



CITY OF
BAINBRIDGE ISLAND



Water & Sewer Rate Study

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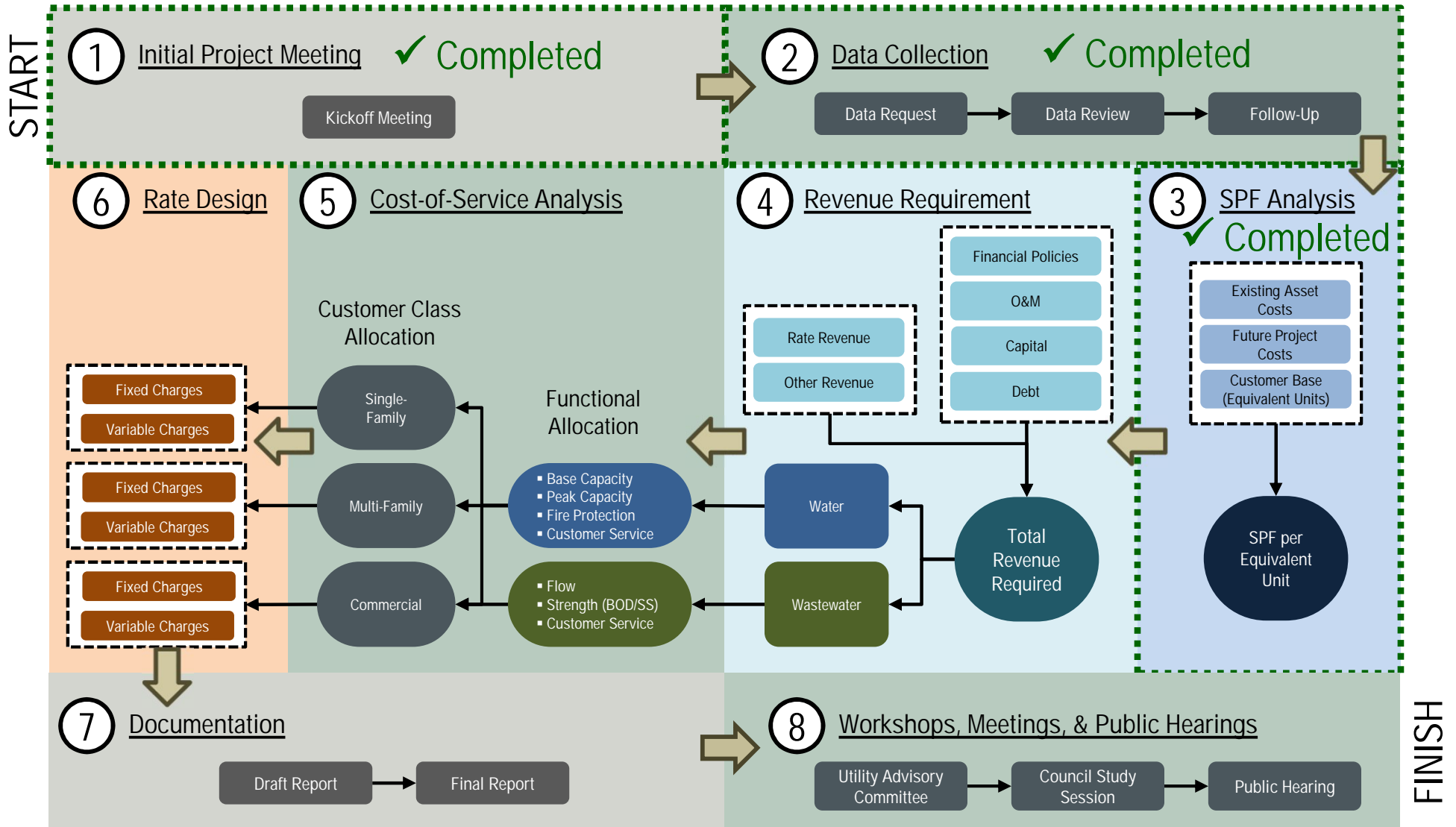


Agenda

- ◆ Overview of Project Scope
- ◆ Summary of Recommendations
 - Winslow Water Rates
 - Rockaway Beach Water Rates
 - Winslow Sewer Rates
 - South Island Sewer Rates
- ◆ Questions/Discussion



