



Legislation Text

File #: 22-3107, **Version:** 1

Subject:

Intent to Adopt FY 2022-23 Water and Sewer Rates

EXPLANATION AND SUMMARY :

Town water and sewer rates for consumption and service charges are based 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, the Town reviewed actual water and sewer consumption patterns by rate tier to ensure that budgeted rates for the last year of the study period provided an adequate cash reserve for the fund. As a result, the Town made slight adjustments to both water and sewer rates. Water rates are proposed to increase 2.6 percent, and sewer rates are proposed to increase by 6.4 percent, both based on actual billed experience by rate tier and costs to purchase wholesale water and sewer treatment. Fixed service charges are proposed to increase from \$31.30 to \$32.80 per quarter for most residential customers, or 4.8 percent. This increase is necessary to bring the total percent of fixed charges in line with industry standards. Commercial customer fixed charges are proposed to increase by 10 percent based on meter size.

Overall, the average residential customer's bill is proposed to increase by \$10 per quarter, or \$40 annually, an increase of 4.8 percent.

Water availability and meter purchase fees are proposed to increase by 2 to 3 percent, 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 2022-23 are as follows:

RESIDENTIAL CONSUMPTION	Block Rate
Water 0 - 9,000 gallons	\$5.85 per 1,000 gallons
Water 9,001 - 18,000 gallons	\$6.35 per 1,000 gallons
Water 18,001 plus gallons	\$7.28 per 1,000 gallons
Sewer 0 - 9,000 gallons	\$9.30 per 1,000 gallons
Sewer 9,001 - 18,000 gallons	\$10.05 per 1,000 gallons
Sewer 18,001 plus gallons	\$11.65 per 1,000 gallons

Residential Base Fee	\$32.80 / quarter
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COMMERCIAL CONSUMPTION	Block Rate
Water 0-120,000 gallons	\$5.85 per 1,000 gallons
Water 120,001 - 360,000 gallons	\$6.35 per 1,000 gallons
Water 360,001 plus gallons	\$7.88 per 1,000 gallons
Sewer 0 - 120,000 gallons	\$9.30 per 1,000 gallons
Sewer 120,001 - 360,000 gallons	\$12.05 per 1,000 gallons
Sewer 360,001 plus gallons	\$11.65 per 1,000 gallons
Commercial Base Fee	5/8" meter \$52.50 /quarter
Sewer 0 - 120,000 gallons	1.0" meter \$131.00 / quarter
Sewer 120,001 - 360,000 gallons	1.5" meter \$262.00 / quarter
Sewer 360,001 plus gallons	2.0" meter \$419.00 / quarter
	3.0" meter \$838.00 / quarter
	4.0" meter \$1,310.00 / quarter
Commercial Base Fee	5/8" meter \$52.50 /quarter
	1.0" meter \$131.00 / quarter
	1.5" meter \$262.00 / quarter
	2.0" meter \$419.00 / quarter
	3.0" meter \$838.00 / quarter
	4.0" meter \$1,310.00 / quarter

A public hearing was held on April 11, 2022 to allow public comment on the new rates. The finance department requests that Council adopt the rates as proposed, effective July 1, 2022.

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

Board or Commission of Interest: N/A

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

Finance Recommendation : Recommend adoption 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 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

water and sewer rates for fiscal year 2022-23, as presented.

Cost and Financing: \$11,501,720

Account Number: various

Decision Needed by This date: May 16, 2022

PROPOSED/SUGGESTED MOTION

"I move to approve an ordinance setting water and sewer rates for fiscal year 2022-23, beginning July 1, 2022, as presented."

Or

Other action deemed necessary by Council.