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DEPARTMENT OF
PUBLIC WORKS

OFFICE OF THE DIRECTOR

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 207
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SACRAMENTO, CA
95814-2673

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MELVIN H. JOHNSON
DIRECTOR
LESLIE M. FRINK
DEPUTY DIRECTOR
REGINALD YOUNG
DEPUTY DIRECTOR

May 26, 1987

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: PROPOSED WATER SERVICE RATE AND INSTALLATION CHARGE ADJUSTMENT FOR
1987-88

SUMMARY

This report recommends adoption of a five (5) percent increase in the water service rates and installation charges 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, 1987.

BACKGROUND

The Water Fund is an enterprise fund which supports the Administration, Water Production and Water Distribution sections of the Water Division. The proposed operating budget for fiscal year 1987-88 of \$13 million and a capital improvement program of \$8.7 million for next year necessitate a slight rate increase.

Increases in operating expenses are a result primarily of SMJD's escalating electrical power costs, a state mandated cross connection control program, and staff additions that are necessary to the efficient provision of the total complement of services required by our customers. The Water Division is undertaking an aggressive capital improvement program involving the expansion of the Sacramento and American River Water Treatment Plants, and Robla Reservoir, and the water distribution system additions.

The proposed fee structure identified in the attached resolution proposes a five (5) percent across the board increase of all water charges with the exception of the Development Fee and Swallows Nest fees. The Development Fee increase has been approved by Council and will go into effect June 1, 1987. Charges to Swallows Nest residents are predicated on the operating costs of the small water treatment

May 26, 1987

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and distribution system that serves the development. These rates of \$16.05 per month are adequate to compensate the City for that system's operation. Within a year, the Swallows Nest development should be connected with the main City system and after that the regular rates would apply.

FINANCIAL

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

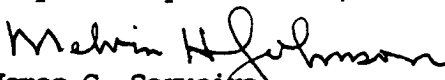
<u>Monthly Water Rates and Fees</u>	<u>Current</u>	<u>Proposed</u>	<u>Change</u>	<u>Percent</u>
Water Use Rate for 6-7 Room Home	\$ 6.90	\$ 7.25	+\$ 0.35	5%
Metered Account (1,475 gals/day):	\$15.00	\$15.75	+\$ 0.75	5%
Installation Charges (1-inch):				
5or Streets and Alleys	\$ 615	\$ 646	+\$31.00	5%
For 5asements	\$ 170	\$ 179	+\$ 9.00	5%

The proposed increase in water service rates is expected to generate \$646,000 in additional revenue to the Water Fund. Total revenue from the water service rates is projected to be \$13,560,000. The five percent increase in installation charges will yield \$27,000 in additional revenues, bringing revenue from this source to \$565,000 for the year. 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 and installation charges of five (5) percent to cover increases in the operating budget and CIP program and forward to the City Council the attached resolutions containing findings and amending the City of Sacramento ee and Charge Report.


Respectfully submitted,

for 
James G. Sequeira
Acting Manager, Water Division

RECOMMENDATION APPROVED:

APPROVED:


JACK R. CRIST
Deputy City Manager


MELVIN H. JOHNSON
Director of Public Works

May 26, 1987
All Districts

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, 1987.

I. WATER USE RATES, MONTHLY DOMESTIC

Single-Family residence:

1-3 rooms	\$ 5.11
4-5 rooms	6.67
6-9 rooms	7.25
10-15 rooms	8.37
Over 15, each additional room	0.59

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

1-3 rooms	3.92
4-5 rooms	5.03
6-7 rooms	6.13
8-9 rooms	7.25
10-15 rooms	8.37
Over 15, each additional room	0.59

Lot Irrigation, per Water Service Tap 10.21

II. WATER USE RATES, MONTHLY COMMERCIAL

Bakery, first 1,000 sq. ft. of gross floor area or fraction thereof 13.30
Each additional 1,000 sq. ft. or fraction thereof 8.73

Barber Shop or Beauty Parlor, first 1,000 sq. ft. of gross floor area or fraction thereof 6.67
Each additional 1,000 sq. ft. or fraction thereof 4.29

PUBLIC WORKS DEPARTMENT - WATER (cont.)

