

**CITY COUNCIL MEETING
TUESDAY, MAY 16, 2017**

PRESENTATIONS

Item #2 WS 17-017

Recommended FY 2018-2019 Water & Sewer Service Rates



Recommended FY 2018 and FY 2019 Water and Sewer Service Rates

May 16, 2017

UTILITIES & ENVIRONMENTAL SERVICES

Alex Ameri
Director of Utilities & Environmental Services

Water Rate Revenue



- Pays for purchase and distribution of water
 - Water usage charge – variable, based on consumption
 - Service Fee - fixed



Factors Affecting Water Usage Rates

Wholesale Water Purchases

SFPUC projects no change to current wholesale water rate for FY 2018 and FY 2019

Water Consumption

Conservatively estimating future consumption to remain consistent with FY 2017

Operating, Maintenance, Replacement

Costs remain mostly unchanged from FY 2017, with \$500K increase in replacement

- No increase in water consumption rate recommended

Water Service (Fixed) Fees



- Pay for costs that do not vary with water purchases, including:
 - Meter reading
 - Billing
 - Customer service
 - Repairs
 - Debt service
- Based on meter size
- Low income discount for qualified single-family residential customers
- Recommendation:
 - \$4 bimonthly increase (\$2 per month) proposed in each year

Water Service (Fixed) Fees



Meter Size	Current	Proposed FY 2018	Proposed FY 2019
Low Income - 5/8"	\$5.60	\$7.00	\$8.40
5/8"	\$16.00	\$20.00	\$24.00
3/4"	\$21.75	\$27.19	\$32.63
1"	\$32.95	\$41.19	\$49.43
1.5"	\$72.15	\$90.19	\$108.23
2"	\$127.00	\$158.75	\$190.50
3"	\$320.50	\$400.63	\$480.75
4"	\$634.90	\$793.63	\$952.35
6"	\$1,120.00	\$1,400.00	\$1,680.00
8"	\$1,550.50	\$1,938.13	\$2,325.75

