



TETRA TECH

To: Dave Clanton, City of Lake City
From: Andrew Woodcock, MBA, P.E., Tetra Tech
Subject: Rate Alternatives
Date: November 4, 2009
Tt#: 200-08521-09001

Attached please find the information requested by the City Council at last night's Workshop. The attached schedules show the calculated rates for the removal of the service availability charge under three scenarios. The three scenarios represent estimates of the amount of revenue that would be lost with the elimination of the service availability charge on inactive connections to the water and wastewater system as follows:

Scenario 1: \$420,000 lost revenues

Scenario 2: \$315,000 lost revenues

Scenario 3: \$210,000 lost revenues

In addition attached is a sheet showing the combined monthly water and wastewater bill for each rate scenario. The bill comparison schedule shows the impact of the scenarios over a range of flows for residential customers as well as a 3" MM multi-family customer and 1" commercial customer. For a residential customer using the average of 5,000 gallons per month the bill ranges from a high of \$67.02 for scenario 1 to a low \$65.77 for scenario 3. So the maximum difference between the three scenarios for an average user is \$1.25 a month.

If you have any questions or require any further information please call.

End of Memorandum

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C: Erick VanMalssen, MBA, Tetra Tech

THE CITY OF LAKE CITY
2009 WATER AND WASTEWATER RATE STUDY
Combined Monthly Water + Wastewater Bill Comparisons

Gallons per Month	Existing	\$420,000 policy cost	\$315,000 policy cost	\$210,000 policy cost
Residential				
0	\$ 48.54	\$ 44.96	\$ 44.45	\$ 43.97
2,000	\$ 52.20	\$ 53.79	\$ 53.22	\$ 52.69
4,000	\$ 58.21	\$ 62.61	\$ 61.99	\$ 61.41
5,000 - Average User	\$ 62.39	\$ 67.02	\$ 66.36	\$ 65.77
6,000	\$ 66.57	\$ 72.37	\$ 71.69	\$ 71.05
8,000	\$ 74.93	\$ 83.07	\$ 82.32	\$ 81.62
10,000	\$ 83.28	\$ 93.77	\$ 92.95	\$ 92.19
12,000	\$ 91.64	\$ 106.34	\$ 105.44	\$ 104.60
14,000	\$ 100.00	\$ 118.91	\$ 117.93	\$ 117.02
16,000	\$ 108.35	\$ 132.41	\$ 131.35	\$ 130.36
18,000	\$ 113.05	\$ 141.78	\$ 140.66	\$ 139.61
20,000	\$ 117.75	\$ 151.14	\$ 149.96	\$ 148.86
Master Metered Multi Family - 3" Meter				
0	\$ 44.38	\$ 719.36	\$ 711.20	\$ 703.52
20,000	\$ 143.99	\$ 807.61	\$ 798.89	\$ 790.71
40,000	\$ 236.71	\$ 895.87	\$ 886.58	\$ 877.90
60,000	\$ 329.43	\$ 984.12	\$ 974.27	\$ 965.09
80,000	\$ 422.15	\$ 1,072.37	\$ 1,061.96	\$ 1,052.28
100,000	\$ 514.87	\$ 1,179.35	\$ 1,168.27	\$ 1,157.96
120,000	\$ 607.59	\$ 1,286.32	\$ 1,274.57	\$ 1,263.64
140,000	\$ 700.31	\$ 1,393.30	\$ 1,380.87	\$ 1,369.32
160,000	\$ 793.03	\$ 1,500.28	\$ 1,487.17	\$ 1,475.00
180,000	\$ 885.75	\$ 1,625.98	\$ 1,612.08	\$ 1,599.17
200,000	\$ 978.47	\$ 1,751.68	\$ 1,737.00	\$ 1,723.35
Commercial - 1" Meter				
0	\$ 127.93	\$ 112.40	\$ 111.13	\$ 109.93
4,000	\$ 137.60	\$ 130.05	\$ 128.66	\$ 127.36
8,000	\$ 154.31	\$ 147.70	\$ 146.20	\$ 144.80
12,000	\$ 171.03	\$ 165.35	\$ 163.74	\$ 162.24
16,000	\$ 187.74	\$ 186.75	\$ 185.00	\$ 183.37
20,000	\$ 204.46	\$ 208.14	\$ 206.26	\$ 204.51
24,000	\$ 221.17	\$ 229.54	\$ 227.52	\$ 225.65
28,000	\$ 237.88	\$ 254.68	\$ 252.50	\$ 250.48
32,000	\$ 254.60	\$ 279.82	\$ 277.49	\$ 275.32
36,000	\$ 271.31	\$ 304.96	\$ 302.47	\$ 300.15
40,000	\$ 288.03	\$ 333.84	\$ 331.17	\$ 328.68

THE CITY OF LAKE CITY
2009 WATER AND WASTEWATER RATE STUDY
Inside City Water Rates

