

Item description/summary:

Consider Rate Increase. The Board of Directors approved the agreement with Bartle Wells & Associates for a Water and Waste Water Rate study to review the adequacy of current rates to encourage conservation and to cover operating and capital outlay needs in the present and future. The approved rate increases are implemented in three steps. The first rate took place September 1, 2018. The next increase is scheduled for January 1 2020 and will be reflected in the February 2020 billings. The third increase is scheduled for January 1, 2021. No increases were implemented for Sewer Collection Fees.

Fiscal Analysis:

The Board approved rate structure aims to set aside \$500 for capital improvement projects. Attached are the impact estimates for each rate increase per rate study. The graph below shows the actual water sales revenues since October 2017:



Sewer collection revenues continue to provide funding for operations and capital reserves

Employee Feedback

Sample Motion(s):

Move to proceed or not to proceed with rate increase.

Prepared by:

Karin Helvey, Financial Manager

Water Service Charges			
	Water Service Charges Effective on or After		
	September 1 2018	January 1 2020	January 1 2021
METERED RATE ACCOUNTS			
<u>3/4-Inch Meter Accounts</u>			
Fixed Monthly Charge	\$16.50	\$18.00	\$19.50
<i>Water use included (not billed)</i>	<i>6 ccf</i>	<i>6 ccf</i>	<i>6 ccf</i>
Consumption Charge (\$/ccf)	\$1.65	\$1.80	\$1.95
<u>1-Inch to 4-Inch Meter Accounts</u>			
Fixed Monthly Charge	\$27.50	\$30.00	\$32.50
<i>Water use included (not billed)</i>	<i>10 ccf</i>	<i>10 ccf</i>	<i>10 ccf</i>
Consumption Charge (\$/ccf)	\$1.65	\$1.80	\$1.95
FLAT RATE ACCOUNTS			
<u>Fixed Monthly Charge</u>			
3/4" Service	\$44.55	\$45.90	\$46.80
1" Service	68.75	71.40	75.40

	Monthly Use (ccf)	Current Charges	Sept-1 2018	Jan-1 2019	Jan-1 2020
3/4" Meters (5,527 Accounts)					
Low Use	6	\$15.00	\$16.50	\$18.00	\$19.50
			\$1.50	\$1.50	\$1.50
			10.0%	9.1%	8.3%
Median Use	11	\$22.50	\$24.75	\$27.00	\$29.25
<i>(50% of Bills at or Below)</i>			\$2.25	\$2.25	\$2.25
			10.0%	9.1%	8.3%
Moderate Use	15	\$28.50	\$31.35	\$34.20	\$37.05
			\$2.85	\$2.85	\$2.85
			10.0%	9.1%	8.3%
Mod-High Use	25	\$43.50	\$47.85	\$52.20	\$56.55
			\$4.35	\$4.35	\$4.35
			10.0%	9.1%	8.3%
High Use	50	\$81.00	\$89.10	\$97.20	\$105.30
			\$8.10	\$8.10	\$8.10
			10.0%	9.1%	8.3%