Water Service (Fixed) Fees Comparison

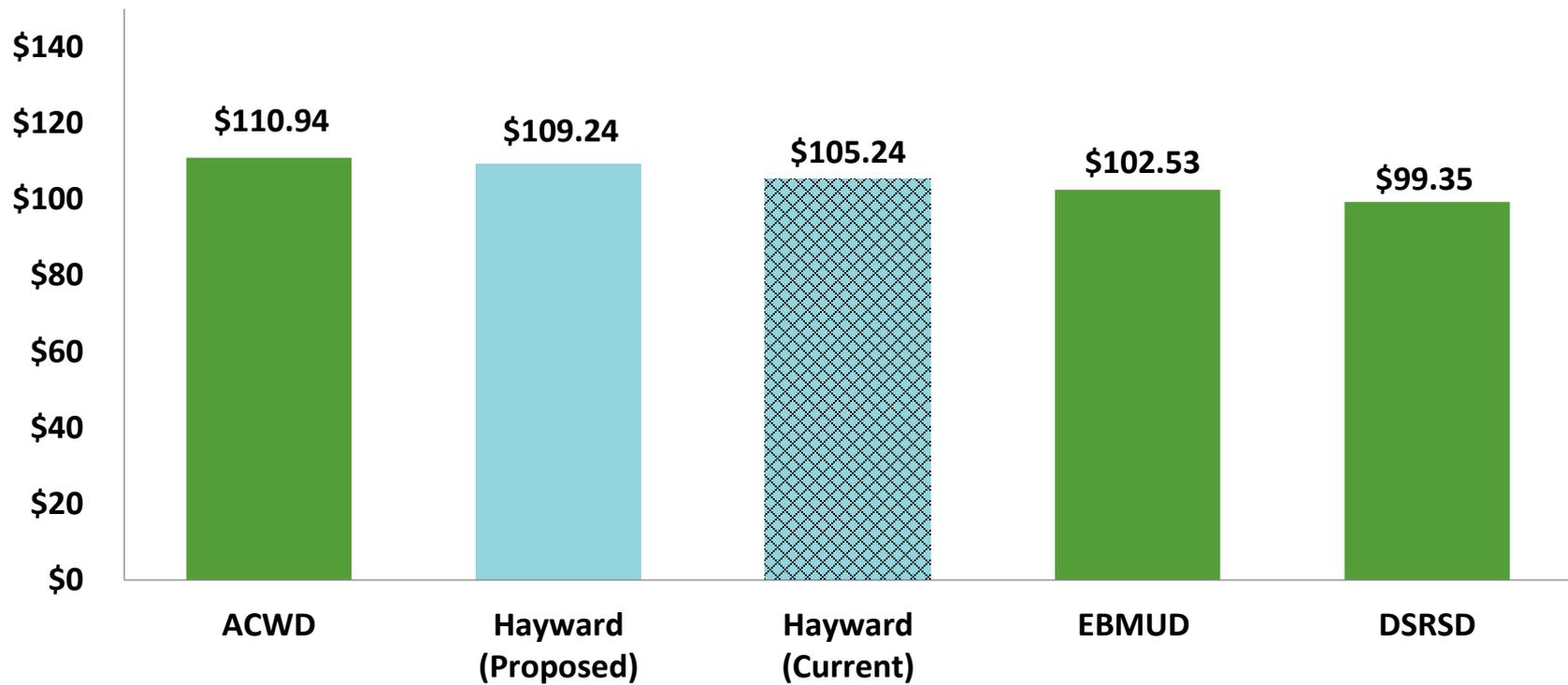


Agency	Bimonthly Service Fee (5/8" Meter)
Alameda County Water District	\$51.92
East Bay Municipal Utility District	\$45.20
Contra Costa Water District	\$35.40
Dublin San Ramon Services District	\$35.23
Hayward (Proposed FY 2018)	\$20.00
Hayward (Current)	\$16.00



