Ivins City Council Work Meeting

Ivins City Water and Sewer Impact Fees and Rates

January 2019

Presentation Outline

- Water Impact Fee
- Water Rates
- Sewer Rates



Impact Fee Recommendations

System Components	Total Cost of Component	% Serving 10-year Growth	Cost Serving 10-year Growth	10-year ERUs Served	Cost Per ERU
Storage					
Existing Facilities	$3,372,293	12.18%	$410,745	1,292	$317.91
Existing Facility Interest Costs Outstanding	$0	12.18%	$0	1,292	$0.00
10-year Projects	$2,122,000	44.83%	$951,293	1,292	$736.29
10-Year Project Interest Costs	$983,569	44.83%	$440,934	1,292	$341.28
Subtotal	**$6,477,862**		**$1,802,972**	**1,292**	**$1,395.49**
Conveyance					
Existing Facilities	$979,114	10.80%	$105,744	1,292	$81.85
Existing Facility Interest Costs Outstanding	$0	10.80%	$0	1,292	$0.00
10-year Projects	$6,625,300	25.00%	$1,656,325	1,292	$1,281.99
10-Year Project Interest Costs	$855,872	25.00%	$213,968	1,292	$165.61
Subtotal	**$8,460,286**		**$1,976,037**	**1,292**	**$1,529.44**
Other					
New Public Works Yard	$3,523,200	14.70%	$517,910	1,292	$400.86
New City Office/City Hall	$594,104	14.70%	$87,333	1,292	$67.60
10-Year Project Interest Costs	$1,633,040	14.70%	$240,057	1,292	$185.80
Impact Fee Studies	$80,000	100.00%	$80,000	1,292	$61.92
Subtotal	**$5,830,344**		**$925,301**	**1,292**	**$716.18**
Total	**$20,768,492**		**$4,704,310**		**$3,641.11**