Overview of Project Scope





Winslow Water Rate Recommendations

- ◆ Target aggregate water rate revenue increases of 2.0% per year
 - Needed to keep up with rising operating costs and projected debt service
 - Increases would need to be 6.0 – 6.5% per year to cash-fund 2019 – 2024 capital plan
- ◆ Impose class-specific rate increases to reach cost of service by 2021

Water Rate Increases – Winslow	2019	2020	2021
Single-Family	+7.6%	+3.7%	+3.6%
Multi-Family	0.0%	0.0%	+0.2%
Commercial	-0.8%	0.0%	0.0%
Irrigation	-13.5%	0.0%	0.0%
Other (Mixed Use)	-23.7%	0.0%	0.0%

Beyond 2021, rate revenue increases would apply across the board until the next rate review

- ◆ Modify water rate structure to:
 - Consolidate the five existing mixed-use customers into commercial class (eff. 2019)
 - Move multi-family and commercial/mixed-use customers to uniform volume rates
 - Multi-family currently subject to an inclining-block volume rate
 - Commercial/mixed-use currently subject to a seasonal volume rate



Recommended Water Rates – Winslow

Monthly Water Rates: Residential	
Base Rate – Up to 3/4" Meter	
Base Rate – 1" Meter	
Base Rate – 1-1/2" Meter	
Base Rate per Living Unit	
Consumption Charge per ccf	
First 5 ccf (0 – 5 ccf)	
Next 7 ccf (6 – 12 ccf)	
Next 18 ccf (13 – 30 ccf)	
Over 30 ccf	

Single-Family				
Existing	2019	2020	2021	
\$10.77	\$11.59	\$12.02	\$12.45	
\$21.24	\$22.85	\$23.70	\$24.55	
\$38.72	\$41.65	\$43.20	\$44.75	
\$1.09	\$1.17	\$1.22	\$1.26	
\$1.76	\$1.89	\$1.96	\$2.03	
\$2.49	\$2.68	\$2.78	\$2.88	
\$3.39	\$3.65	\$3.78	\$3.92	

Multi-Family				
Existing	2019	2020	2021	
\$5.37	\$5.37	\$5.37	\$5.38	
	\$1.11	\$1.11	\$1.11	
\$1.09				
\$1.76				
\$2.49				
\$3.39				

Monthly Water Rates: Non-Residential	
Base Rate – Up to 3/4" Meter	
Base Rate – 1" Meter	
Base Rate – 1-1/2" Meter	
Base Rate – 2" Meter	
Base Rate – 3" Meter	
Base Rate – 4" Meter	
Base Rate – 6" Meter	
Consumption Charge per ccf	
Winter (November – April)	
Summer (May – October)	

Commercial/Mixed Use				
Existing ¹	2019	2020	2021	
\$16.45	\$16.33	\$16.33	\$16.33	
\$36.40	\$36.12	\$36.12	\$36.12	
\$69.78	\$69.25	\$69.25	\$69.25	
\$109.52	\$108.69	\$108.69	\$108.69	
\$215.89	\$214.25	\$214.25	\$214.25	
\$335.55	\$333.00	\$333.00	\$333.00	
\$667.94	\$662.87	\$662.87	\$662.87	
	\$1.54	\$1.54	\$1.54	
\$1.43				
\$1.65				

Irrigation				
Existing	2019	2020	2021	
\$4.73	\$4.09	\$4.09	\$4.09	
\$6.22	\$5.38	\$5.38	\$5.38	
\$8.70	\$7.53	\$7.53	\$7.53	
\$11.70	\$10.12	\$10.12	\$10.13	
\$19.64	\$16.99	\$16.99	\$17.00	
\$28.59	\$24.74	\$24.74	\$24.75	
\$53.47	\$46.26	\$46.26	\$46.28	
\$3.89	\$3.37	\$3.37	\$3.37	

¹Mixed-use customers currently pay a base rate that is ≈ 50% higher than the applicable commercial base rates.