Water Bill Comparison

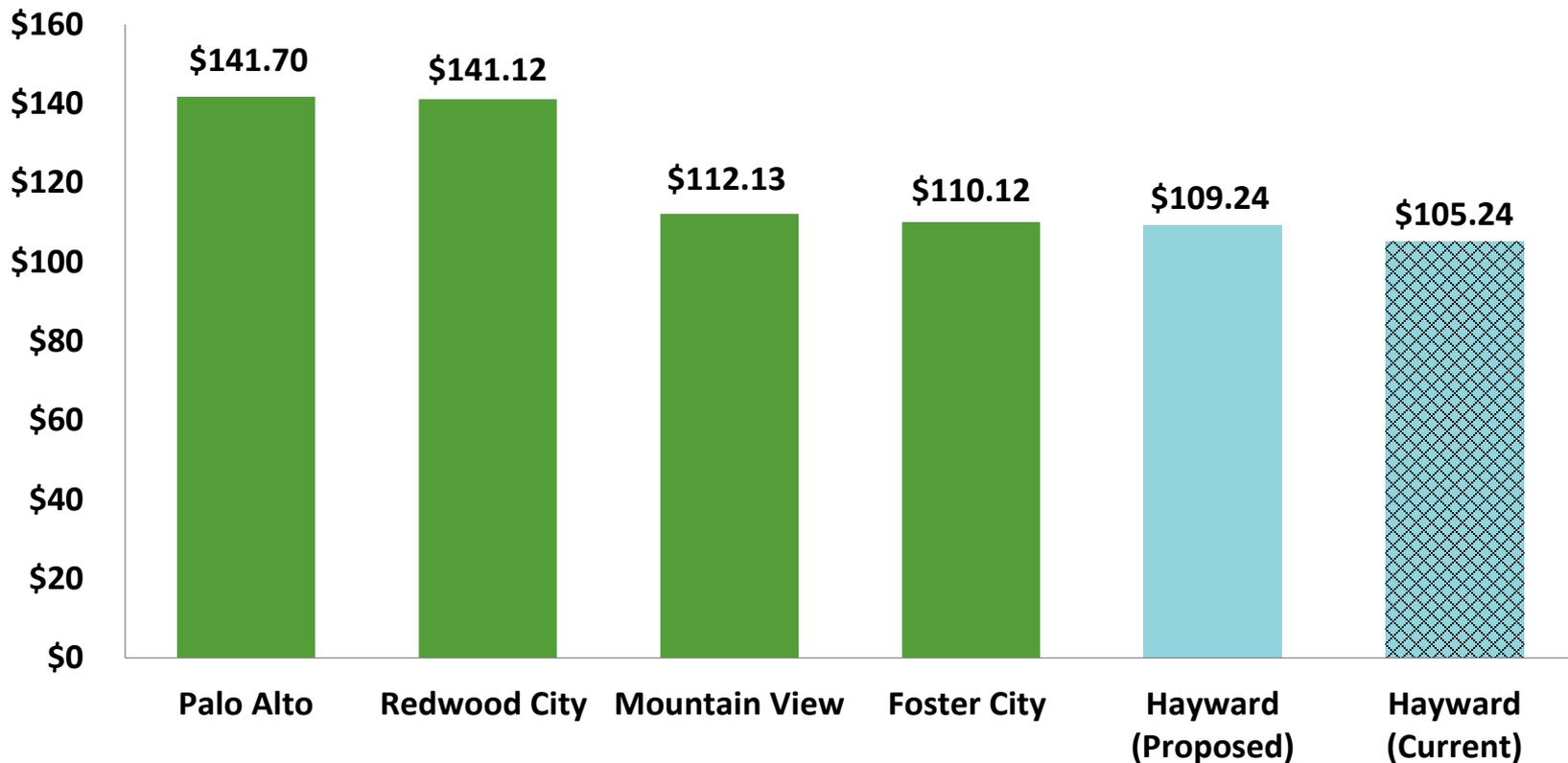
Single-Family Residential Bill for 14 ccf (175 gpd)
(Local Agencies)





Water Bill Comparison

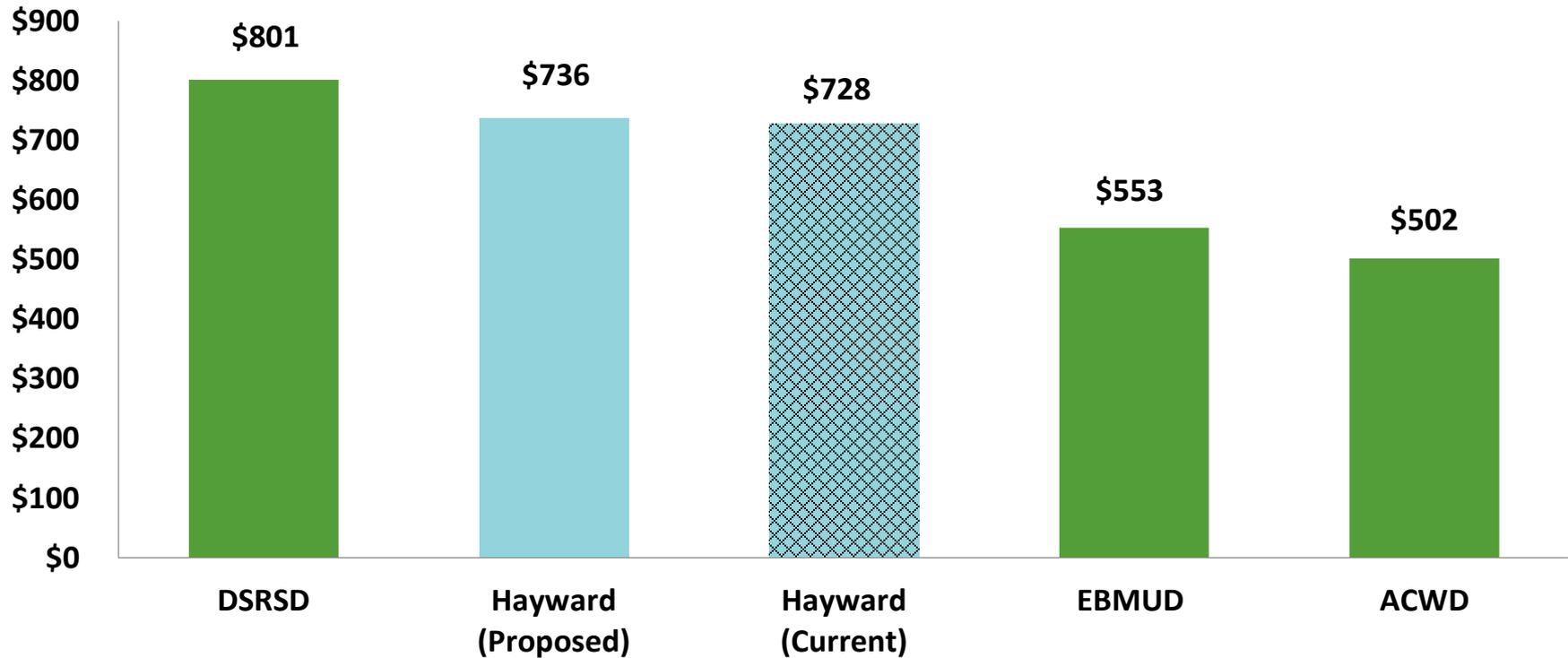
Single-Family Residential Bill for 14 ccf (175 gpd)
(SFPUC Wholesale Agencies)





