



Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: July 15, 2024

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 to maintain adequate cash reserves and meet debt coverage requirements.

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

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 2025.

- 4% increase in base fees
- 4% increase in residential tier 1
- 4% increase in commercial tier 1
- 4.5% increase in Airport
- 4.5% increase in summer tier 2
- 10% increase in summer tier 3
- 10% increase in irrigation summer

Included below is a list of proposed changes to each section of the code:

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 \$3.10 to \$3.22
- 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 \$3.10 to \$3.22
  - Usage of seventy-one (71) to one hundred seventy (170) percent of winter average consumption from \$4.25 to \$4.44
  - Usage exceeding one hundred seventy (170) percent of winter average consumption from \$6.26 to \$6.89



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- 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 \$3.10 to \$3.22
  - Usage of seventy-one (71) to one hundred seventy (170) percent of winter average consumption from \$4.25 to \$4.44
  - Usage exceeding one hundred seventy (170) percent of winter average consumption from \$6.26 to \$6.89

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 \$12.00 to \$12.48
- 1 inch from \$19.38 to \$20.15
- 1 ½ inch from \$38.96 to \$40.52
- 2 inch from \$59.05 to \$61.41
- 3 inch from \$182.68 to \$189.99
- 4 inch from \$383.13 to \$398.45
- 6 inch from \$817.50 to \$850.20

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 \$3.10 to \$3.22
- Summer water usage from \$6.26 to \$6.89

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 \$3.10 to \$3.22

Summer water usage:

- Usage of zero (0) to seventy (70) percent of winter average consumption from \$3.10 to \$3.22
- Usage of seventy-one (71) to one hundred seventy (170) percent of winter average consumption from \$4.25 to \$4.44
- Usage exceeding one hundred seventy (170) percent of winter average consumption from \$6.26 to \$6.89

Sec. 27-122.1(a)(2) – Minimum charge per month based on meter size will be increased to the following:

- 5/8 inch and ¾ inch from \$12.00 to \$12.48
- 1 inch from \$19.38 to \$20.15
- 1 ½ inch from \$38.96 to \$40.52
- 2 inch from \$59.05 to \$61.41
- 3 inch from \$182.68 to \$189.99
- 4 inch from \$383.13 to \$398.45
- 6 inch from \$817.50 to \$850.20



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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 \$3.10 to 3.22

Summer water usage from \$6.26 to \$6.89

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 \$3.10 to \$3.22

Summer water usage:

- Usage of zero (0) to seventy (70) percent of winter average consumption from \$3.10 to \$3.22
- Usage of seventy-one (71) to one hundred seventy (170) percent of winter average consumption from \$4.25 to \$4.44
- Usage exceeding one hundred seventy (170) percent of winter average consumption from \$6.26 to \$6.89

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

1 inch from \$19.38 to \$20.15

1 ½ inch from \$38.96 to \$40.52

2 inch from \$59.05 to \$61.41

3 inch from \$182.68 to \$189.99

4 inch from \$383.13 to \$398.45

6 inch from \$817.50 to \$850.20

8 inch from \$1,353.00 to \$1,407.12

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 \$4.46 to \$4.66

These proposed increases will generate an estimated \$1.65 million in additional revenues.

The water rate increases were presented to the Water & Light Advisory Board (WLAB) at their May 8, 2024 monthly meeting. The WLAB provided feedback and recommended adjustments to the proposed changes. These recommendations have been included in the proposed amendments to Chapter 27. The proposed increases in rates were presented to the City Council at their June 3, 2024 pre-council meeting.



## Fiscal Impact

Short-Term Impact: Estimated \$1.65 million in additional revenues by increasing base fees 4% and usage fees by 4% for tier 1, 4.5% for summer tier 2 and 10% for summer tier 3.

Long-Term Impact: Estimated \$1.65 million in additional revenues by increasing base fees 4% and usage fees by 4% for tier 1, 4.5% for summer tier 2 and 10% for summer tier 3.

## Strategic & Comprehensive Plan Impact

### Strategic Plan Impacts:

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

### Comprehensive Plan Impacts:

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

## Legislative History

Date	Action
9/19/2022	B217-22: Amending Chapter 27 of the City Code as it relates to water utility rates
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

## Suggested Council Action

Approval of the ordinance.