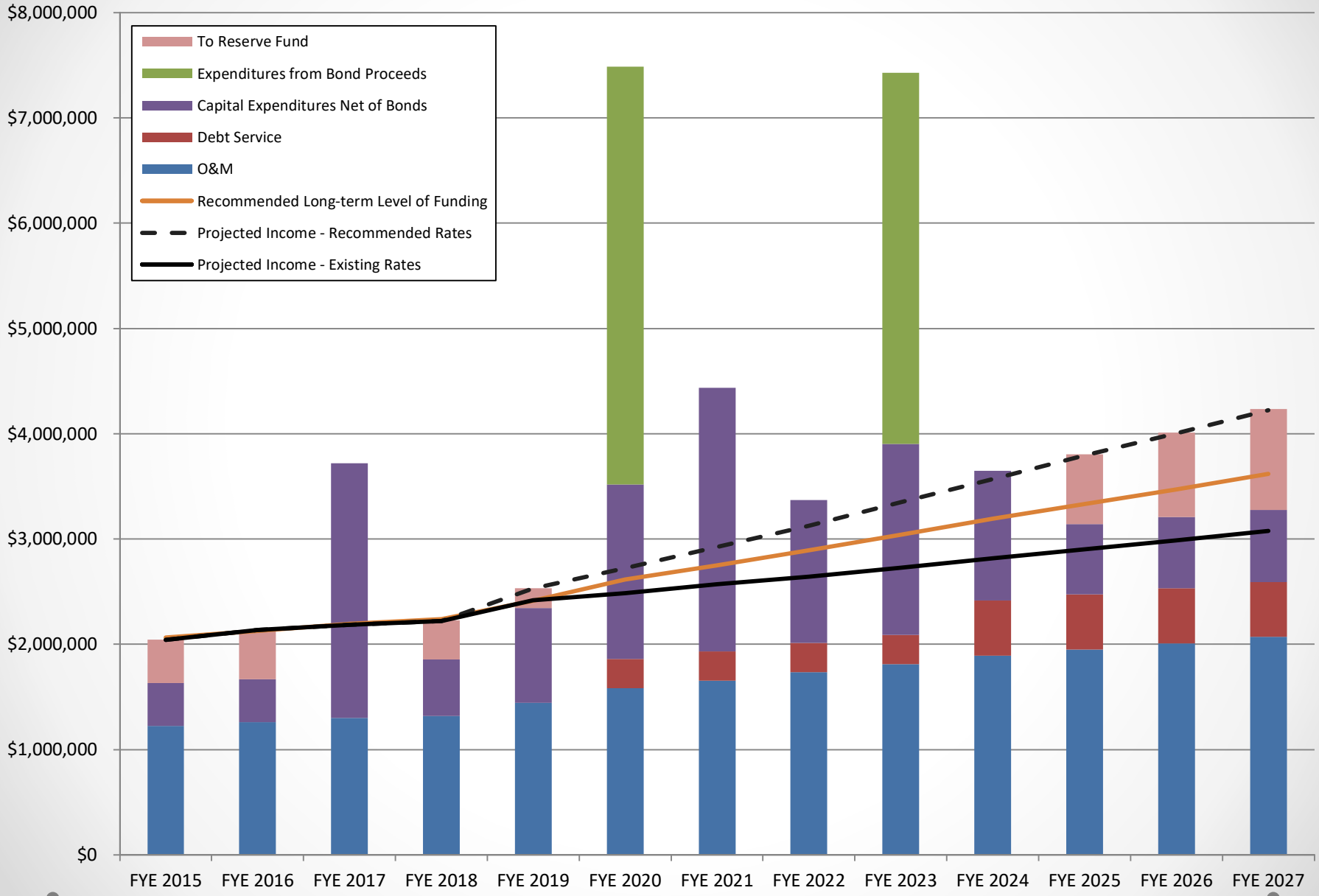
Impact Fees

- **Maximum Allowable Impact Fee=$3,345.67**
- **Current Impact Fee =**
- **$2,318.92 without irrigation (44%)**
- **$1,732.37 with irrigation (93%)**
- **How would the City like to proceed?**

Water Rates Approach

- Increasing Block Rates
- Based on Cost of Service Evaluation
- Lower Base Rate, Higher Volume Rate

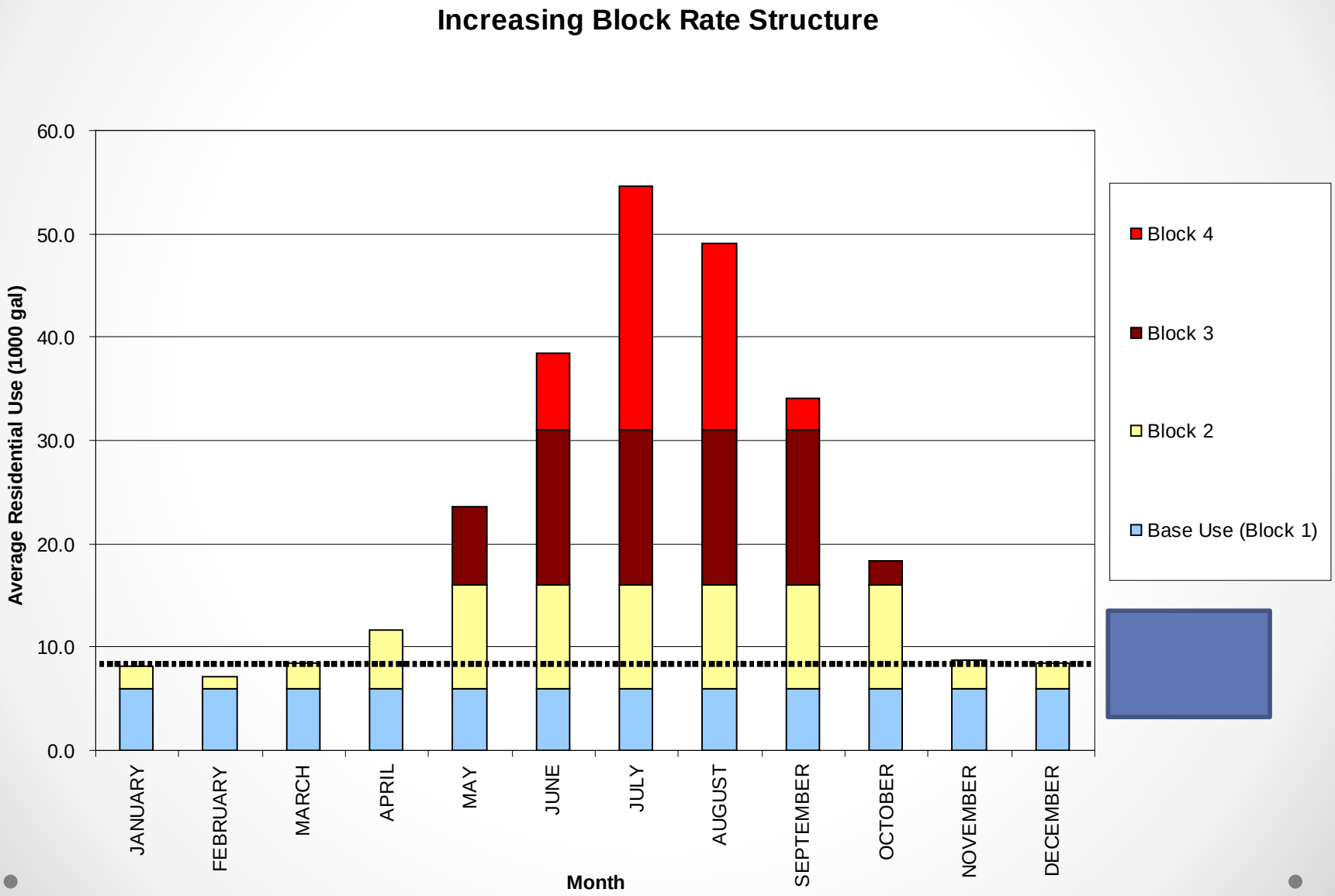
10-Year Revenue and Expenditures - Water



