



Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: August 1, 2022

Re: Amending Chapter 27 of the City Code as it relates to water utility rates

## Executive Summary

Staff has prepared for Council consideration an ordinance amending Chapter 27 of the City Code as it relates to rates charged by the water utility.

## Discussion

Staff is recommending that Chapter 27 of the City Code be amended to implement a revenue increase in connection with the August 2018 revenue bond package presented to the voters for water utility capital improvements, along with increasing operating expenses that are reducing the utilities cash reserve.

Included below is a description of the changes to Chapter 27.

Chapter 27 proposed changes: Chapter 27 of the City Code governs the charges paid by customers of the water utility. The following revenue increases are being proposed for FY 2023.

- 10% increase in base fees
- 5% increase in residential tier 1
- 5% increase in the Airport
- 15% increase in residential tier 2
- 30% increase in residential tier 3
- 15% increase in commercial tier 1

Included below is a list of sections proposed to be changed and the changes.

Sec. 27-122(a) (1) - Water rates inside city limits – residential/commercial multiple-family facilities:

Rates per one hundred (100) cubic feet (1 ccf), inside city limits:

- All water, beginning with first one hundred (100) cubic feet (1 ccf) from \$2.86 to \$3.00
- Summer water usage for residential customers, except commercial multiple-family facilities and multiple commercial facilities served through a single meter
  - Usage of zero (0) to seventy (70) percent of winter average consumption from \$2.86 to \$3.00



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- Usage of seventy-one (71) to one hundred seventy (170) percent of winter average consumption from \$4.01 to \$4.61
- Usage exceeding one hundred seventy (170) percent of winter average consumption from \$6.02 to \$7.83
- Summer water usage for commercial multiple-family facilities and multiple commercial facilities served through a single meter:
  - Usage of zero (0) to seventy (70) percent of winter average consumption from \$2.86 to \$3.00
  - Usage of seventy-one (71) to one hundred seventy (170) percent of winter average consumption from \$4.01 to \$4.61
  - Usage exceeding one hundred seventy (170) percent of winter average consumption from \$6.02 to \$7.83

Sec. 27-122 (a)(2) – Minimum charge per month based on meter size will be increased to the following:

5/8 inch and ¾ inch from \$10.00 to \$11.00

1 inch from \$14.38 to \$15.82

1 ½ inch from \$28.96 to \$31.86

2 inch from \$43.05 to \$47.36

3 inch from \$150.68 to \$165.75

4 inch from \$333.13 to \$366.44

6 inch from \$717.50 to \$789.25

Sec. 27-122 (b) –For water service metered separately for lawn irrigation:

Rates per one hundred (100) cubic feet (1 ccf):

Non-summer water usage from \$2.86 to \$3.00

Summer water usage from \$6.02 to \$7.83

Sec. 27-122.1(a)(1) – Commercial:

Rates per one hundred (100) cubic feet (1 ccf), inside city limits:

- All water, beginning with first one hundred (100) cubic feet (1 ccf) from \$2.70 to \$3.11

Summer water usage:

- Usage of zero (0) to seventy (70) percent of winter average consumption from \$2.70 to \$3.11
- Usage of seventy-one (71) to one hundred seventy (170) percent of winter average consumption from \$4.01 to \$4.61
- Usage exceeding one hundred seventy (170) percent of winter average consumption from \$6.02 to \$7.83



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- 2 inch from \$43.05 to \$47.36
- 3 inch from \$150.68 to \$165.75
- 4 inch from \$333.13 to \$366.44
- 6 inch from \$717.50 to \$789.25

Sec. 27-122.1 (b) –For water service metered separately for lawn irrigation:

- Rates per one hundred (100) cubic feet (1 ccf):
  - Non-summer water usage from \$2.70 to \$3.11
  - Summer water usage from \$6.02 to \$7.83

Sec. 27-122.2(a)(1) – Large commercial:

Rates per one hundred (100) cubic feet (1 ccf), inside city limits:

- All water, beginning with first one hundred (100) cubic feet (1 ccf) from \$2.70 to \$3.11

Summer water usage:

- Usage of zero (0) to seventy (70) percent of winter average consumption from \$2.70 to \$3.11
- Usage of seventy-one (71) to one hundred seventy (170) percent of winter average consumption from \$4.01 to \$4.61
- Usage exceeding one hundred seventy (170) percent of winter average consumption from \$6.02 to \$7.83

Sec. 27-122.2(a)(2) - Minimum charge per month based on meter size will be increased to the following:

- 1 inch from \$14.38 to \$15.82
- 1 ½ inch from \$28.96 to \$31.86
- 2 inch from \$43.05 to \$47.36
- 3 inch from \$150.68 to \$165.75
- 4 inch from \$333.13 to \$366.44
- 6 inch from \$717.50 to \$789.25
- 8 inch from \$1,230.00 to \$1,353.00

Sec. 27-123.3 (a)(1) – Columbia Regional Airport:

Rates per one hundred (100) cubic feet (1 ccf), Columbia Regional Airport:

- All water, beginning with first one hundred (100) cubic feet (1 ccf) from \$4.217 to \$4.43



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These proposed increases will generate an estimated \$2.5 million in additional revenues.

The water rate increases were presented to the Water & Light Advisory Board (WLAB) at their May 4, 2022 and the June 1, 2022 monthly meetings. The WLAB endorsed the water rate increase scenario currently being presented to the City Council.

## Fiscal Impact

Short-Term Impact: Estimated \$2.5 million in additional revenues by increasing base fees 10% and usage fees by 5% for residential tier 1, 15% for residential and commercial tier 2, 30% for residential and commercial tier 3 and 15% for commercial tier 1.

Long-Term Impact: Estimated \$2.5 million in additional revenues by increasing base fees 10% and usage fees by 5% for residential tier 1, 15% for residential and commercial tier 2, 30% for residential and commercial tier 3 and 15% for commercial tier 1

## Strategic & Comprehensive Plan Impact

### Strategic Plan Impacts:

Primary Impact: Reliable Infrastructure, Secondary Impact: Secondary, Tertiary Impact: Tertiary

### Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Secondary, Tertiary Impact: Tertiary

## Legislative History

Date	Action
9/7/2021	B244-21 Staff recommended this item be withdrawn
8/02/2021	B244-21 Proposed amendments to Chapter 27 of the City Codes as it relates to water utility rates
01/22/2019	PH1-19 Proposed amendments to Chapter 27 of the City Codes as it relates to water rates
12/17/2018	R199-18 Setting a public hearing: proposed amendments to Chapter 27 of the City Code as it relates to water rates
09/04/2018	R133-18 Declaring the results of the special election held on August 7, 2018
05/21/2018	B93-18 Calling a special election on Tuesday, August 7, 2018 relating to the issuance of Water and Electric System Revenue Bonds

## Suggested Council Action

Approval of the ordinance amending Chapter 27 of the City Code and making effective October 1, 2022.