Impacts on Monthly Water Bills C

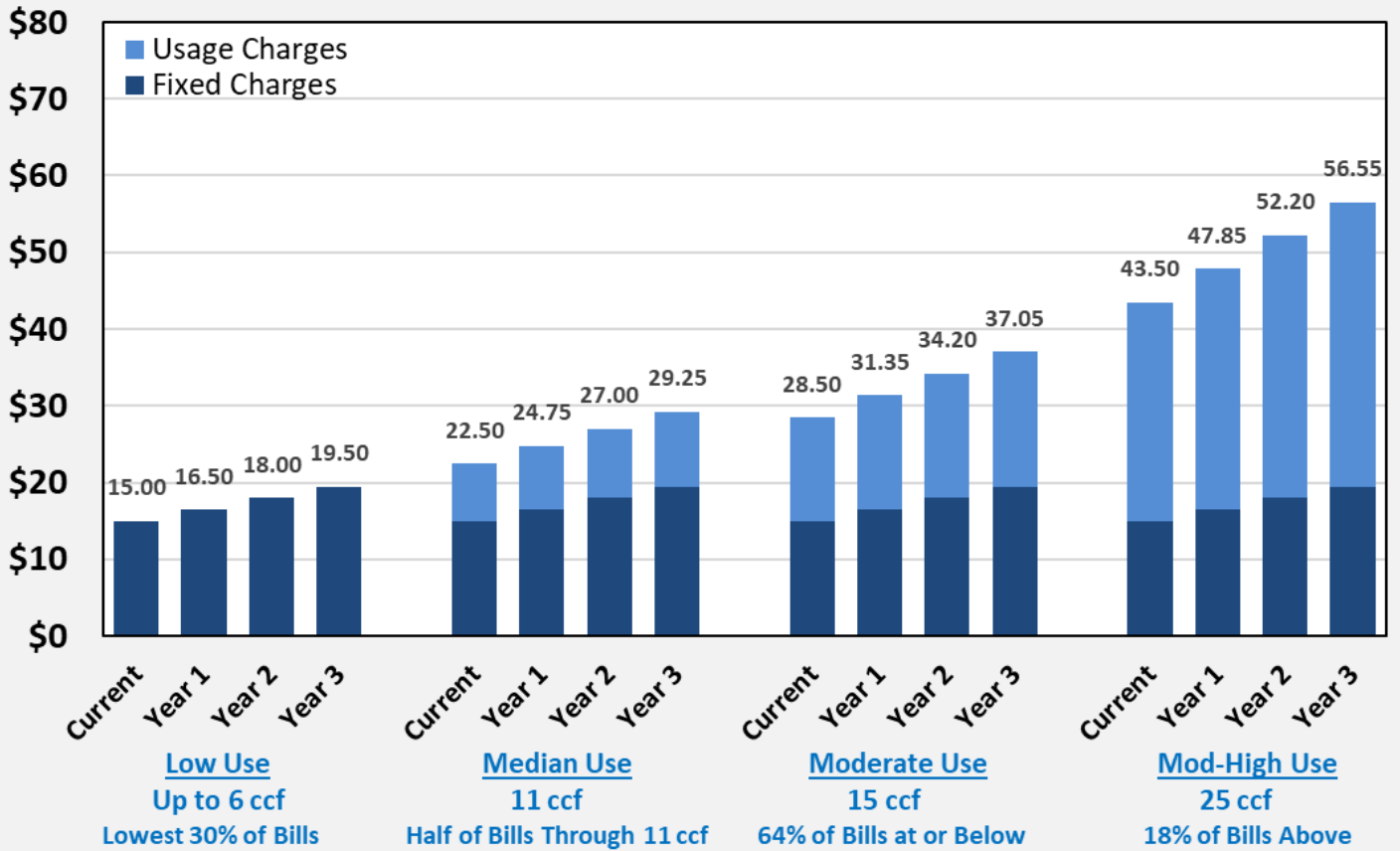


EXHIBIT A

OLIVEHURST PUBLIC UTILITY DISTRICT SCHEDULE OF WATER SERVICE CHARGES

Water Service Charges			
	Water Service Charges Effective on or After		
	September 1 2018	January 1 2020	January 1 2021
METERED RATE ACCOUNTS			
<u>3/4-Inch Meter Accounts</u>			
Fixed Monthly Charge	\$16.50	\$18.00	\$19.50
<i>Water use included (not billed)</i>	<i>6 ccf</i>	<i>6 ccf</i>	<i>6 ccf</i>
Consumption Charge (\$/ccf)	\$1.65	\$1.80	\$1.95
<u>1-Inch to 4-Inch Meter Accounts</u>			
Fixed Monthly Charge	\$27.50	\$30.00	\$32.50
<i>Water use included (not billed)</i>	<i>10 ccf</i>	<i>10 ccf</i>	<i>10 ccf</i>
Consumption Charge (\$/ccf)	\$1.65	\$1.80	\$1.95
FLAT RATE ACCOUNTS			
<u>Fixed Monthly Charge</u>			
3/4" Service	\$44.55	\$45.90	\$46.80
1" Service	68.75	71.40	75.40

Note: 1 ccf equals 100 cubic feet, or approximately 748 gallons.

- When meters are out of service, or otherwise not suitable for obtaining readings, the monthly service charges will be billed on the same basis as un-metered (flat rate) service for the appropriate service line size. (For example; a three quarter inch service would be billed \$45.90/month based on rates effective January 1, 2020)
- Water service charges for meters larger than four inches shall be determined on a case-by-case basis, depending on costs and service characteristics.