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DEPARTMENT OF
PUBLIC WORKS

WATER DIVISION

CITY OF SACRAMENTO
CALIFORNIA

1391-35TH AVENUE
SACRAMENTO, CA
95822-2911

916-449-5271

May 31, 1988

Budget and Finance Committee
Sacramento, CA

Honorable Members in Session:

Subject: Proposed Water Service Rate Adjustment for 1988-89

SUMMARY

This report recommends adoption of the attached Resolution proposing a five percent (5%) increase in the Water Service rates to keep pace with operating costs. This increase of a little more than a penny a day for the average residential customer is to be effective July 1, 1988.

BACKGROUND

The Water Fund is an enterprise fund which supports the organizations of Water Production, Distribution, and Administration. The proposed operating budget for fiscal year 1988-89 of \$14.8 million and a capital improvement program of \$4.7 million for next year necessitate a slight rate increase.

Increases in operating expenses are a result primarily of increased labor costs, SMUD's continued escalation of electrical power costs and staff additions contained in the proposed budget. Capital requirements necessitate an increase due to the expansion of the Sacramento Water Treatment Plant and water distribution system additions.

The proposed fee structure, identified in the attached resolution and Exhibit A proposes five percent (5%) across the board increases of all water charges with the exception of the Water Development Fee and Installation Charge. The Development Fee will be treated as a separate subject and covered at a later date in another report to the Budget and Finance Committee. The Installation Charge has been reviewed and compared with actual costs. It has been determined that no increase is presently warranted.

FINANCIAL

The effect of the proposed fee adjustments on the average home and commercial metered customers are as follows:

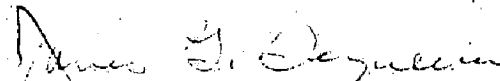
<u>Monthly Water Rates and Fee</u>	<u>Current</u>	<u>Proposed</u>	<u>Change</u>
Water Use Rate for 6-7 Room Home:	\$ 7.25	\$ 7.61	+\$0.36
Metered Account (1,475 gals/day):	16.20	16.79	+ 0.59
Installation Charges (1-inch):			
For Streets and Alleys	646	646	+ 0.00
For Easements	179	179	+ 0.00

The proposed increase in water use rates is expected to generate \$740,000 in additional revenue to the Water Fund. Total revenue from the water service rates is projected to be \$15,540,000. This figure will be reflected in the revenue schedule in the approved budget.

RECOMMENDATION

It is recommended that the Budget and Finance Committee approve an increase to the water service rates of five percent (5%) to cover increases in the operating budget and CIP program and forward to the City Council the attached resolution containing findings and amending the City of Sacramento Fee and Charge Report for final adoption.

Respectfully submitted,



JAMES G. SEQUEIRA
Water Division Manager

RECOMMENDATION APPROVED:



JACK R. CRIST
Deputy City Manager

APPROVED:



MELVIN H. JOHNSON
Director of Public Works

May 31, 1988
ALL DISTRICTS

PUBLIC WORKS DEPARTMENT - WATER (RATE)

EXHIBIT A

PUBLIC WORKS DEPARTMENT - WATER

I. WATER USE RATES, MONTHLY DOMESTIC

Single-Family residence:	\$5.11	\$5.37
1-3 rooms	6.67	7.00
4-5 rooms	7.25	7.61
6-9 rooms	8.37	8.79
10-15 rooms	9.59	0.61
Over 15, each additional room		
Multiple-Family residence (for each family dwelling unit in a multiple family residence)		
1-3 rooms	3.92	4.11
4-5 rooms	5.03	5.28
6-7 rooms	6.13	6.44
8-9 rooms	7.25	7.61
10-15 rooms	8.37	8.79
Over 15, each additional room	9.59	0.61
Lot Irrigation, per Water Service Tap	10.21	10.72

II. WATER USE RATES, MONTHLY COMMERCIAL

Bakery, first 1,000 sq. ft. of gross floor area or fraction thereof	13.30	13.97
Each additional 1,000 sq. ft. or fraction thereof	8.73	9.17
Barber Shop or Beauty Parlor, first 1,000 sq. ft. of gross floor area or fraction thereof	6.67	7.00
Each additional 1,000 sq. ft. or fraction thereof	4.29	4.50
Bowling Alley, first 1,000 sq. ft. of gross floor area or fraction thereof	6.67	7.00
Each additional 1,000 sq. ft. or fraction thereof	4.29	4.50
Cemetery, for the irrigation season, first 1,000 sq. ft. or fraction thereof	12.20	12.81
Each additional 1,000 sq. ft. or fraction thereof	0.97	1.02
Dining Facilities, including restaurant, cafeteria, cafe, bar, first 1,000 sq. ft. of gross floor area or fraction thereof	13.25	13.91
Each additional 1,000 sq. ft. or fraction thereof	8.73	9.17
Drug Store, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13	6.44
Each additional 1,000 sq. ft. or fraction thereof	2.73	2.87

