



Legislation Details (With Text)

File #: 19-1217 **Version:** 1 **Name:**
Type: Action Item **Status:** Passed
File created: 3/25/2019 **In control:** Town Council Meeting
On agenda: 4/8/2019 **Final action:** 4/8/2019
Title: Public Hearing regarding FY 2019-20 Water and Sewer Rates
Sponsors:
Indexes:
Code sections:
Attachments: 1. Sec. 1_13. Schedule of public works fees red lined.doc, 2.
Sec. 1_13. Schedule of public works fees FINAL

Date	Ver.	Action By	Action	Result
4/8/2019	1	Town Council Meeting	approved	Pass

Subject:

Public Hearing regarding FY 2019-20 Water and Sewer Rates

EXPLANATION AND SUMMARY :

A Water and Sewer Rate Study was performed by Municipal & Financial Services Group in FY 2017-18. Goals of the study were to:

- maintain the financial health of the fund
- fairly balance consumption and revenue
- ensure that rates cover the full cost of operations and debt service, which finances capital projects
- ensure that rates are structured according to industry best practices
- fund debt service at a level that maintains the water and sewer infrastructure
- underscore Council's initiative of conservation by incorporating an incentivized rate structure.

The rate study projected revenues and expenses by tier for a five-year period, which includes rate changes every year to ensure financial objectives are achieved. During the year, we reviewed actual consumption patterns by rate tier to ensure that budgeted rates for the second year of the study period were adequate and, as a result, made slight adjustments to sewer rates. Water rates are proposed to increase 3.9 percent, and sewer rates are proposed to increase 10.5 percent based on FY 2018-19 actual billed experience by rate tier. Fixed service charges are proposed to increase from \$17.75 to \$23, or 29.6 percent, per quarter for residential customers; this increase is necessary to the Town's efforts to bring the total percent of fixed charges in line with industry standards. Commercial customer fixed charges also are proposed to increase by 29.6 percent based on meter size.

Overall, the average residential customer's bill is proposed to increase by \$16.20 per quarter, or \$64.80 annually, an increase of 10.0 percent.

Water availability and meter purchase fees are proposed to increase by 2.5 and 3.5 percent, respectively, to match fees charged by Fairfax County. Increase percentages are minimal and will have a small positive impact on revenue.

Changes to the fee schedule are attached. A public hearing on these fee changes is scheduled to provide water and sewer customers with an opportunity to offer comments.

Departmental Recommendation : The Finance Department recommends a public hearing.

Finance Recommendation : The Finance Department recommends a public hearing.

Purchasing Recommendation : N/A

Town Attorney Recommendation : Under state and Town codes, Town Council must conduct a public hearing on proposed water and sewer rates.

Town Manager's Recommendation : I recommend the Town Council approve water and sewer rates and public works fees for fiscal year 2019-2020

Cost and Financing: Revenue recommendation

Account Number: various

Decision Needed by This date: April 8, 2019

PROPOSED/SUGGESTED MOTION

"I move to close the public hearing."

And

"I further move to approve water and sewer rates and public works fees for FY2019-20 as presented.

And I further move that the Town Clerk be directed to advertise a Notice of Intent to Adopt water and sewer rates and public works fees for Fiscal Year 2019-20 at the May 13, 2019 Town Council meeting."

Or

Other action deemed necessary by Council.