Rockaway Beach Water Rate Recommendations

- ◆ Modify water rate structure to:
 - Consolidate Rockaway Beach into Winslow single-family class (effective 2020)

Recommended Water Rates	Rockaway Beach			
	Existing	2019	2020	2021
Annual Water Rate Increase		0.0%	3.3%	3.6%
Base Rate – Up to 3/4" Meter	\$11.64	\$11.64	\$12.02	\$12.45
Base Rate – 1" Meter	\$22.94	\$22.94	\$23.70	\$24.55
Base Rate – 1-1/2" Meter	\$41.85	\$41.85	\$43.20	\$44.75
Consumption Charge per ccf				
First 5 ccf (0 – 5 ccf)	\$1.18	\$1.18	\$1.22	\$1.26
Next 7 ccf (6 – 12 ccf)	\$1.90	\$1.90	\$1.96	\$2.03
Next 18 ccf (13 – 30 ccf)	\$2.69	\$2.69	\$2.78	\$2.88
Over 30 ccf	\$3.66	\$3.66	\$3.78	\$3.92

Beyond 2021, rate revenue increases would apply across the board until the next rate review



Winslow Sewer Rate Recommendations

- ◆ Target aggregate sewer rate revenue increases of 2.0% per year
 - Needed to cover projected new debt service attributable to 2019 – 2014 capital plan
 - Increases would need to be 4.0 – 4.5% per year to cash-fund 2019 – 2024 capital plan
- ◆ Impose class-specific rate increases to reach cost of service by 2021

Sewer Rate Increases – Winslow		2019	2020	2021
Single-Family				
Annual Rate Increase		-3.2%	-3.2%	-3.2%
Monthly Base Charge per Unit	\$42.69	\$41.32	\$40.00	\$38.74
Volume Charge per ccf ¹	\$7.28	\$7.05	\$6.82	\$6.61
Sewer-Only Base Charge per ERU	\$119.80	\$115.97	\$112.26	\$108.72
Multi-Family				
Annual Rate Increase		-5.1%	-8.2%	-12.4%
Monthly Base Charge per Unit	\$37.39	\$35.12	\$31.33	\$25.79
Volume Charge per ccf ¹	\$7.28	\$7.05	\$6.82	\$6.61
Commercial				
Annual Rate Increase		+19.1%	+19.1%	+19.0%
Monthly Base Charge per Unit	\$123.69	\$126.16	\$128.69	\$131.26
Volume Charge per ccf	\$7.28	\$9.47	\$12.10	\$15.23
Sewer-Only Base Charge per ERU	\$129.43	\$154.15	\$183.59	\$218.47

Multi-family volume charge is decreased with the single-family charge; remainder of decrease factored into base charge per unit.

Commercial base charge is increased by 2% per year; remainder of increase factored into volume charge.

Beyond 2021, rate revenue increases would apply across the board until the next rate review

¹From mid-Jun – mid-Sep, residential users are billed for their average water usage from mid-December through mid-May.



South Island Sewer Rate Recommendations

- ◆ Also reflects aggregate sewer rate revenue increases of 2.0% per year
- ◆ Impose class-specific rate increases to reach cost of service by 2021

Monthly Sewer Rates: Single-Family Residential	South Island Sewer ¹			
	Existing	2019	2020	2021
Annual Rate Increase ²		+17.6%	+17.6%	+17.5%
With Grinder Pump	\$23.59	\$27.74	\$32.62	\$38.33
No Grinder Pump	\$19.42	\$22.84	\$26.86	\$31.55