PUBLIC WORKS DEPARTMENT - WATER (RATE)

II. WATER USE RATES, MONTHLY COMMERCIAL (Cont.)

Fire Hydrant Service Charge - wharf hydrant	\$-3.11	3.27
- standard hydrant	-7.70	8.09
Furniture Store, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13	6.44
Each additional 1,000 sq. ft. or fraction thereof	0.67	0.70
Garage, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13	6.44
Each additional 1,000 sq. ft. or fraction thereof	0.67	0.70
Halls, including lodge and auditorium, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13	6.44
Each additional 1,000 sq. ft. or fraction thereof	2.73	2.87
Hotel, rest or convalescent homes, first 10 sleeping rooms or fraction thereof	12.20	12.81
Over 10 sleeping rooms, each additional sleeping room	0.97	1.02
Laundry, first 1,000 sq. ft. of gross floor area or fraction thereof	26.49	27.81
Each additional 1,000 sq. ft. or fraction thereof	17.30	18.20
Market, first 1,000 sq. ft. of gross floor area or fraction thereof	6.67	7.00
Each additional 1,000 sq. ft. or fraction thereof	2.73	4.50
Mortuary, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13	6.44
Each additional 1,000 sq. ft. or fraction thereof	2.73	2.87
Motel, first 10 sleeping rooms or fraction thereof	12.20	12.81
Each additional sleeping room over 10	0.97	1.02
Office Building, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13	6.44
Each additional 1,000 sq. ft. or fraction thereof	2.08	2.18
Park (not municipal), for irrigation season, first 1,000 sq. ft. or fraction thereof	12.20	12.81
Each additional 1,000 sq. ft. or fraction thereof	0.97	1.02

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PUBLIC WORKS DEPARTMENT - WATER (RATE)

Religious Worship, including the building used exclusively for religious worship and any other building used for religious activities, first 1,000 sq. ft. of gross floor area or fraction thereof	6-13	6.44
Each additional 1,000 sq. ft. or fraction thereof	1-12	1.18
School, first 100 pupils or fraction thereof	11-77	12.36
Each additional 100 pupils or fraction thereof	9-17	9.63
Service Station (no wash racks) - tap size to City main:		
and Used Car Lots	3/4"	6-67 7.00
	1"	8-73 9.17
	1 1/2"	14-28 14.99
	2"	24-41 25.63
Store, first 1,000 sq. ft. of gross floor area or fraction thereof	6-13	6.44
Each additional 1,000 sq. ft. or fraction thereof	2-73	2.87
Theater, first 1,000 sq. ft. of gross floor area or fraction thereof	6-67	7.00
Each additional 1,000 sq. ft. or fraction thereof	4-29	4.50
Warehouse, first 1,000 sq. ft. of gross floor area or fraction thereof	6-13	6.44
Each additional 1,000 sq. ft. or fraction thereof	0-67	0.70
Minimum rate: In no case shall a commercial flat rate be less than	4-07	6.44

III. SPECIAL WATER USE RATES, MONTHLY

Air Conditioning System

Monthly demand charge (system w/o water conservation devices) per ton of capacity for each month of the air conditioning season of 5 months	4-07	4.27
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For systems on flat-rate service, the following charge will apply for each month during the air conditioning season, per ton of system capacity

Without Water Conservation Device With Water Conservation Device

\$14.30	\$15.02	\$0.93	\$0.98
Evaporative coolers (commercial establishments - for units on flat rate service the following charges will apply for each			

Effective 7/01/88

PUBLIC WORKS DEPARTMENT - WATER (RATE)

month during air conditioning season, per 100 cubic feet/minute unit capacity

Without Water Conservation Device With Water Conservation Device

\$1.47 \$1.54 ~~\$0.53~~ \$0.56

Refrigeration Systems

For systems on flat-rate service, the following charges will apply for each month during the year, per compressor horsepower.