Water Overall Rate Recommendations

Fiscal Year Ending	% Increase – Water Rates
2019	6%
2020	6%
2021	5%
2022	5%
2023	5%
2024	4%
2025	4%
2026	3%
2027	3%

Increasing Block Structure



Monthly Base Rate

Meter Size	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
3/4 and smaller	$16.91	$17.96	$18.78	$19.67	$20.60	$21.57
1	$25.24	$26.84	$28.06	$29.37	$30.74	$32.19
1.5	$45.88	$48.85	$51.04	$53.41	$55.88	$58.52
2	$70.75	$75.36	$78.73	$82.36	$86.16	$90.23
3	$149.58	$159.40	$166.50	$174.16	$182.14	$190.75
4	$253.14	$269.83	$281.82	$294.76	$308.26	$322.83
6	$522.57	$557.09	$581.81	$608.51	$636.35	$666.44
8	$750.47	$800.08	$835.57	$873.90	$913.86	$957.07
10	$1,206.40	$1,286.18	$1,343.22	$1,404.82	$1,469.05	$1,538.51

Volume Block Rate - Culinary

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Block 1 Rate						
Residential	$1.84	$1.96	$2.05	$2.14	$2.24	$2.34
Multi	$1.84	$1.96	$2.05	$2.14	$2.24	$2.34
Commercial	$1.84	$1.96	$2.05	$2.14	$2.24	$2.34
Institutional	$1.84	$1.96	$2.05	$2.14	$2.24	$2.34
Stock	$1.84	$1.96	$2.05	$2.14	$2.24	$2.34
Block 2 Rate					1.06333	
Residential	$2.49	$2.65	$2.83	$3.00	$3.19	$3.39
Multi	$2.49	$2.65	$2.83	$3.00	$3.19	$3.39
Commercial	$2.35	$2.50	$2.67	$2.82	$3.00	$3.19
Institutional	$2.35	$2.50	$2.67	$2.82	$3.00	$3.19
Stock	$2.49	$2.65	$2.83	$3.00	$3.19	$3.39
Block 3 Rate					1.06842	
Residential	$3.14	$3.34	$3.57	$3.80	$4.06	$4.34
Multi	$3.14	$3.34	$3.57	$3.80	$4.06	$4.34
Commercial	$2.86	$3.04	$3.25	$3.45	$3.68	$3.93
Institutional	$2.86	$3.04	$3.25	$3.45	$3.68	$3.93
Stock	$3.14	$3.34	$3.57	$3.80	$4.06	$4.34
Block 4 Rate					1.06746	
Residential	$4.18	$4.44	$4.76	$5.04	$5.38	$5.74
Multi	$4.18	$4.44	$4.76	$5.04	$5.38	$5.74
Commercial	$3.67	$3.90	$4.18	$4.41	$4.70	$5.02
Institutional	$3.67	$3.90	$4.18	$4.41	$4.70	$5.02
Stock	$4.18	$4.44	$4.76	$5.04	$5.38	$5.74