Water Bill Comparison

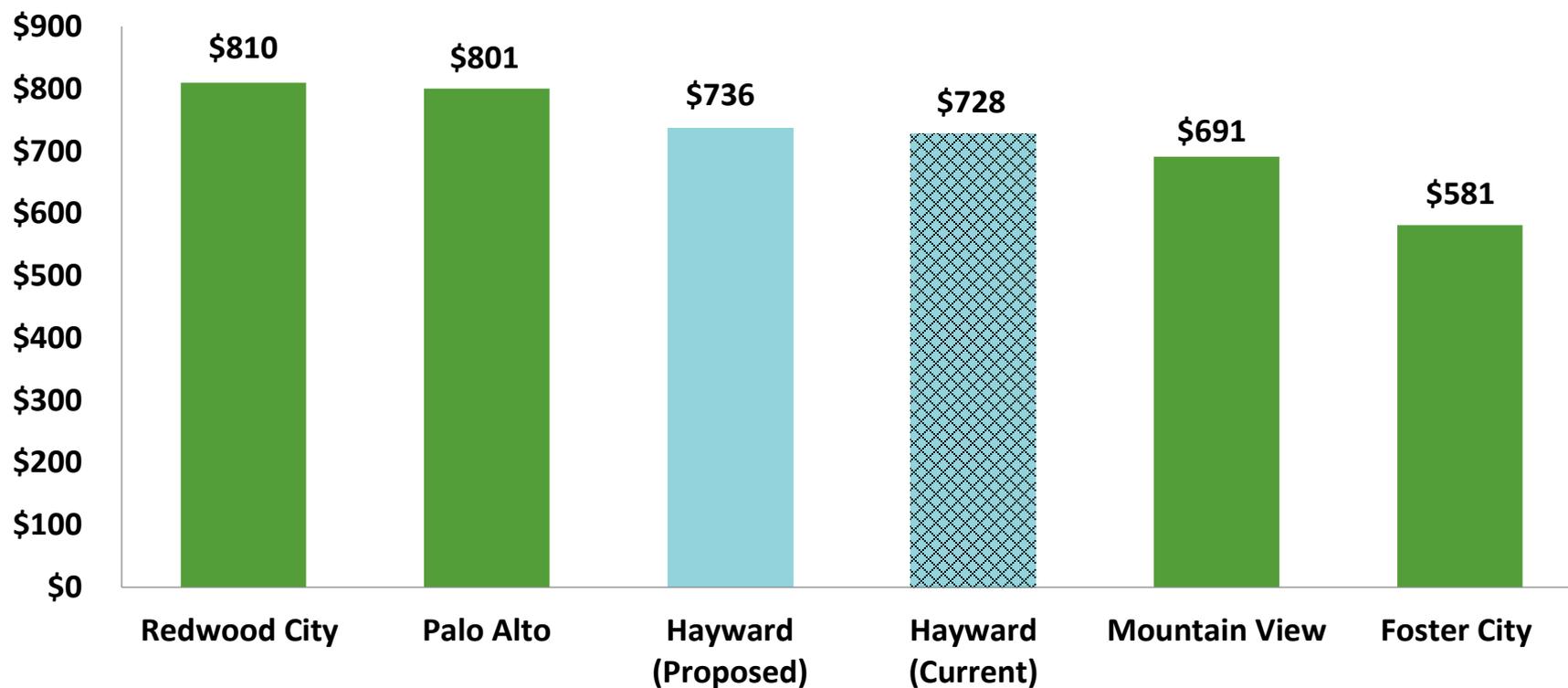
Commercial Bill for 100 ccf (1250 gpd)
(Local Agencies)