Without Water Conservation Device With Water Conservation Device

\$9.35 \$9.82 ~~\$0.99~~ \$1.04

Dining Facility (including restaurant, cafeteria, cafe, kitchen, bar) each 1,000 sq. ft. of gross floor area or fraction thereof ~~\$ 7.10~~ \$ 7.54

Gymnasium, each shower head ~~3.24~~ 3.40

Hydraulically-operated elevator ~~28.50~~ 29.93
 With water conservation device ~~5.11~~ 5.37

Irrigation: Supplemental (Commercial)
 0-10,000 sq. ft. (net irrigable area) ~~0~~ -0-
 over 10,000 sq. ft.
 (net irrigable area), each additional 1,000 sq. ft. ~~0.97~~ 1.02

Irrigation: Supplemental (domestic)
 0-13,000 sq. ft. (gross lot area)
 over 13,000 sq. ft. (gross lot area)
 each additional 1,000 sq. ft. ~~0.97~~ 1.02

Private Fire Protection

Tap size to City main: 0-2" ~~4.07~~ 4.27
 3" ~~6.13~~ 6.44
 4" ~~8.14~~ 8.55
 6" ~~12.20~~ 12.81
 8" ~~16.28~~ 17.09
 10" ~~20.34~~ 21.36
 12" ~~24.41~~ 25.63

Swimming pool, non-residential (where pool is not principal function of said establishment)

PUBLIC WORKS DEPARTMENT - WATER (RATE)

Under 300 cu. ft. fill & draw, per 100 cu. ft.	-0-	-0-
Over 300 cu. ft. fill & draw, per 100 cu. ft.	1-25	1.31
Under 300 cu. ft. per 100 cu. ft., filtered	-0-	-0-
Over 300 cu. ft. per 100 cu. ft. filtered	0-25	0.26

IV. METERED WATER USE, PER 100 CU. FT.

Quantity of water: first 25,000 cu. ft.	\$ 0-27	\$ 0.28
next 50,000 cu. ft.	0-23	0.24
over 75,000 cu. ft.	0-20	0.21

For metered service, minimum charges and quantity allowance are as follows:

<u>Metered size</u>	<u>Quantity of water allowed without additional payment</u>		
5/8 " x 3/4"	1,500 cu. ft.	4-07	4.27
3/4"	2,100 cu. ft.	5-69	5.97
1"	2,700 cu. ft.	7-18	7.54
1 1/2"	4,600 cu. ft.	-12-20	12.81
2"	7,600 cu. ft.	-20-34	21.36
3"	15,300 cu. ft.	40-70	42.74
4"	27,000 cu. ft.	71-26	74.82
6"	57,000 cu. ft.	142-42	149.54
8"	108,000 cu. ft.	254-38	267.10
10"	158,000 cu. ft.	356-13	373.94
12"	218,000 cu. ft.	508-69	534.12

V. INSTALLATION CHARGES - WATER

<u>Nom. Dia</u>	<u>Streets & Alleys</u>	<u>Easements</u>	<u>Metered (add)</u>
1"	\$ 646	\$ 179	\$ 326
1 1/2"	694	257	488
2"	966	431	562
3"	N/A	N/A	1,034
4"	1,612	898	1,344
6"	1,764	1,160	2,069
8"	2,221	1,523	3,124
10"	2,625	1,895	4,809

VI. WATER SERVICE FEE

Restoration of service following discontinuance	50.00
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PUBLIC WORKS DEPARTMENT - WATER (RATE)

6"	1,764	1,160	2,069
8"	2,221	1,523	3,124
10"	2,625	1,895	4,809

VI. WATER SERVICE FEE

Restoration of service following discontinuance	50.00
Vacancy credit service fee	25.00

VII. WATER MAIN CONSTRUCTION CHARGE

When costs not recorded, charge per linear foot	Full cost recovery	4.00
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VIII. WATER SYSTEM DEVELOPMENT FEE

Water Service or Meter Size, Inches	3/4"	\$ 1,200.00
	1"	1,500.00
	1 1/4"	2,250.00
	1 1/2"	3,000.00
	2"	4,800.00
	3"	9,000.00
	4"	15,000.00
	6"	30,000.00
	8"	48,000.00
	10"	69,000.00

Non-Residential

In addition to the above fee based on size, a fee of \$2,500 per acre will be charged. Acreage is to be based on parcel size, not developed area.