INSIDE CITY WATER RATES	Existing	\$420,000 policy cost	\$315,000 policy cost	\$210,000 policy cost
SINGLE FAMILY				
Ready to Serve	\$ 16.81	\$ 14.54	\$ 14.45	\$ 14.37
Volumetric Charges (per 1,000 gals)				
Block 1 (0 - 5,000)	\$ 2.35	\$ 1.87	\$ 1.86	\$ 1.85
Block 2 (5,000 -10,000)	\$ 2.35	\$ 2.81	\$ 2.79	\$ 2.77
Block 3 (10,000-15,000)	\$ 2.35	\$ 3.74	\$ 3.72	\$ 3.70
Block 4 (above 15,000)	\$ 2.35	\$ 4.68	\$ 4.65	\$ 4.62
MULTI FAMILY				
5/8" - 3/4"	\$ 16.81	\$ 14.54	\$ 14.45	\$ 14.37
1"	\$ 16.81	\$ 36.35	\$ 36.13	\$ 35.93
1.5"	\$ 16.81	\$ 72.70	\$ 72.25	\$ 71.85
2"	\$ 16.81	\$ 116.32	\$ 115.60	\$ 114.96
3"	\$ 16.81	\$ 232.64	\$ 231.20	\$ 229.92
4"	\$ 16.81	\$ 363.50	\$ 361.25	\$ 359.25
6"	\$ 16.81	\$ 727.00	\$ 722.50	\$ 718.50
8"	\$ 16.81	\$ 1,163.20	\$ 1,156.00	\$ 1,149.60
Volumetric Charges (per 1,000 gals)				
Block 1 (0 - 5,000)	\$ 2.35	\$ 1.87	\$ 1.86	\$ 1.85
Block 2 (5,000 -10,000)	\$ 2.35	\$ 2.81	\$ 2.79	\$ 2.77
Block 3 (10,000 -15,000)	\$ 2.35	\$ 3.74	\$ 3.72	\$ 3.70
Block 4 (above 15,000)	\$ 2.35	\$ 4.68	\$ 4.65	\$ 4.62
COMMERCIAL				
5/8" - 3/4"	\$ 16.81	\$ 14.54	\$ 14.45	\$ 14.37
1"	\$ 33.42	\$ 36.35	\$ 36.13	\$ 35.93
1.5"	\$ 61.61	\$ 72.70	\$ 72.25	\$ 71.85
2"	\$ 95.44	\$ 116.32	\$ 115.60	\$ 114.96
3"	\$ 174.36	\$ 232.64	\$ 231.20	\$ 229.92
4"	\$ 287.11	\$ 363.50	\$ 361.25	\$ 359.25
6"	\$ 568.99	\$ 727.00	\$ 722.50	\$ 718.50
8"	\$ 907.24	\$ 1,163.20	\$ 1,156.00	\$ 1,149.60
Volumetric Charges (per 1,000 gals)				
Block 1 (0 - 5,000)	\$ 2.35	\$ 1.87	\$ 1.86	\$ 1.85
Block 2 (5,000 -10,000)	\$ 2.35	\$ 2.81	\$ 2.79	\$ 2.77
Block 3 (10,000 -15,000)	\$ 2.35	\$ 3.74	\$ 3.72	\$ 3.70
Block 4 (above 15,000)	\$ 2.35	\$ 4.68	\$ 4.65	\$ 4.62

*Outside City customers are subject to a 25% rate surcharge

THE CITY OF LAKE CITY
2009 WATER AND WASTEWATER RATE STUDY
Inside City Wastewater Rates

INSIDE CITY WASTEWATER RATES	Existing	\$420,000 policy cost	\$315,000 policy cost	\$210,000 policy cost
SINGLE FAMILY				
Ready to Serve	\$ 31.73	\$ 30.42	\$ 30.00	\$ 29.60
Volumetric Charges (per 1,000 gals)	\$ 1.83	\$ 3.84	\$ 3.79	\$ 3.74
MULTI FAMILY				
5/8" - 3/4"	\$ 27.56	\$ 30.42	\$ 30.00	\$ 29.60
1"	\$ 27.56	\$ 76.05	\$ 75.00	\$ 74.00
1.5"	\$ 27.56	\$ 152.10	\$ 150.00	\$ 148.00
2"	\$ 27.56	\$ 243.36	\$ 240.00	\$ 236.80
3"	\$ 27.56	\$ 486.72	\$ 480.00	\$ 473.60
4"	\$ 27.56	\$ 760.50	\$ 750.00	\$ 740.00
6"	\$ 27.56	\$ 1,521.00	\$ 1,500.00	\$ 1,480.00
8"	\$ 27.56	\$ 2,433.60	\$ 2,400.00	\$ 2,368.00
Volumetric Charges (per 1,000 gals)	\$ 1.83	\$ 3.84	\$ 3.79	\$ 3.74
COMMERCIAL				
5/8" - 3/4"	\$ 40.10	\$ 30.42	\$ 30.00	\$ 29.60
1"	\$ 94.51	\$ 76.05	\$ 75.00	\$ 74.00
1.5"	\$ 185.20	\$ 152.10	\$ 150.00	\$ 148.00
2"	\$ 293.99	\$ 243.36	\$ 240.00	\$ 236.80
3"	\$ 547.88	\$ 486.72	\$ 480.00	\$ 473.60
4"	\$ 910.65	\$ 760.50	\$ 750.00	\$ 740.00
6"	\$ 1,817.47	\$ 1,521.00	\$ 1,500.00	\$ 1,480.00
8"	\$ 2,905.44	\$ 2,433.60	\$ 2,400.00	\$ 2,368.00
Volumetric Charges (per 1,000 gals)				
Commercial I	\$ 1.83	\$ 3.84	\$ 3.79	\$ 3.74
Commercial II	\$ 2.11	\$ 4.42	\$ 4.36	\$ 4.30
Commercial III	\$ 2.38	\$ 5.00	\$ 4.93	\$ 4.86

*Outside City customers are subject to a 25% rate surcharge