



Town of Vienna

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

Legislation Text

File #: 16-110, **Version:** 1

Subject:

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.

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

Town Manager's Recommendation : I recommend the Town Council approve of an 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 for approval of an ordinance setting water and sewer rates for the fiscal year beginning July 1, 2016 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.