IX. REPLACEMENT OF LOST OR DAMAGED WATER LOCK BOX

Water lock box removed	\$ 50.00
Water lock box removed and chain cut	75.00
Water lock box removed and lock missing	75.00
Water lock box, chain, and lock missing	100.00

Effective 7/01/88

RESOLUTION No.

Adopted by The Sacramento City Council on date of

RESOLUTION AMENDING THE CITY OF SACRAMENTO
FEE AND CHARGE REPORT TO ESTABLISH WATER SERVICE
CHARGES AND FEES PURSUANT TO SECTION 47.300 OF THE
SACRAMENTO CITY CODE

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the City of Sacramento Fee and Charge Report is hereby amended to include the following water fees and charges to take effect on July 1, 1988.

I. WATER USE RATES, MONTHLY DOMESTIC

Single-Family residence:

1-3 rooms	\$ 5.37
4-5 rooms	7.00
6-9 rooms	7.61
10-15 rooms	8.79
Over 15, each additional room	0.62

Multiple-Family residence (for each family dwelling unit in a multiple family residence)

1-3 rooms	\$4.12
4-5 rooms	5.28
6-7 rooms	6.44
8-9 rooms	7.61
10-15 rooms	8.79
Over 15, each additional room	0.62

Lot Irrigation, per Water Service Tap 10.72

II. WATER USE RATES, MONTHLY COMMERCIAL

Bakery, first 1,000 sq. ft. of gross floor area or fraction thereof \$13.97

Each additional 1,000 sq. ft. or fraction thereof 9.17

Barber Shop or Beauty Parlor, first 1,000 sq. ft. of gross floor area or fraction thereof 7.00

Each additional 1,000 sq. ft. or fraction thereof 4.50

Bowling Alley, first 1,000 sq. ft. of gross floor area or area or fraction thereof 7.00

Each additional 1,000 sq. ft. or fraction thereof 4.50

Cemetery, for the irrigation season, first 1,000 sq. ft. or fraction thereof 12.81

Each additional 1,000 sq. ft. or fraction thereof 1.02

II. WATER USE RATES, MONTHLY COMMERCIAL (Cont.)

3

School, first 100 pupils or fraction thereof	12.36
Each additional 100 pupils or fraction thereof	9.63
Service Station (no wash racks) - tap size to City main:	
and Used Car Lots	
3/4"	7.00
1"	9.17
1 1/2"	14.99
2"	25.63
Store, first 1,000 sq. ft. of gross floor area or fraction thereof	6.44
Each additional 1,000 sq. ft. or fraction thereof	2.87
Theater, first 1,000 sq. ft. of gross floor area or fraction thereof	7.00
Each additional 1,000 sq. ft. or fraction thereof	4.50
Warehouse, first 1,000 sq. ft. of gross floor area or fraction thereof	6.44
Each additional 1,000 sq. ft. or fraction thereof	0.70
Minimum rate: In no case shall a commercial flat rate be less than	6.44

III. SPECIAL WATER USE RATES, MONTHLY

Air Conditioning System

Monthly demand charge (system w/o water conservation devices) per ton of capacity for each month of the air conditioning season of 5 months 4.27

For systems on flat-rate service, the following charge will apply for each month during the air conditioning season, per ton of system capacity

Without Water Conservation Device With Water Conservation Device

\$15.02 \$ 0.98
 Evaporative coolers (commercial establishments - for units on flat rate service the following charges will apply for each month during air conditioning season, per 100 cubic feet/minute unit capacity

Without Water Conservation Device With Water Conservation Device
 \$ 1.54 \$ 0.56

Refrigeration Systems

For systems on flat-rate service, the following charges will apply for each month during the year, per compressor horsepower.

Without Water Conservation Device With Water Conservation Device

\$ 9.82 \$ 1.04

Dining Facility (including restaurant, cafeteria, cafe, kitchen, bar) each 1,000 sq. ft. of gross floor area or fraction thereof \$ 7.54

III. SPECIAL WATER USE RATES, MONTHLY (Cont.)

Gymnasium, each shower head		3.40
Hydraulically-operated elevator		29.93
With water conservation device		5.37
Irrigation: Supplemental (Commercial)		-0-
0-10,000 sq. ft. (net irrigable area)		
over 10,000 sq. ft.		
(net irrigable area), each additional 1,000 sq. ft.		1.02
Irrigation: Supplemental (domestic)		
0-13,000 sq. ft. (gross lot area)		
over 13,000 sq. ft. (gross lot area)		-0-
each additional 1,000 sq. ft.		1.02
Private Fire Protection		
Tap size to City main:	0-2"	4.27
	3"	6.44
	4"	8.55
	6"	12.81
	8"	17.09
	10"	21.36
	12"	25.63