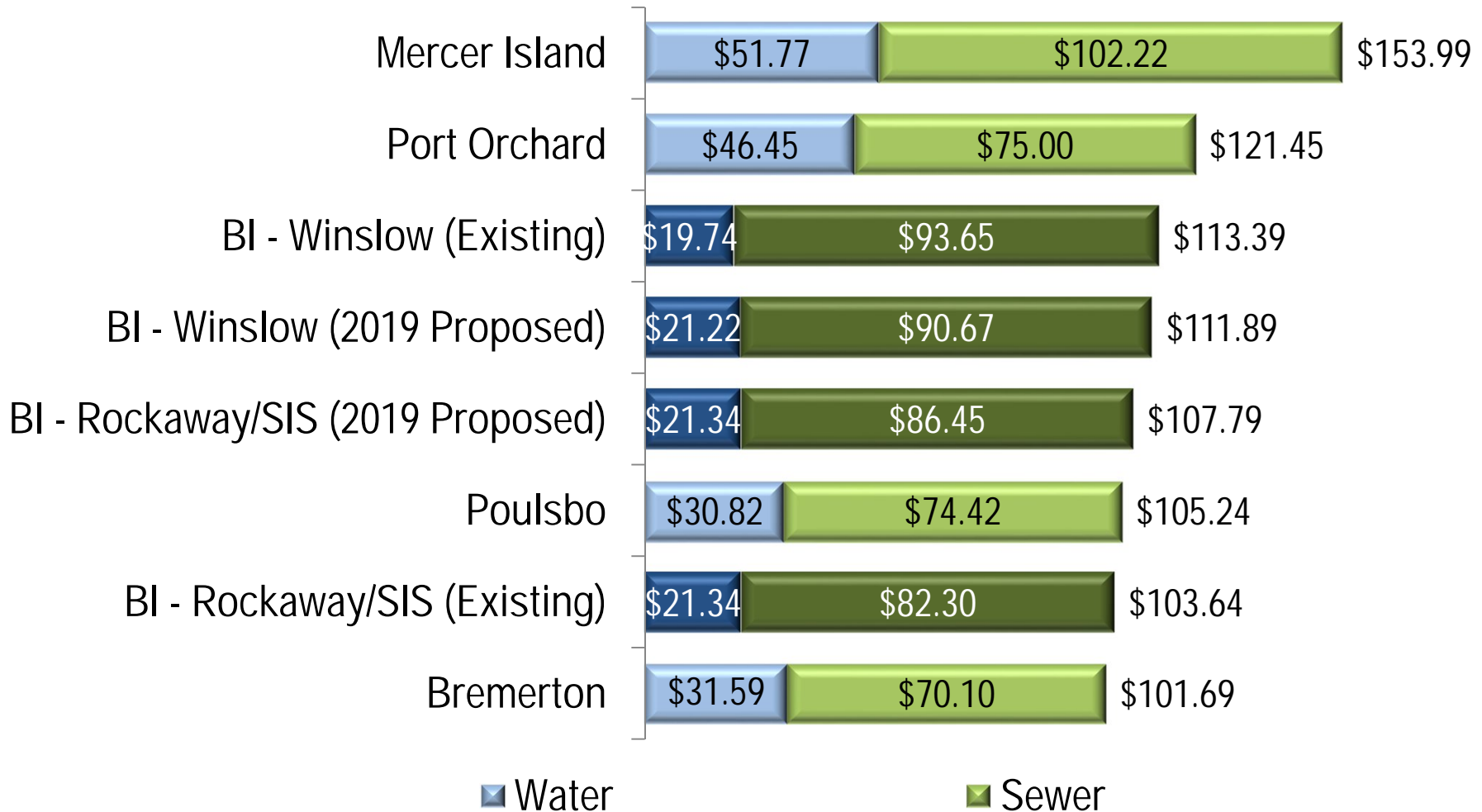
Beyond 2021, rate revenue increases would apply across the board until the next rate review

¹South Island Sewer customers also pay \$58.71 per ERU per month for KCSD #7 treatment service.

²Rate increases only apply to the City's portion of the rate.



Sample Monthly Bill – 3/4" Single-Family @ 7 ccf





Sample Monthly Bill Impacts – Residential

Monthly Bill	Mar-Apr Usage	Existing (2019)	Phased COS (Recommended)			Sep-Oct Usage	Existing (2019)	Phased COS (Recommended)		
			2019	2020	2021			2019	2020	2021
Winslow Single Fam. (3/4")										
Water Bill	4 ccf	\$ 15.13	\$ 16.27	\$ 16.90	\$ 17.49	7 ccf	\$ 19.74	\$ 21.22	\$ 22.04	\$ 22.81
Sewer Bill	4 ccf	71.81	69.52	67.28	65.18	3 ccf	64.53	62.47	60.46	58.57
Total Bill		\$ 86.94	\$ 85.79	\$ 84.18	\$ 82.67		\$ 84.27	\$ 83.69	\$ 82.50	\$ 81.38
% Δ From Prior Year			-1.3%	-1.9%	-1.8%			-0.7%	-1.4%	-1.4%
Rockaway Beach SF (3/4")										
Water Bill	5 ccf	\$ 17.54	\$ 17.54	\$ 18.12	\$ 18.75	3 ccf	\$ 15.18	\$ 15.18	\$ 15.68	\$ 16.23
Sewer Bill (City)	5 ccf	23.59	27.74	32.62	38.33	6 ccf	23.59	27.74	32.62	38.33
Sewer Bill (KCSD #7)		58.71	58.71	58.71	58.71		58.71	58.71	58.71	58.71
Total Bill		\$ 99.84	\$ 103.99	\$ 109.45	\$ 115.79		\$ 97.48	\$ 101.63	\$ 107.01	\$ 113.27
% Δ From Prior Year			+4.2%	+5.3%	+5.8%			+4.3%	+5.3%	+5.8%
Multi-Family A (1", 60 Units)										
Water Bill	100 ccf	\$ 431.20	\$ 433.20	\$ 433.20	\$ 433.80	187 ccf	\$ 526.03	\$ 529.77	\$ 529.77	\$ 530.37
Sewer Bill	100 ccf	2,971.40	2,812.20	2,561.80	2,208.40	187 ccf	3,604.76	3,425.55	3,155.14	2,783.47
Total Bill		\$3,402.60	\$3,245.40	\$2,995.00	\$2,642.20		\$4,130.79	\$3,955.32	\$3,684.91	\$3,313.84
% Δ From Prior Year			-4.6%	-7.7%	-11.8%			-4.2%	-6.8%	-10.1%
Multi-Family B (2", 50 Units)										
Water Bill	132 ccf	\$ 412.38	\$ 415.02	\$ 415.02	\$ 415.52	312 ccf	\$ 650.12	\$ 614.82	\$ 614.82	\$ 615.32
Sewer Bill	132 ccf	2,830.46	2,686.60	2,466.74	2,161.02	312 ccf	4,140.86	3,955.60	3,694.34	3,351.82
Total Bill		\$3,242.84	\$3,101.62	\$2,881.76	\$2,577.54		\$4,790.98	\$4,570.42	\$4,309.16	\$3,967.14
% Δ From Prior Year			-4.4%	-7.1%	-10.6%			-4.6%	-5.7%	-7.9%



