



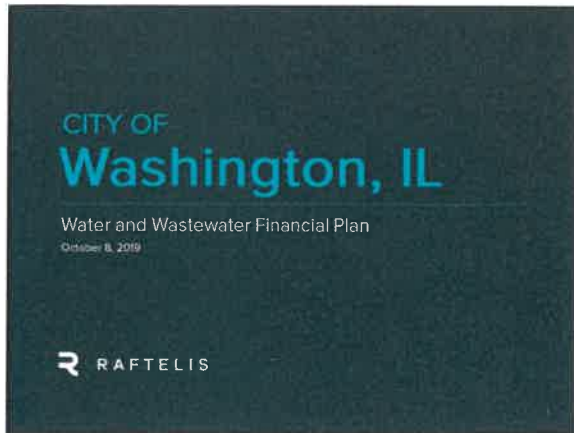
Memo

TO: Committee of the Whole
FROM: Ed Andrews, PE Public Works Director
DATE: October 4, 2018
SUBJECT: Water / Sewer Rate Study Presentation

At the May 21st, 2018 Meeting, Council approved a contract with Raftelis (w/ CMT) for a water and sewer rate study to help make critical funding considerations for capital projects associated with these two utilities. This effort is also helping with planned renewal of aged infrastructure, beginning with roadway reconstruction of N. Lawndale and W. Holland but would continue to provide an annual revenue for ultimate replacement of the approximate 20 miles of original cast iron water main dating back to the 1920s and clay sanitary sewers of similar vintage.

Preliminary findings have been compiled by Raftelis in the attached handouts from portions of their PowerPoint presentation, but more detailed discussions are anticipated to be had with the full cost model that is part of the final deliverables.

cc: File



Current Rates

| Water | | Sewer | |
|-------------------------|---------|-------------------------|---------|
| Technology Charge | \$ 3.85 | | |
| Charge per 1000 Gallons | | Charge per 1000 Gallons | |
| Resident | \$ 4.33 | Resident | \$ 9.01 |
| Senior Citizen | \$ 3.90 | Senior Citizen | \$ 8.11 |

Minimum charge of \$7.53 for residents, based on 850 gallons consumption + technology charge.



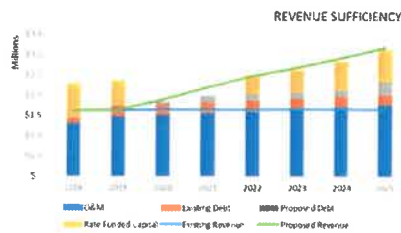
Water CIP

| Project | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
| Water Plant Levee | \$ 250,000 | \$ 25,000 | | | | | |
| Water Tower #3 | | 2,495,000 | | | | | |
| WTP #2 Filters | | 375,000 | | | | | |
| Water Plant #3 | | | | | | | 5,000,000 |
| Main Upgrades | 225,000 | 300,000 | 350,000 | 400,000 | 450,000 | 550,000 | 600,000 |
| Total | \$ 475,000 | \$ 3,195,000 | \$ 350,000 | \$ 400,000 | \$ 450,000 | \$ 550,000 | \$ 5,600,000 |



4

Water Financial Plan



5

Typical Water Bill – 4,500 Gallons

| Water Bill | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Technology Fee | \$ 3.85 | \$ 3.85 | \$ 3.85 | \$ 3.85 | \$ 3.85 | \$ 3.85 | \$ 3.85 |
| Volume Charge | 19.49 | 23.40 | 28.08 | 32.31 | 35.55 | 39.11 | 43.02 |
| Total | \$ 23.34 | \$ 27.25 | \$ 31.93 | \$ 36.16 | \$ 39.40 | \$ 42.96 | \$ 46.87 |



6

Water Bill Comparison

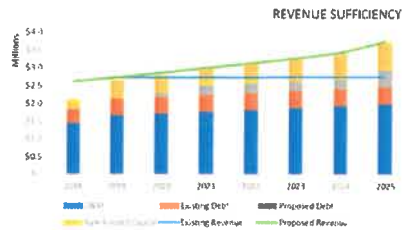


Sewer

Sewer CIP

| Project | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---------------------|-------------|------------|-----------|-----------|-----------|-----------|-------------|
| Lift Station VFDs | \$ 90,000 | | | | | | |
| Sewer Phase 2b | 3,750,000 | | | | | | |
| Sewer Phase 3 | | | | | | | 6,500,000 |
| Collection Upgrades | 400,000 | 475,000 | 450,000 | 500,000 | 550,000 | 600,000 | 650,000 |
| Total | \$4,240,000 | \$ 425,000 | \$450,000 | \$500,000 | \$550,000 | \$600,000 | \$7,150,000 |

Sewer Financial Plan



10

Typical Sewer Bill – 4,500 Gallons

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|------------|----------|----------|----------|----------|----------|----------|----------|
| Sewer Bill | \$ 40.55 | \$ 43.02 | \$ 45.18 | \$ 47.48 | \$ 49.86 | \$ 52.38 | \$ 57.65 |
| % Change | 2.50% | 6.10% | 5.01% | 5.06% | 5.62% | 5.11% | 10.04% |

11

Sewer Bill Comparison



12

Typical Combined Bill – 4,500 Gallons

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Water | \$ 23.34 | \$ 27.25 | \$ 31.93 | \$ 36.16 | \$ 39.40 | \$ 42.96 | \$ 46.87 |
| Sewer | 40.55 | 43.02 | 45.18 | 47.48 | 49.86 | 52.38 | 57.65 |
| Total | \$ 63.88 | \$ 70.27 | \$ 77.11 | \$ 83.64 | \$ 89.26 | \$ 95.34 | \$ 104.52 |
| % Annual | 2.35% | 10.00% | 9.74% | 8.40% | 6.22% | 6.82% | 9.63% |



13

Combined Bill Comparison



14

Thank you!

Contact: Tom Beckley
816 285 9024 / tbeckley@raftelis.com



15
