



	Presented
Action taken	9/13/04
Other:	
Verified by:	<i>Smithes</i>

WASILLA CITY COUNCIL ACTION MEMORANDUM

IM No. 04-11

TITLE: IRRIGATION EFFECTS ON SEWER UTILITY BILLINGS.

Agenda of: September 13, 2004
 Originator: Public Works

Date: September 7, 2004

Route to:	Department	Signature/Date
	Police	
	Recreational and Cultural Services Library, Museum	
X	Public Works Planning	<i>[Signature]</i> 9/7/04
X	Finance *signature required	<i>[Signature]</i> 9/7/04
X	Clerk	<i>[Signature]</i> 9/9/04 <i>[Signature]</i> 9/9/04

REVIEWED BY MAYOR DIANNE M. KELLER: *Dianne M. Keller*

FISCAL IMPACT: yes \$ or no Funds Available yes no
 Account name/number:
 Attachments: none

SUMMARY STATEMENT: Public Works has taken a preliminary review at the impact of implementing an alternative adjustment method for sewer utility customers using irrigation water.

Background: Water and sewer rates are based on metered water use. It is presumed that the metered water ends up at the sewer treatment plant. The exception is summer irrigation. Currently, the City allows customers to purchase and install a "subtractive" meter to measure irrigation use, and the irrigation use is subtracted from the monthly sewer bill. The installation cost for a subtractive meter is approximately \$500.00.

Flat Rate Sewer Service: A flat rate sewer service would need to average the usage over the customer base to ensure the City receives equal total revenue. Maintaining the current revenue stream is critical at this point due to the utility's debt service. Implementing a flat rate service would cause a rate increase to the users with a minimum sewer bill, since they would have to pay the average bill for all users in a certain class, say residential.

Subtractive Meters: Last year, the utility required customers with “screw-on” subtractive meters to have them permanently installed such that they could be read monthly. Previously, the “screw-on” subtractive meters would be installed at the beginning of summer by the customer and returned in the fall for a reading and sewer bill adjustment. However, this would cause a loss to the utility when the minimum use was not achieved for any given month. The customer would end up paying less than the minimum required by code. Having the subtractive meters permanently installed allows monthly readings to occur with our remote readers to determine if the customer used the minimum amount of water for any given month.

Averaging Sewer Use: This would eliminate the need for subtractive meters, by reviewing the customer’s previous year’s sewer use to determine an average for non-irrigation months and adjust the bill accordingly. However, this would cause the investment incurred by the current subtractive meter owners to be void. In addition, there would be a potential loss to the utility for users with high summer sewer bills who do not irrigate. They would automatically see a reduction in their sewer bill, since this method would need to be applied to all users to avoid individual manual adjustments.