Volume Block Rate - Irrigation

	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Block 1 Rate						
Residential	$1.84	$1.96	$2.05	$2.14	$2.24	$2.34
Multi	$1.84	$1.96	$2.05	$2.14	$2.24	$2.34
Commercial	$1.84	$1.96	$2.05	$2.14	$2.24	$2.34
Institutional	$1.84	$1.96	$2.05	$2.14	$2.24	$2.34
Stock	$1.84	$1.96	$2.05	$2.14	$2.24	$2.34
Block 2 Rate						
Residential	$2.49	$2.65	$2.38	$2.51	$2.65	$2.80
Multi	$2.49	$2.65	$2.38	$2.51	$2.65	$2.80
Commercial	$2.35	$2.50	$2.24	$2.35	$2.49	$2.63
Institutional	$2.35	$2.50	$2.24	$2.35	$2.49	$2.63
Stock	$2.49	$2.65	$2.38	$2.51	$2.65	$2.80
Block 3 Rate						
Residential	$3.14	$3.34	$3.01	$3.19	$3.39	$3.61
Multi	$3.14	$3.34	$3.01	$3.19	$3.39	$3.61
Commercial	$2.86	$3.04	$2.74	$2.89	$3.07	$3.26
Institutional	$2.86	$3.04	$2.74	$2.89	$3.07	$3.26
Stock	$3.14	$3.34	$3.01	$3.19	$3.39	$3.61
Block 4 Rate						
Residential	$4.18	$4.44	$4.02	$4.28	$4.57	$4.88
Multi	$4.18	$4.44	$4.02	$4.28	$4.57	$4.88
Commercial	$3.67	$3.90	$3.53	$3.75	$4.00	$4.26
Institutional	$3.67	$3.90	$3.53	$3.75	$4.00	$4.26
Stock	$4.18	$4.44	$4.02	$4.28	$4.57	$4.88

Water Rates Approach

- Irrigation Rate Structure
- Current Structure results in about $30/year savings for average user
- What is the target savings for the typical irrigation system user?
- 10% rate penalty for excess culinary water use on irrigation system