Bowling Alley, first 1,000 sq. ft. of gross floor area or fraction thereof	6.67
Each additional 1,000 sq. ft. or fraction thereof	4.29
Cemetery, for the irrigation season, first 1,000 sq. ft. or fraction thereof	12.20
Each additional 1,000 sq. ft. or fraction thereof	0.97
Dining Facilities, including restaurant, cafeteria, cafe, bar, first 1,000 sq. ft. of gross floor area or fraction thereof	13.25
Each additional 1,000 sq. ft. or fraction thereof	8.73
Drug Store, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13
Each additional 1,000 sq. ft. or fraction thereof	2.73

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

Fire Hydrant Service Charge - wharf hydrant	\$ 3.11
-standard hydrant	7.70
Furniture Store, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13
Each additional 1,000 sq. ft. or fraction thereof	0.67
Garage, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13
Each additional 1,000 sq. ft. or fraction thereof	0.67
Halls, including lodge and auditorium, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13
Each additional 1,000 sq. ft. or fraction thereof	2.73
Hotel, rest or convalescent homes, first 10 sleeping rooms or fraction thereof	12.20
Over 10 sleeping rooms, each additional sleeping room	0.97
Laundry, first 1,000 sq. ft. of gross floor area or fraction thereof	26.49
Each additional 1,000 sq. ft. or fraction thereof	17.33
Market, first 1,000 sq. ft. of gross floor area or fraction thereof	6.67
Each additional 1,000 sq. ft. or fraction thereof	4.29
Mortuary, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13
Each additional 1,000 sq. ft. or fraction thereof	2.73
Motel, first 10 sleeping rooms or fraction thereof	12.20
Each additional sleeping room over 10	0.97

PUBLIC WORKS DEPARTMENT - WATER (cont.)

Office Building, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13
Each additional 1,000 sq. ft. or fraction thereof	2.08
Park (not municipal), for irrigation season, first 1,000 sq. ft. or fraction thereof	12.20
Each additional 1,000 sq. ft. or fraction thereof	0.97
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
Each additional 1,000 sq. ft. or fraction thereof	1.12

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

School, first 100 pupils or fraction thereof	\$11.77
Each additional 100 pupils or fraction thereof	9.17
Service Station (no wash racks) - tap size to City main:	
and Used Car Lots	
3/4"	6.67
1"	8.73
1 1/2"	14.28
2"	24.41
Store, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13
Each additional 1,000 sq. ft. or fraction thereof	2.73
Theater, first 1,000 sq. ft. of gross floor area or fraction thereof	6.67
Each additional 1,000 sq. ft. or fraction thereof	4.29
Warehouse, first 1,000 sq. ft. of gross floor area or fraction thereof	6.13
Each additional 1,000 sq. ft. or fraction thereof	0.67
Minimum rate: In no case shall a commercial flat rate be less than	6.13

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
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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

PUBLIC WORKS DEPARTMENT - WATER (cont.)

<u>Without Water Conservation Device</u>	<u>With Water Conservation Device</u>
\$14.30	\$0.93

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

<u>Without Water Conservation Device</u>	<u>With Water Conservation Device</u>
\$1.47	\$0.53

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

Refrigeration Systems

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

<u>Without Water Conservation Device</u>	<u>With Water Conservation Device</u>
\$9.35	\$0.99

Swallows' Nest Maintenance and Operation \$16.05

Dining Facility (including restaurant, cafeteria, cafe, kitchen, bar) each 1,000 sq. ft. of gross floor area or fraction thereof \$ 7.18

Gymnasium, each shower head 3.24

Hydraulically-operated elevator 28.50
 With water conservation device 5.11

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

Irrigation: Supplemental (domestic)
 0-13,000 sq. ft. (gross lot area) -0-
 over 13,000 sq. ft. (gross lot area)
 each add'l 1,000 sq. ft. 0.97

PUBLIC WORKS DEPARTMENT - WATER (cont.)

Private Fire Protection

Tap size to City main:	0-2"	4.07
	3"	6.13
	4"	8.14
	6"	12.20
	8"	16.28
	10"	20.34
	12"	24.41

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.	1.25
Under 300 cu. ft. per 100 cu. ft., filtered	-0-
Over 300 cu. ft. per 100 cu. ft., filtered	0.25

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

Quantity of water: first 25,000 cu. ft.	\$ 0.27
next 50,000 cu. ft.	0.23
over 75,000 cu. ft.	0.20

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

<u>Meter size</u>	<u>Quantity of water allowed without additional payment</u>	
5/8" x 3/4"	1,500 cu. ft.	\$ 4.07
3/4"	2,100 cu. ft.	5.69
1"	2,700 cu. ft.	7.18
1 1/2"	4,600 cu. ft.	12.20
2"	7,600 cu. ft.	20.34
3"	15,300 cu. ft.	40.70
4"	27,000 cu. ft.	71.26
6"	57,000 cu. ft.	142.42
8"	108,000 cu. ft.	254.38
10"	158,000 cu. ft.	356.13
12"	281,000 cu. ft.	508.69

PUBLIC WORKS DEPARTMENT - WATER (cont.)