Water Bill Comparison

Commercial Bill for 100 ccf (1250 gpd)
(SFPUC Wholesale Agencies)





Water Cost for Everyday Activities

- 10 minutes of irrigation: 28¢
- 8 minute shower: 15¢
- 1 toilet flush: <2¢
- 1 load of laundry: 21¢





Sewer Rate Revenue

- Pays for collection, treatment, and disposal of wastewater
 - Residential – three tiers (Standard, Economy, & Lifeline)
 - Non-residential – based on water consumption and wastewater strength
- Factors Affecting Sewer Rates:
 - Operating, maintenance, and replacement Costs
 - Changes in industrial wastewater discharge

Sewer Service Fees



- Recommended 5% increase in FY 2018 and FY 2019
 - Standard Single Family Residential
 - Multifamily Residential
 - Mobile Homes
- Recommended 2.5% increase in FY 2018 and FY 2019, and changes to water use thresholds
 - Economy
 - Lifeline
- Recommended up to 7% increase in FY 2018 and FY 2019
 - Non-residential
 - Depending on discharge volume and waste strength

Residential Sewer Service Fees – Economy & Lifeline



Water Usage Thresholds:

Rate	Current Water Usage	Proposed Water Usage
Economy	6-10 ccf	5-8 ccf
Lifeline	0-5 ccf	0-4 ccf

Proposed Rates:

Rate	Current	Proposed	%	No Change to Usage Tiers	%
Economy	\$17.45	\$17.88	2.5%	\$22.35	28%
Lifeline	\$8.72	\$8.94	2.5%	\$11.18	28%

Residential Sewer Service Fees



Customer	Current	Proposed FY 2018	% Change	Proposed FY 2019	% Change
Single Family	\$29.80	\$31.29	5%	\$32.85	5%
Multi-Family	\$26.52	\$27.85	5%	\$29.24	5%
Mobile Home	\$20.86	\$21.90	5%	\$22.99	5%
Economy	\$17.45	\$17.88	2.5%	\$18.77	2.5%
Lifeline	\$8.72	\$8.94	2.5%	\$9.39	2.5%

