



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99687
PHONE: (907) 373-9050
FAX: (907) 373-0788

COUNCIL MEMORANDUM NO. 90-12

FROM: Deputy Administrator

DATE: March 9, 1990

RE: Sewer Utility Rates

The FY90 sewer utility budgeted revenue projections include the transfer of \$29,784 from the water utility in order to meet expenses. The budget situation for the current year is as follows:

	<u>Annual Estimate</u>	<u>6-Month Actual</u>
Revenue (Less WUF)	\$126,500	\$67,142
Expenses	156,284	80,237

The cost to date indicate the expense projection was accurate and the revenue will be about \$8,000 over projection. An additional \$25,000+ in revenue will be needed to avoid support from the water utility for FY90. This revenue shortfall can be attributed to the expense of drainfield monitoring which was not required or forecast when the rates were established. The monitoring will cost about \$26,000 this year.

Historical Data

	<u>Revenue</u>	<u>Expense</u>	<u>Loss</u>
FY87	\$71,475	\$85,456	\$13,981 (19%)
88	90,744	95,877	5,133 (.05%)
89	101,545	132,146	30,604 (30%)
90 (Budgeted)	126,500	156,284	29,784 (23%)
91 (Projected at present fees)	142,000	177,172	35,172 (24%)

Expense Elements Causing Projected Increase In Requirements

<u>Account No.</u>	<u>Name</u>	<u>Annual Increase</u>	<u>Description</u>
7000	Salaries	\$ 4,528	Collection system increase .1 man/yr. COLA increases.

7010.7	Vehicle Ins.	486	FY90 Actual
7421	Drainfield Monitoring	10,600	shortage DEC Permit Requirement
7430	Power at Treat- ment Plant	5,000	Annual Shortfall from present budget
7500	Treatment Plant Salaries	748	COLA Increase
9200	Administration Salaries	760	COLA Increase
7232	Communication Equipment	78	Cost Increase
9234	Shop-Heating	200	Cost Increase
9235	Audit	790	Cost Increase
9240	Vehicle Ins.	208	FY90 Shortage
9260	Retirement, ESC, FICA, Health Ins., Workman's Comp.	1,495	Cost Increase
	Vehicle Replacement	<u>1,006</u>	
	Total Line Item Expense Increase	\$25,899	
	Other Line Item Reductions for FY91 Total	<u>(4,461)</u>	
	FY91 Net Increase in Operating Cost	<u>\$21,438</u>	

Total Revenue Shortfall = \$35,172 (24% of revenue at present rate)

Revenue Increase Proposal

	<u>Present</u>	<u>Proposed</u>	<u>Percent Increase</u>
Residential			
Metered (45)	\$13.60 min.	\$16.25 min.	19%
(Provides 5,000 gallons at new base rate of \$3.25/1000 gallons)			
Residential			
Non-Metered(123)	\$19.04	\$22.00	15%
(Provides 6780 gallons at base rate)			
Base rate per per 1,000 gals.	\$ 2.45/1,000 g.	\$ 3.25/1,000 g.	32%

Note: The non-metered customers (all residential) are probably averaging about 5,000 gallons per month usage and in many cases contributing more dollars per thousand gallons than the metered customers. Therefore, their rate increase percentage should probably be less than the measured flow customers.

Recommend that the Planning and Utilities Commission indicate their support for a rate increase as described and that the City Council approve Ordinance Serial No. 90-06



Robert E. Harris
Deputy Administrator

SEWER RATE DATA

Volume - Average Expected 2,500,000 Gallons/month

<u>Present Rate</u>	\$2.45/1,000 gallons =	\$ 6,125/month
	123 Non-Metered Customers =	<u>2,342/month</u>
		\$ 8,467
		x 12
		<hr/>
	Late Charges Avg. \$300/Mo.	\$101,604/year sales
		<u>3,600</u>
		\$105,204
	Materials, Service Fees, New Connections	<u>20,000/year</u>
		\$125,204

Each \$.25 increase per 1,000 gallons of metered sales produces \$7,500 annually.

\$.80 increase will generate	\$ 25,000 annually
Minimum charge increase \$13.60 to \$16.25	1,431 annually
Non-metered increase \$19.04 to \$22.00	<u>4,369 annually</u>
	\$ 29,800

New connections and material sales should generate the additional \$7,000 (+) projected requirement for FY91.



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99687
PHONE: 376-5227

Non Code Ordinance

Requested By: Administration
Prepared By: Besse, Epps &
Potts

ORDINANCE SERIAL NO. 86-27

AN ORDINANCE OF THE CITY OF WASILLA, ALASKA FIXING SEWER RATES.

BE IT ORDAINED AND ENACTED BY THE CITY OF WASILLA, ALASKA AS FOLLOWS:

SECTION I. Classification. This is a non-code ordinance.

SECTION II. Purpose. To establish sewer rates within the Wasilla Sewer Utility service area.

SECTION III. Enactment.

A. Volume Measurement. Sewer service rates shall be based on the water consumed as measured through a City owned water meter when a meter is required per Chapter 5.20.040(B), or based upon the average water usage for the customer class when a meter is not required.

B. Sewer Rates. Sewer service shall be furnished to residential customers at the rate of \$2.45 per thousand gallons. For those residential customers not having a water meter to measure water consumption, the monthly rate shall be \$19.04. Sewer service shall be furnished to Light Commercial and Commercial/Industrial customers at the rate of \$2.45 per thousand gallons.

C. Minimum Monthly Charge. The minimum monthly service billing shall be \$13.60. (Note: TO BE THE CHARGE FOR 5,000 GALLONS)

D. Turn On/Turn Off Fee. The service charge for turn on/turn off shall be at the rate of \$25/hour, with a minimum of a one hour billing.

E. Billing Period. Bills will be rendered one month in advance of services, and are payable in full by the due date stated on the billing. The billing will be based on the prior month's water consumption.

F. Meter Charge. Light commercial and commercial/industrial customers are required to install a meter to measure water usage at their own expense if their source of water is unmetered (5.20.040(B)).

The meters are to be furnished by the City at cost + 25%.

G. Late Payment Charge. A penalty of \$5.00 or eight percent (8%) of the unpaid balance, whichever is greater, shall be charged for late payments.

H. Service Call Charge. The charge for service calls shall be at the rate of \$25.00 per hour, with a minimum of one hour's billing.

January 23, 1990

MONTHLY SEWER RATES

City of Palmer

Sewer is combined with water

Combined Rate is:

Minimum Rate of \$22.75/month of 5000 gals

5000 - 5500	\$24.12
5501 - 6000	\$25.50
6001 - 6500	\$26.87
6501 - 7000	\$28.25
7001 - 7500	\$29.62

\$.175/100 gallons

City of Kenai

Fixed rate (non-metered)

Residential \$18.00

Residential Multiple \$13.50/unit

Commercial and Residential

Metered

1" line	\$19.80
1.5" line	\$49.51
2" line	\$101.36
3" line	\$174.75
4" line	\$326.20

Municipality of Anchorage

Residential

Single Family \$18.85

Duplex & Triplex \$18.85/unit

Four Plex or more must be metered

\$1.69/1000 gals. plus a \$4.60 service charge & \$1.65/unit charge

Trailer Court non metered - \$13.65/trailer

Commercial

Monthly Customer Charge \$7.40