



Town of Vienna

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

Legislation Text

File #: 13-570, **Version:** 1

Subject:

Intent to Adopt FY2015-2016 Water and Sewer Rates

EXPLANATION AND SUMMARY :

Last year a Water and Sewer Rate Study was conducted in-house. One goal was to provide financial stability to the TOV 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 the fixed costs and variable costs system wide.

The Water and Sewer Rate Study was based on best practices from American Water Works Association. In order to tie to Town Council initiatives, resource conservation was incentivized in the model. The Finance department began the Rate study in July 2013 and it was completed in February 2014. The intent of the Rate Study was to implement rate adjustments every two years as long as the forecasted revenue was trending in actuals. Therefore, the next possible rate adjustment would occur in FY2016-2017.

After following and trending the actual revenues from the July 2014 implemented rates, the Town is on track. No changes to the rates are needed for FY 2015-2016.

The recommended rates for next fiscal year are the same as the current rates:

<u>Residential</u>	Block Structure (Quarterly Basis)	
Water Consumption Charge	0 - 16,000 gallons	\$4.66 per 1000 gallons
	16,001 - 32,000 gal	\$5.10 per 1000 gallons
	32,001 plus gallons	\$6.00 per 1000 gallons
Sewer Consumption Charge	0 - 16,000 gallons	\$5.75 per 1000 gallons
	16,001 - 32,000 gal	\$6.25 per 1000 gallons
	32,001 plus gallons	\$7.30 per 1000 gallons

Residential Base Fee: \$15/quarter

<u>Commercial</u>	Block Structure (Quarterly Basis)	
Water Consumption Charge	0 - 90,000 gallons	\$4.66 per 1000 gallons
	90,001 - 180,000 gal	\$5.10 per 1000 gallons
	180,001 plus gallons	\$5.95 per 1000 gallons
Sewer Consumption Charge	0 - 90,000 gallons	\$5.75 per 1000 gallons
	90,001 - 180,000 gal	\$6.25 per 1000 gallons
	180,001 plus gallons	\$7.25 per 1000 gallons

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

All other quarterly charges based upon meter size to remain the same.

Departmental Recommendation : These rates, same as current, will provide for a balanced budget for Fiscal Year 2015-2016. Recommend approval.

Finance Recommendation : These rates, same as current, will provide for a balanced budget for Fiscal Year 2015-2016. Recommend approval.

Purchasing Recommendation : N/A

Town Attorney Recommendation : The Town Council has conducted a public hearing on the proposed water and sewer rates for FY2015-2016 and advertised intent to adopt. The Town Council may adopt the proposed water and sewer rates in its discretion.

Town Manager's Recommendation : I recommend the Town Council approve an ordinance setting the Water and Sewer rates for the Fiscal Year Beginning July 1, 2015 as proposed.

Cost and Financing: \$6,735,000

Account Number: various

Decision Needed by This date: June 30, 2015

PROPOSED/SUGGESTED MOTION

"I move for the approval of an Ordinance setting Water and Sewer Rates for the Fiscal Year beginning July 1, 2015 as proposed."

And

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

Or

Other action deemed necessary by Council.