

City Council Meeting Agenda Request

Date of City Council Meeting:..... March 19, 2014
Person Requesting.....Debbie Sanchez
Department..... Finance
Time Required for Agenda Item..... 15 minutes

A G E N D A I T E M

Presentation of Water & Pressurized Irrigation Rates

DISCUSSION

In an effort to establish fair and equitable Culinary Water and Pressurized Irrigation usage rates throughout the City, staff has been compiling and analyzing data over the past few weeks. Trying to determine what will be fair and equitable has its challenges since the following factors had to be taken into consideration:

- Approximately 25% of the City's utility accounts have connected to the Pressurized Irrigation (PI) system and have a meter that can measure their PI usage.
- Approximately 25% of the City's utility accounts have access to Pressurized Irrigation (PI) but have chosen not to connect to the system. Therefore they do not have meters to measure their usage.
- Approximately 50% of the City's utility accounts do not have Pressurized Irrigation (PI) available to them therefore they rely solely on Culinary Water for both indoor and outdoor use.

Furthermore, as the data was compiled several issues came to light. One of the difficulties we encountered was the fact that the City has only one year of PI usage data. Unfortunately, the first readings taken from the PI meters cannot be used due to the fact that each PI meter was set at different times throughout the year. When the first reading was taken it contained all PI usage starting from the date the meter was installed. Consequently the meter read anywhere from one (1) to 12 months of usage in the first reading. Therefore, the numbers were extremely skewed. As such we are not using PI usage data at this point in time.

The City does however, have accurate readings on water usage for 2011, 2012, and 2013. We determined that we would need to use the water usage readings from those 3 years to extrapolate PI usage. We began by looking at accounts that had recently connected on to the pressurized irrigation system. The steps we used are as follows:

- We used the water usage data for each year from 2011 through 2013 and calculated an average monthly use.
- Since 2012 was the first year that pressurized irrigation was in place we calculated the difference between the water usage from 2011 to 2012 to get an average monthly figure for both water usage and PI usage. The assumption being that once the customer began using pressurized irrigation for outdoor use the culinary water usage would drop. Using those figures we calculated an average bill using the rate tables.
- Those who do not have access to pressurized irrigation will not see a change in their water rates. See attached Table A
- Those who have access to pressurized irrigation but choose not to use it will see their culinary water usage rates double. See attached Table B
- Those who have and use pressurized irrigation will now be charged according to their usage using the PI rate table, and their flat fee will drop depending on their meter size. See attached Table C.
- Those who have and use pressurized irrigation will not see a change in their culinary water usage rates - similar to those who do not have pressurized irrigation. See attached Table A

This we feel is the most fair and equitable way to charge the different classes of users and to care for our water resources. The sampling is smaller than we would like, however data is available for approximately 100 more accounts to be evaluated. It has taken a significant amount of time to build that data and it will take a little more time to run calculations on those accounts. Our hope is to have that information available by Wednesday night's meeting.

MOTION

Move to accept the Water Rate Tables as presented.

Rate Tables for Water and Pressurized Irrigation

TABLE A Culinary Water Rates for users w/out PI Access

Base	\$ 20.00				
	Rate per 1000 gal	Gallons		\$ Dollar	
		From	To	Min \$	Max \$
1st Level	\$ 1.25	-	13,000	-	16.25
2nd Level	\$ 1.50	13,001	100,000	19.50	150.00
3rd Level	\$ 2.00	100,001	200,000	200.00	400.00
4th Level	\$ 2.50	200,001	300,000	500.00	750.00
5th Level	\$ 3.00	300,001	99,999,999	900.00	300,000.00
6th Level	\$ 3.50	100,000,000	+	350,000.00	+

TABLE B Culinary Water Rates for users with PI Access

Base	\$ 20.00				
	Rate per 1000 gal	Gallons		\$ Dollar	
		From	To	Min \$	Max \$
1st Level	\$ 1.50	-	5,000	-	7.50
2nd Level	\$ 3.00	5,001	50,000	15.00	150.00
3rd Level	\$ 4.00	50,001	100,000	200.00	400.00
4th Level	\$ 5.00	100,001	200,000	500.01	1,000.00
5th Level	\$ 6.00	200,001	300,000	1,200.01	1,800.00
6th Level	\$ 7.00	300,001	99,999,999	2,100.01	699,999.99
7th Level	\$ 8.00	100,000,000	+	800,000.00	+

TABLE C Pressurized Irrigation Rates for users with PI Access

Base	\$ 20.00				
	Rate per 1000 gal	Gallons		\$ Dollar	
		From	To	Min \$	Max \$
1st Level	\$ 1.25	-	13,000	-	16.25
2nd Level	\$ 1.50	13,001	100,000	19.50	150.00
3rd Level	\$ 2.00	100,001	200,000	200.00	400.00
4th Level	\$ 2.50	200,001	300,000	500.00	750.00
5th Level	\$ 3.00	300,001	99,999,999	900.00	300,000.00
6th Level	\$ 3.50	100,000,000	+	350,000.00	+