

Olivehurst Public Utility District

Agenda Item Staff Report



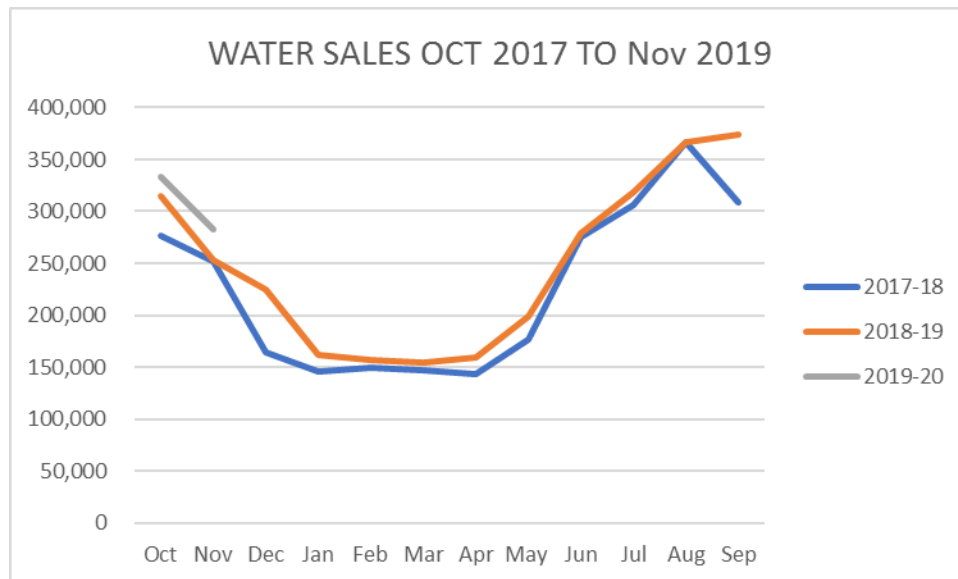
Meeting Date: December 19, 2019

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

	Current Water Rates	Projected Water Rates		
		Sep-1 2018	Jan-1 2020	Jan-1 2021
METERED RATE ACCOUNTS				
<u>3/4" Meter</u>				
Fixed Monthly Charge	\$15.00	\$16.50	\$18.00	\$19.50
<i>Water included with Fixed Charge</i>	6 ccf	6 ccf	6 ccf	6 ccf
Consumption Charge per ccf	\$1.50	\$1.65	\$1.80	\$1.95
<i>Applies to water use in excess of allowance</i>				
<u>1" - 4" Meter</u>				
Fixed Monthly Charge	\$25.00	\$27.50	\$30.00	\$32.50
<i>Water included with Fixed Charge</i>	10 ccf	10 ccf	10 ccf	10 ccf
Consumption Charge per ccf	\$1.50	\$1.65	\$1.80	\$1.95
<i>Applies to water use in excess of allowance</i>				

	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

