



CITY OF WASILLA

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COUNCIL MEMORANDUM NO. 90-33

FROM: Deputy Administrator

DATE: April 30, 1990

RE: Sewer Rate Increase

During the Council meeting of April 23, 1990, Council requested additional information regarding the differential in rate increases proposed for the metered customers and the unmetered customers. The proposed increase of 15% for non-metered residential customers has been questioned as insufficient as compared to the proposed 32% increase per 1,000 gallons for metered customers.

The following represents an attempt to demonstrate that non-metered residential customers are paying a higher rate per 1,000 gallons than metered residential customers and therefore should incur a lower percentage increase.

For purposes of comparison, it is assumed that the water usage habits of non-metered and metered residential customers is similar. The water usage records from a recent month chosen at random reflect the following information:

Single family residential identified	37
Number using more than 5,000 gallons and paying \$2.45 per 1,000	12
Number using more than \$19.05 of sewer service (Base rate for unmetered)	6

Conclusion: If these were unmetered customers, 6 of the 37 would be paying less than \$2.45 per 1,000 gallons.

Total gallons used by the 25 customers who used less than 5,000 gallons and paid the base rate of \$13.60 per month was 68,000 gallons.

If these customers were unmetered and paying \$19.05 per month and using the same amount of water, they would be paying \$7.00 per 1,000 gallons.

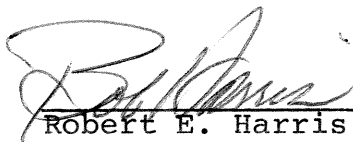
The conclusion is that unmetered residential customers are, on the average, paying considerably more per 1,000 gallons of sewerage than the metered customers. Therefore, the percent of increase to the sewer rates for these customers should be less than for those who are metered and charged according to actual usage.

The suggestion to require metering of sewer customers who are not on the water system would undoubtedly result in some pretty poor public relations with the City and, according to the preceding data, result in a loss of revenue.

Additionally, the 3/4 inch water meters for residential houses are \$89.43 each, plus about \$100.00 for labor and materials per installation. The cost to meter the 123 non-metered residential customers would be about \$23,300.

Metering residential customers who are not on the water system would result in additional man-hour requirements to read the meters. These costs would be against the sewer system as opposed to sharing the cost with the water system for City water meters.

Recommend that Ordinance 90-06 not be amended in accordance with Mr. Hessmer's request.



Robert E. Harris
Deputy Administrator