Sample Monthly Bill Impacts – Non-Residential

Monthly Bill	Mar-Apr Usage	Existing (2019)	Phased COS (Recommended)			Sep-Oct Usage	Existing (2019)	Phased COS (Recommended)		
			2019	2020	2021			2019	2020	2021
Restaurant (3/4")										
Water Bill	61 ccf	\$ 103.68	\$ 110.27	\$ 110.27	\$ 110.27	82 ccf	\$ 151.75	\$ 142.61	\$ 142.61	\$ 142.61
Sewer Bill	61 ccf	567.77	703.83	866.79	1,060.29	82 ccf	720.65	902.70	1,120.89	1,380.12
Total Bill		\$ 671.45	\$ 814.10	\$ 977.06	\$1,170.56		\$ 872.40	\$1,045.31	\$1,263.50	\$1,522.73
% Δ From Prior Year			+21.2%	+20.0%	+19.8%			+19.8%	+20.9%	+20.5%
Church (1-1/2")										
Water Bill	13 ccf	\$ 88.37	\$ 89.27	\$ 89.27	\$ 89.27	24 ccf	\$ 109.38	\$ 106.21	\$ 106.21	\$ 106.21
Sewer Bill	13 ccf	218.33	249.27	285.99	329.25	24 ccf	298.41	353.44	419.09	496.78
Total Bill		\$ 306.70	\$ 338.54	\$ 375.26	\$ 418.52		\$ 407.79	\$ 459.65	\$ 525.30	\$ 602.99
% Δ From Prior Year			+10.4%	+10.8%	+11.5%			+12.7%	+14.3%	+14.8%
Hotel (3")										
Water Bill	29 ccf	\$ 257.36	\$ 258.91	\$ 258.91	\$ 258.91	61 ccf	\$ 316.54	\$ 308.19	\$ 308.19	\$ 308.19
Sewer Bill	29 ccf	334.81	400.79	479.59	572.93	61 ccf	567.77	703.83	866.79	1,060.29
Total Bill		\$ 592.17	\$ 659.70	\$ 738.50	\$ 831.84		\$ 884.31	\$1,012.02	\$1,174.98	\$1,368.48
% Δ From Prior Year			+11.4%	+11.9%	+12.6%			+14.4%	+16.1%	+16.5%
School District (2")										
Water Bill	66 ccf	\$ 203.90	\$ 210.33	\$ 210.33	\$ 210.33	47 ccf	\$ 187.07	\$ 181.07	\$ 181.07	\$ 181.07
Sewer Bill	66 ccf	604.17	751.18	927.29	1,136.44	47 ccf	465.85	571.25	697.39	847.07
Total Bill		\$ 808.07	\$ 961.51	\$1,137.62	\$1,346.77		\$ 652.92	\$ 752.32	\$ 878.46	\$1,028.14
% Δ From Prior Year			+19.0%	+18.3%	+18.4%			+15.2%	+16.8%	+17.0%



Questions / Discussion



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