Sample of Water Rates

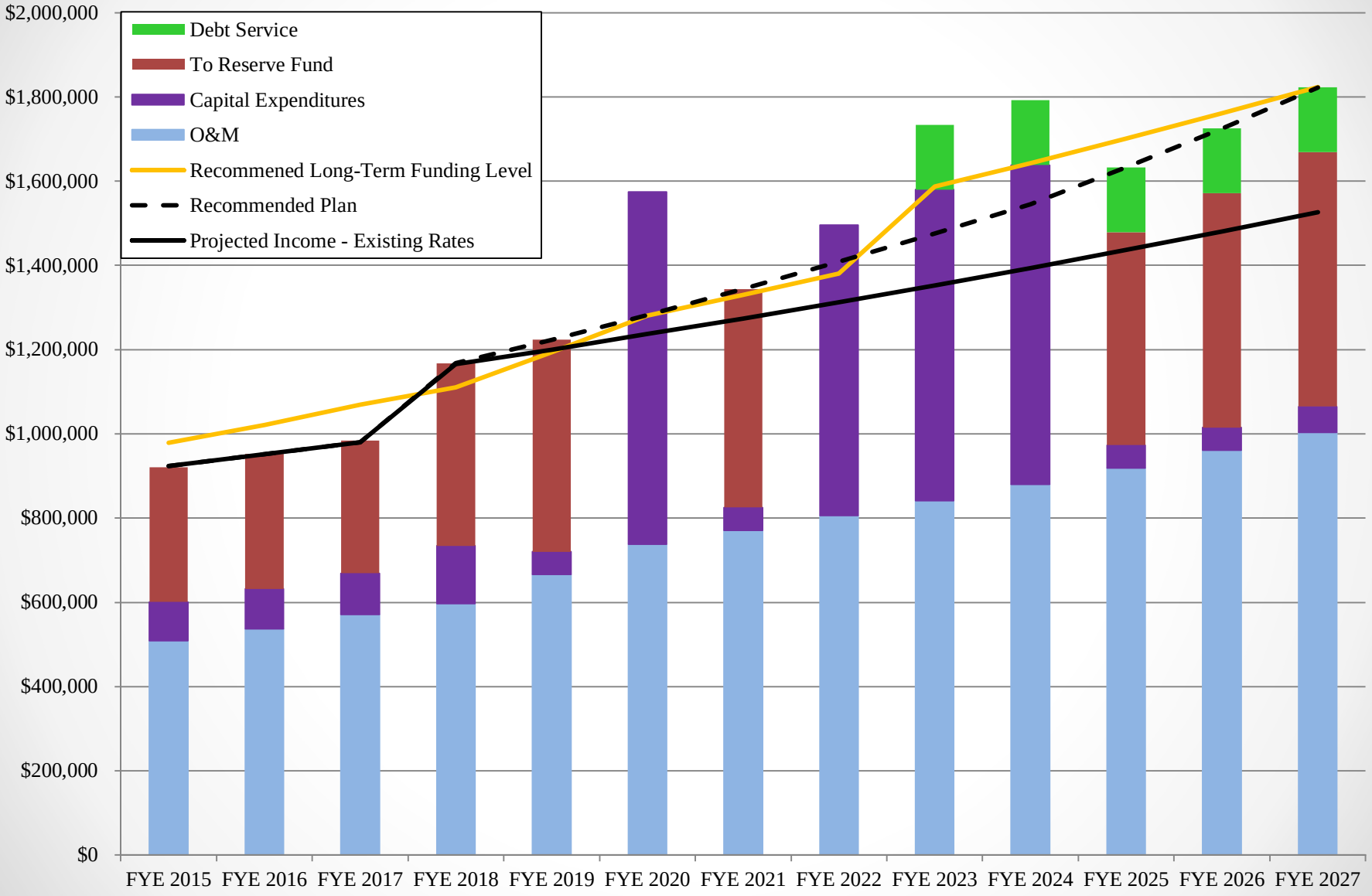
- Monthly Bill for Typical ERU (FYE 2021)
- Irrigation user saves **$31 per year**
- **In 2021, this represents a $0.03 increase/1,000 gal. in blocks 2-4.**

Month	January	February	March	April	May	June	July	August	September	October	November	December	Total
Monthly Bill - Culinary	$27.96	$27.66	$33.79	$43.09	$44.30	$58.71	$67.19	$73.60	$65.27	$52.61	$40.86	$30.39	**$565.43**
Monthly Bill - Irrigation	$27.96	$27.66	33.41	$41.24	$42.26	$54.39	$61.53	$66.93	$59.91	$49.24	$39.37	$30.39	**$534.29**

Sewer Rates Approach

- **Semi – Cost of Service Approach**
- **Maintain same ERU rate as currently established**
- **Modify volume rates for non-residential**
- **Decrease ERU rate for non-residential**

Figure 1
10-Year Revenue and Expenditures - Ivins City Sewer



Proposed Sewer Rates

Monthly Sewer Rate	Current Sewer Rate	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Residential	$24.23	$24.71	$25.21	$25.71	$26.23	$26.75	$27.29
% Increase		2%	2%	2%	2%	2%	2%
Commercial/Institutional (per ERU)*	$29.00	$24.71	$25.21	$25.71	$26.23	$26.75	$27.29
% Increase		-14.8%	2%	2%	2%	2%	2%
Volume Rate (per 1,000 gallons after 7,000)							
Commercial/Institutional	$1.41	$1.76	$1.80	$1.84	$1.87	$1.91	$1.95
% Increase		24.8%	2%	2%	2%	2%	2%