V. INSTALLATION CHARGES - WATER

<u>Nom. Dia.</u>	<u>Streets & Alleys</u>	<u>Easements</u>	<u>Metered (adj)</u>
1"	\$ 646	\$ 179	\$ 326
1 1/2"	694	257	488
2"	966	431	562
3"	N/A	N/A	1034
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
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

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, 1987.

I. WATER USE RATES, MONTHLY DOMESTIC

Single-Family residence:

1-3 rooms	\$ 4.87	\$ 5.11
4-5 rooms	6.35	6.67
6-9 rooms	6.90	7.25
10-15 rooms	7.97	8.37
Over 15, each additional room	0.56	0.59

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

1-3 rooms	3.73	3.92
4-5 rooms	4.79	5.03
6-7 rooms	5.84	6.13
8-9 rooms	6.90	7.25
10-15 rooms	7.97	8.37
Over 15, each additional room	0.56	0.59

Lot Irrigation, per Water Service Tap ~~9.72~~ 10.21

II. WATER USE RATES, MONTHLY COMMERCIAL

Bakery, first 1,000 sq. ft. of gross floor area or fraction thereof	12.67	13.30
Each additional 1,000 sq. ft. or fraction thereof	8.31	8.73
Barber Shop or Beauty Parlor, first 1,000 sq. ft. of gross floor area or fraction thereof	6.35	6.67
Each additional 1,000 sq. ft. or fraction thereof	4.09	4.29

Bowling Alley, first 1,000 sq. ft. of gross floor area or fraction thereof	6-35	6.67
Each additional 1,000 sq. ft. or fraction thereof	4-09	4.29
Cemetery, for the irrigation season, first 1,000 sq. ft. or fraction thereof	11-62	12.20
Each additional 1,000 sq. ft. or fraction thereof	0-92	0.97
Dining Facilities, including restaurant, cafeteria, cafe, bar, first 1,000 sq. ft. of gross floor area or fraction thereof	12-62	13.25
Each additional 1,000 sq. ft. or fraction thereof	8-31	8.73
Drug Store, first 1,000 sq. ft. of gross floor area or fraction thereof	\$ 5-84	6.13
Each additional 1,000 sq. ft. or fraction thereof	2-60	2.73

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

Fire Hydrant Service Charge - wharf hydrant	2-96	3.11
-standard hydrant	7-33	7.70
Furniture Store, first 1,000 sq. ft. of gross floor area or fraction thereof	5-84	6.13
Each additional 1,000 sq. ft. or fraction thereof	0-64	0.67
Garage, first 1,000 sq. ft. of gross floor area or fraction thereof	5-84	6.13
Each additional 1,000 sq. ft. or fraction thereof	0-64	0.67
Halls, including lodge and auditorium, first 1,000 sq. ft. of gross floor area or fraction thereof	5-84	6.13
Each additional 1,000 sq. ft. or fraction thereof	2-60	2.73
Hotel, rest or convalescent homes, first 10 sleeping rooms or fraction thereof	11-62	12.20
Over 10 sleeping rooms, each additional sleeping room	0-92	0.97
Laundry, first 1,000 sq. ft. of gross floor area or fraction thereof	25-23	26.49
Each additional 1,000 sq. ft. or fraction thereof	16-50	17.33
Market, first 1,000 sq. ft. of gross floor area or fraction thereof	6-35	6.67
Each additional 1,000 sq. ft. or fraction thereof	4-09	4.29
Mortuary, first 1,000 sq. ft. of gross floor area or fraction thereof	5-84	6.13
Each additional 1,000 sq. ft. or fraction thereof	2-60	2.73

Motel, first 10 sleeping rooms or fraction thereof	11-62	12.20
Each additional sleeping room over 10	0-92	0.97
Office Building, first 1,000 sq. ft. of gross floor area or fraction thereof	5-84	6.13
Each additional 1,000 sq. ft. or fraction thereof	1-98	2.08
Park (not municipal), for irrigation season, first 1,000 sq. ft. or fraction thereof	11-62	12.20
Each additional 1,000 sq. ft. or fraction thereof	0-92	0.97
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	5-84	6.13
Each additional 1,000 sq. ft. or fraction thereof	1-07	1.12

