



Town of Vienna

Charles A. Robinson Jr. Town
Hall
127 Center Street South
Vienna VA, 22180

Legislation Details (With Text)

File #: 20-1675 **Version:** 1 **Name:**
Type: Action Item **Status:** Agenda Ready
File created: 4/22/2020 **In control:** Town Council Meeting
On agenda: 5/11/2020 **Final action:**
Title: Intent to Adopt FY 2020-21 Water and Sewer Rates

Sponsors:

Indexes:

Code sections:

Attachments: 1. Reg Require Adopt WS Rates, 2. Sec. 1_13. Schedule of public works fees FY20-21 changes accepted, 3. Notice of Intent to Adopt - Water & Sewer Rates 5-11-2020

| Date | Ver. | Action By | Action | Result |
|-----------|------|----------------------|----------|--------|
| 5/11/2020 | 1 | Town Council Meeting | approved | Pass |

Subject:

Intent to Adopt FY 2020-21 Water and Sewer Rates

EXPLANATION AND SUMMARY :

Town water and sewer rates for consumption and service charges are modeled on results of a rate study conducted in FY 2017-18, which laid out a plan for five years to ensure the fund had adequate operating reserves and through which Council committed to increase investment in infrastructure for the good of the Town and its customers.

During the past fiscal year, we reviewed actual water and sewer consumption patterns by rate tier to ensure that budgeted rates for the third year of the study period were adequate; as a result, we made slight adjustments to both water and sewer rates. Water rates are proposed to increase 6.6 percent, and sewer rates are proposed to increase by 8.2 percent, based on actual billed experience by rate tier and lower sewer treatment costs than modeled. Fixed service charges are proposed to increase from \$23 to \$30, or by 30.4 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 30.4 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.

Consumption charges proposed for FY 2019-20 are as follows:

| <u>Residential</u> | <u>Block Structure (Quarterly Basis)</u> | |
|--------------------------|--|----------------------|
| Water Consumption Charge | 0 - 9,000 gallons | \$5.65 per 1000 gals |
| | 9,001 - 18,000 gal | \$6.10 per 1000 gals |
| | 18,001 plus gal | \$7.05 per 1000 gals |

| | | |
|--------------------------|--------------------|----------------------|
| Sewer Consumption Charge | 0 - 9,000 gallons | \$7.95 per 1000 gals |
| | 9,001 - 18,000 gal | \$8.60 per 1000 gals |
| | 18,001 plus gal | \$9.95 per 1000 gals |

Residential Base Rate: \$30.00/quarter

| <u>Commercial</u> | <u>Block Structure (Quarterly Basis)</u> | |
|--------------------------|--|----------------------|
| Water Consumption Charge | 0 - 9,000 gallons | \$5.65 per 1000 gals |
| | 9,001 - 18,000 gal | \$6.10 per 1000 gals |
| | 18,001 plus gal | \$7.05 per 1000 gals |

| | | |
|--------------------------|--------------------|----------------------|
| Sewer Consumption Charge | 0 - 9,000 gallons | \$7.95 per 1000 gals |
| | 9,001 - 18,000 gal | \$8.60 per 1000 gals |
| | 18,001 plus gal | \$9.95 per 1000 gals |

| | | |
|----------------------|------------|--------------------|
| Commercial Base Fee: | 5/8" meter | \$43.30/quarter |
| | 1.0" meter | \$108.25/quarter |
| | 1.5" meter | \$216.50/quarter |
| | 2.0" meter | \$346.40/quarter |
| | 3.0" meter | \$692.80/quarter |
| | 4.0" meter | \$1,082.50/quarter |

A public hearing was held on April 13, 2020 to allow public comment on the new rates. The Finance Department requests that Council approve the rates as proposed, effective July 1, 2020.

Strategic Plan Initiative: *Vienna is a fiscally responsible community; Vienna is an environmentally sustainable community*

Departmental Recommendation : Recommend approval of water and sewer rates as presented.

Finance Recommendation : Recommend approval of water and sewer rates as presented.

Purchasing Recommendation : N/A

Town Attorney Recommendation : The Town has conducted a public hearing on the proposed water and sewer rates, and Town Council may adopt the proposed rates in its discretion.

Town Manager's Recommendation : I recommend the Town Council approve an ordinance setting water and sewer rates for fiscal year 2020-21, beginning July 1, 2020, as presented and that the Council direct the Town Clerk to advertise a Notice of Adoption, as presented.

Cost and Financing: \$10,194,050

Account Number: various

Decision Needed by This date: May 11, 2020

PROPOSED/SUGGESTED MOTION

"I move to approve an ordinance setting water and sewer rates for fiscal year 2020-21, beginning July 1, 2020, as presented."

And

"I further move that the Town Clerk be directed to advertise a Notice of Adoption."

Or

Other action deemed necessary by Council.