



IRRIGATION WATER:

SANITARY SEWER WINTER PRICING MODEL

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DISCUSSION OUTLINE

- Existing utility rate structure
- Proposed rate structure
- Examples from other utility districts
- Next steps
- Discussion

EXISTING UTILITY RATE STRUCTURE

- Water rates (potable water)
 - Inclining rate structure to capture costs associated with large demands caused by irrigation and other uses
 - Impact fee to pay for past and near-term future investments by the City. Based on 350 gal/day per sfue
- Sewer revenues associated with irrigation
 - Declining rate structure - acknowledges that increased water consumption can be associated with irrigation and other uses that may not enter the wastewater stream

SANITARY SEWER WINTER PRICING MODEL

- Proposed changes to the sanitary sewer rate structure
 - Winter average based on months consistent with the City's NPDES permit – November 1 through April 30
 - Summer volume equal to the lesser of metered water or winter average plus 30%
 - Eliminate the declining rate structure
 - Perform rate analysis to develop recommendations for 5 year horizon based on revenue impacts

Existing San. Sewer Rates (effective 1/01/2020)

Availability charge (1,000 gallons)	\$18.87
Next 14,000 gallons	\$6.27
All additional gallons	\$5.48

Proposed San. Sewer Rates (winter pricing)

Availability charge (1,000 gallons)	\$18.87
All additional gallons	\$6.27

SANITARY SEWER WINTER PRICING MODEL

- Proposed changes to water rate structure
 - Modify inclining rate consistent with volume of water anticipated in the impact fee (350 gpd – 10,500 gpm for 30 day month)
 - Perform rate analysis to develop recommendations for 5 year horizon based on revenue impacts

Existing Water (effective 1/01/2020)

Availability charge (1,000 gallons)	\$13.36
Next 9,000 gallons	\$5.18
Next 15,000 gallons	\$6.11
All additional gallons	\$7.04

Proposed Water Rates (winter pricing)

Availability charge (1,000 gallons)	\$13.36
Next 9,000 gallons	\$5.18
All additional gallons	\$7.04

EXAMPLES FROM OTHER UTILITIES

Utilities with Winter Averaging Models	
Mt. Juliet, TN	Jan – April average
Metro Water Services	Jan – March average + 30% maximum sewer charges billed
Murfreesboro, TN	Nov- March, capped at 120%
Brentwood, TN	Nov – Feb average
Whitehouse, TN	Nov – March, excluding highest & lowest month

NEXT STEPS

- Work with Revenue Management, Finance and IT to develop billing methodology
- Develop draft ordinance language to be considered by BOMA
- Engage rate consultant to perform rate analysis to develop recommendations for 5 year horizon based on revenue impacts

DISCUSSION