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

School, first 100 pupils or fraction thereof	11-21	11.77
Each additional 100 pupils or fraction thereof	8-73	9.17
Service Station (no wash racks) - tap size to City main:		
and Used Car Lots		
3/4"	6-35	6.67
1"	8-31	8.73
1 1/2"	13-60	14.28
2"	23-25	24.41
Store, first 1,000 sq. ft. of gross floor area or fraction thereof	5-84	6.13
Each additional 1,000 sq. ft. or fraction thereof	2-60	2.73
Theater, first 1,000 sq. ft. of gross floor area or fraction thereof	6-35	6.67
Each additional 1,000 sq. ft. or fraction thereof	4-09	4.29
Warehouse, first 1,000 sq. ft. of gross floor area or fraction thereof	5-84	6.13
Each additional 1,000 sq. ft. or fraction thereof	0-64	0.67
Minimum rate: In no case shall a commercial flat rate be less than	5-84	6.13

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	3-68	4.07
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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

<u>Without Water Conservation Device</u>	<u>With Water Conservation Device</u>
\$ 13.62 14.30	\$ 0.89 0.93

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

<u>Without Water Conservation Device</u>	<u>With Water Conservation Device</u>
\$ 1.40 1.47	\$ 0.50 0.53

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

Refrigeration Systems

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

<u>Without Water Conservation Device</u>	<u>With Water Conservation Device</u>
\$ 8.90 9.35	\$ 0.94 0.99

Swallows' Nest Maintenance and Operation \$16.05

Dining Facility (including restaurant, cafeteria, cafe, kitchen, bar) each 1,000 sq. ft. of gross floor area or fraction thereof \$ ~~6.84~~ 7.18

Gymnasium, each shower head 3.09 3.24

Hydraulically-operated elevator 27.14 28.50

With water conservation device 4.87 5.11

Irrigation: Supplemental (commercial)

0-10,000 sq. ft. (net irrigable area) -0-

over 10,000 sq. ft.

(net irrigable area), each additional 1,000 sq. ft. 0.92 0.97

Irrigation: Supplemental (domestic)

0-13,000 sq. ft. (gross lot area) -0-

over 13,000 sq. ft. (gross lot area)

each add'l 1,000 sq. ft. 0.92 0.97

Private Fire Protection

Tap size to City main:	0-2"	3.86	4.07
	3"	5.84	6.13
	4"	7.75	8.14
	6"	11.62	12.20
	8"	15.50	16.28
	10"	19.37	20.34
	12"	23.25	24.41

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.	1.19 1.25
Under 300 cu. ft. per 100 cu. ft., filtered	-0-
Over 300 cu. ft. per 100 cu. ft., filtered	0.24 0.25

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

Quantity of water: first 25,000 cu. ft.	\$ 0.26	0.27
next 50,000 cu. ft.	0.22	0.23
over 75,000 cu. ft.	0.19	0.20

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

<u>Meter size</u>	<u>Quantity of water allowed without additional payment</u>		
5/8" x 3/4"	1,500 cu. ft.	\$ 3.88	4.07
3/4"	2,100 cu. ft.	5.42	5.69
1"	2,700 cu. ft.	6.84	7.18
1 1/2"	4,600 cu. ft.	11.62	12.20
2"	7,600 cu. ft.	19.37	20.34
3"	15,300 cu. ft.	38.76	40.70
4"	27,000 cu. ft.	67.87	71.26
6"	57,000 cu. ft.	135.64	142.42
8"	108,000 cu. ft.	242.27	254.38
10"	158,000 cu. ft.	339.17	356.13
12"	281,000 cu. ft.	484.47	508.69

V. INSTALLATION CHARGES - WATER

<u>Nom. Dia.</u>	<u>Streets & Alleys</u>	<u>Easements</u>	<u>Metered (add)</u>
1"	\$ 615 646	\$ 170 179	\$ 310 326
1 1/2"	661 694	245 257	465 488
2"	920 966	410 431	535 562
3"	N/A N/A	N/A N/A	985 1,034
4"	1,535 1,612	855 896	1,780 1,844
6"	1,680 1,764	1,105 1,160	1,970 2,069
8"	2,115 2,221	1,450 1,523	2,975 3,124
10"	2,500 2,625	1,805 1,895	4,580 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

RESOLUTION No.

Adopted by The Sacramento City Council on date of

RESOLUTION OF FINDINGS ON INCREASED WATER FEES

WHEREAS, the Budget and Finance Committee has held a public hearing on water fees on May 26, 1987, 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 fee schedule, and

WHEREAS, the City Council on June 30, 1987, at a regular public council meeting, received the following information:

- (1) A staff report on the proposed increased water 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 fees of even date herewith serves the following purposes:

- (1) The water fees will provide funds to meet operating expenses.
- (2) The water fees will permit the generation of necessary cash flow to finance maintenance of the system and meet financial reserves requirements.
- (3) The water fees will permit the purchase of necessary equipment for the water system.
- (4) The water 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