Swimming pool, non-residential (where pool is not principal function of said establishment)		
Under 300 cu. ft. fill & draw, per 100 cu. ft.		-0-
Over 300 cu. ft. fill & draw, per 100 cu. ft.		1.31
Under 300 cu. ft. per 100 cu. ft., filtered		-0-
Over 300 cu. ft. per 100 cu. ft. filtered		0.26

IV. METERED WATER USE, PER 100 CU. FT.

Quantity of water: first 25,000 cu. ft.	\$0.28
next 50,000 cu. ft.	0.24
over 75,000 cu. ft.	0.21

For metered service, minimum charges and quantity allowance are as follows:

<u>Metered size</u>	<u>Quantity of water allowed without additional payment</u>	
5/8 " x 3/4"	1,500 cu. ft.	4.27
3/4"	2,100 cu. ft.	5.97
1"	2,700 cu. ft.	7.54
1 1/2"	4,600 cu. ft.	12.81
2"	7,600 cu. ft.	21.36
3"	15,300 cu. ft.	42.74
4"	27,000 cu. ft.	74.82
6"	57,000 cu. ft.	149.54
8"	108,000 cu. ft.	267.10
10"	158,000 cu. ft.	373.94
12"	218,000 cu. ft.	534.12

V. INSTALLATION CHARGES - WATER

<u>Nom. Dia</u>	<u>Streets & Alleys</u>	<u>Easements</u>	<u>Metered (add)</u>
1"	\$ 646	\$ 179	\$ 326
1 1/2"	694	257	488
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3"	N/A	N/A	1,034
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10"	2,625	1,895	4,809

VI. WATER SERVICE FEE

Restoration of service following discontinuance	50.00
Vacancy credit service fee	25.00

VII. WATER MAIN CONSTRUCTION CHARGE

Full cost recovery

When costs not recorded, charge per linear foot	4.00
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VIII. WATER SYSTEM DEVELOPMENT FEE

Water Service or Meter Size, Inches		
	3/4"	1,200.00
	1"	1,500.00
	1 1/4"	2,250.00
	1 1/2"	3,000.00
	2"	4,800.00
	3"	9,000.00
	4"	15,000.00
	6"	30,000.00
	8"	48,000.00
	10"	69,000.00

Non-Residential

In addition to the above fee based on size, a fee of \$2,500 per acre will be charged. Acreage is to be based on parcel size, not developed area.

IX. REPLACEMENT OF LOST OR DAMAGED WATER LOCK BOX

Water lock box removed	\$ 50.00
Water lock box removed and chain cut	75.00
Water lock box removed and lock missing	75.00
Water lock box, chain, and lock missing	100.00

RESOLUTION No.

Adopted by The Sacramento City Council on date of

RESOLUTION OF FINDINGS ON INCREASED WATER USE FEES

WHEREAS, the Budget and Finance Committee has held a public hearing on water fees on May 31, 1988, at which staff made a presentation including a report and at which public testimony was heard and said committee recommended adoption of an increased water use fee schedule, and

WHEREAS, the City Council on June 28, 1988, at a regular public council meeting, received the following information:

- (1) A staff report on the proposed increased water use fees;
- (2) Oral presentation by city staff;
- (3) Public testimony from interested parties.

NOW THEREFORE, based on this data and all information part of the public record on this matter, the City Council makes the following finding to comply with Government Code Section 210809(b)8 to establish that the passing of the increased water use fees of even date herewith serves the following purposes:

- (1) The water use fees will provide funds to meet operating expenses.
- (2) The water use fees will permit the generation of necessary cash flow to finance maintenance of the system and meet financial reserves requirements.
- (3) The water use fees will permit the purchase of necessary equipment for the water system.
- (4) The water use fees are essential as a source of funds for capital projects necessary to maintain water system.

NOW THEREFORE, based on this information and the public words, the Council of the City of Sacramento makes the specific finding contained herein as well as all other matters in the public record as its basis for the resolution establishing the fees passed of even date herewith.

MAYOR

ATTEST:

CITY CLERK