Non-Residential Sewer Service Fees



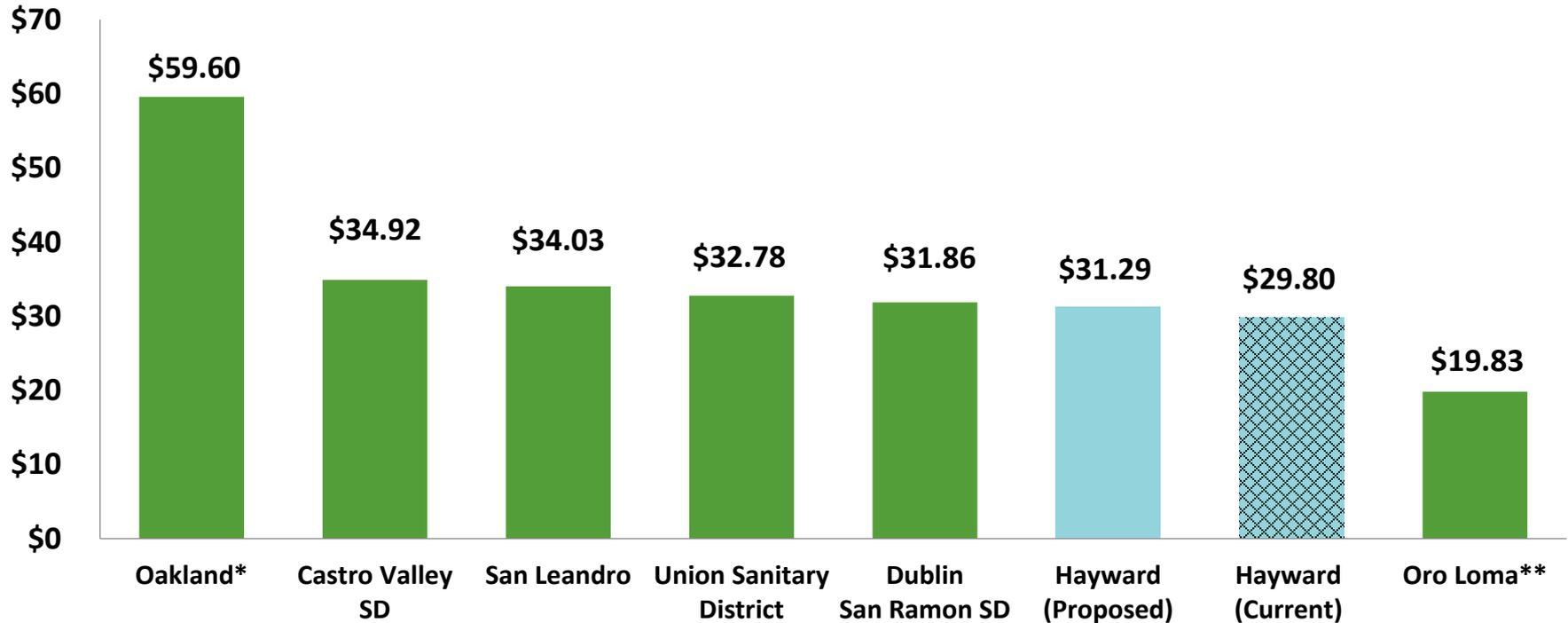
Customer	Current	Proposed FY 2018	% Change	Proposed FY 2019	% Change
Volume (per ccf)	\$2.53178	\$2.61182	3.2%	\$2.69187	3.2%
CBOD ¹ (per pound)	\$0.61383	\$0.66570	8.5%	\$0.71758	8.5%
SS ² (per pound)	\$0.75254	\$0.79276	5.4%	\$0.83300	5.4%

1. *CBOD = carbonaceous biochemical oxygen demand*
2. *SS = suspended solids*

Sewer Bill Comparison



Single-Family Residential Sewer Service Bill



* Includes updated EBMUD treatment charges (\$22.03) & City of Oakland collection charges (\$37.57)

** Receives lump sum payment from CVSD

Water and Sewer Connection Fees



- Pay for infrastructure needed to serve new development
- No fee increases recommended

Schedule



- Work Session: May 16
- Public (Prop 218) Noticing: May 26 – July 11
- Public Hearing and Council action on rates: July 11
- Effective dates: October 1, 2017 & October 1, 2018

Questions & Discussion

