



## Legislation Details (With Text)

**File #:** 16-273      **Version:** 1      **Name:**  
**Type:** Action Item      **Status:** Agenda Ready  
**File created:** 10/7/2016      **In control:** Town Council Meeting  
**On agenda:** 10/24/2016      **Final action:**  
**Title:** Public Hearing for Intent to Adopt FY2016-17 Water and Sewer Rates.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Ordinance - Water Sewer Fees FY16-17, 2. Notice of Public Hearing Water and Sewer rates 10-24-2016

Date	Ver.	Action By	Action	Result
10/24/2016	1	Town Council Meeting	approved	Pass

**Subject:**

Public Hearing for Intent to Adopt FY2016-17 Water and Sewer Rates.

**EXPLANATION AND SUMMARY :**

A Water and Sewer Rate Study was conducted in-house two years ago. One goal was to provide financial stability to the Town’s water and sewer system by maintaining a positive cash flow for operations and debt service. The rate study was based upon three years of actual expenditures and three years of actual usage and billings from the Turchetta Software System. The rate study evaluated fixed and variable costs system- wide.

The Water and Sewer Rate Study was based on best practices from the American Water Works Association. In order to tie to Town Council initiatives, resource conservation was incentivized in the model. The Finance Department updated the rate study in January and February 2016. The intent of the rate study was to implement rate adjustments every two years as long as forecasted revenues were trending in actuals. This is the year for adjustments to rates, which is incorporated in the recommended rates below.

Consumption rates are increased by \$0.66/1000 gallons. The average Vienna resident uses 16,000 gallons per quarter, so this change amounts to a \$10.56 increase per quarter.

Recommended rates for implementation on July 1, 2016 are as follows:

<u>Residential</u>	Block Structure (Quarterly Basis)	
Water Consumption Charge	0 - 16,000 gallons	\$4.98 per 1000 gallons
	16,001 - 32,000 gal	\$5.42 per 1000 gallons
	32,001 plus gallons	\$6.27 per 1000 gallons
Sewer Consumption Charge	0 - 16,000 gallons	\$6.09 per 1000 gallons
	16,001 - 32,000 gal	\$6.59 per 1000 gallons
	32,001 plus gallons	\$7.64 per 1000 gallons
Residential Base Fee: \$15/quarter		

<u>Commercial</u>	Block Structure (Quarterly Basis)	
Water Consumption Charge	0 - 90,000 gallons	\$4.98 per 1000 gallons
	90,001 - 180,000 gal	\$5.42 per 1000 gallons
	180,001 plus gallons	\$6.27 per 1000 gallons
Sewer Consumption Charge	0 - 90,000 gallons	\$6.09 per 1000 gallons
	90,001 - 180,000 gal	\$6.59 per 1000 gallons
	180,001 plus gallons	\$7.64 per 1000 gallons

Commercial Base Fee: up to 5/8" meter \$15.75/quarter

All other quarterly charges based upon meter size are to remain the same. Additionally, all other availability and permit fees in the ordinance are unchanged.

This agenda item corrects the attachment for other fees which was originally incorrect. In no case were incorrect fees charged to a customer.

**Departmental Recommendation** : These rates will provide for a balanced budget for Fiscal Year 2016-17. Recommend approval.

**Finance Recommendation** : These rates will provide for a balanced budget for Fiscal Year 2016-17. Recommend approval.

**Purchasing Recommendation** : N/A

**Town Attorney Recommendation** : The Town Attorney recommends the Town Council conduct a public hearing on the proposed water and sewer rates.

**Town Manager's Recommendation** : I recommend the Town Council approve the proposed ordinance setting water and sewer rates for fiscal year beginning July 1, 2016 as presented.

Cost and Financing: \$7,237,170

Account Number: various

Decision Needed by This Date: June 30, 2016

### **PROPOSED/SUGGESTED MOTION**

"I move to close the Public Hearing."

And

"I further move that Town Council approve the proposed ordinance setting water and sewer rates for the fiscal year beginning July 1, 2016 and direct the Town Clerk to advertise a notice of intent to adopt for the Council meeting of November 7, 2016.

Or

Other action deemed necessary by Council.