

**Rate Committee Meeting Summary
May 29, 2015 at 2:00 p.m.**

Present: Jim Thomas Terri Sisk Jennifer McKnight
 Jim Hase Renaë Gonzales

The meeting came to order at 2:00 p.m.

The committee reviewed assumptions in the original model developed by the consultant. It was noted that the model captures the correct percentages related to fixed costs (making up the base rate) and variable costs (making up the volumetric rates). As discussions ensued staff explained that costs are totally separated for water and sewer to encompass only the rates associated with each to cover the costs associated with each.

The committee first reviewed the proposed rates for water service. Within the model, staff included 100% recovery of expended/committed reserves used for water service and increased costs for operations. Reserve recovery includes the Fort Worth Regional Water Line Project and the Water System Study. Staff also included \$300,000 for water system capital improvement projects in FY 2016. The committee wanted to continue to work towards AWWA meter equivalency rates as started last year but did not want to move to 100% of equivalencies this year (i.e. continue to move towards equivalencies over time). Water rates for FY 2016 were calculated as shown in **Table 1**.

Next, the committee reviewed four scenarios for sewer rates: status quo with 18K cap for residential (**Table 2**), no cap for residential (**Table 3**), winter averaging for residential (**Table 4**), and a flat fee for all users (**Table 5**). In the first three scenarios, there was no cap for commercial and in the fourth scenario commercial would pay the same flat rate as residential. In all of the scenarios, staff included the new revenue bond payments for the wastewater treatment plant upgrade, increased operational costs, and \$300,000 for wastewater system capital improvement projects in FY 2016.

The committee requested that staff prepare comparisons of current and proposed rates for each scenario based on the following volumes of water used to present at the workshop: for residential: 5,000, 10,000, 15,000, 20,000, 25,000 and 30,000 gallons; for commercial: 25,000, 50,000, 75,000, 100,000 and 125,000 and 150,000 gallons.

The meeting adjourned at 4:55 p.m.

TABLE 1: Water Rates		
Residential and Commercial Base Rates		
Meter Size	Current	FY 2016
3/4" - 5/8"	12.71	12.99
1"	16.71	20.39
1.5"	26.42	32.23
2"	38.06	46.43
3"	65.23	79.58
4"	104.04	126.93
6"	201.06	245.29
8"	0.00	0.00
Residential and Commercial Volumetric Rates		
	Current	FY 2016
0-6,000	2.70	3.03
6,001-17,000	3.14	3.53
17,001-25,000	3.64	4.09
25,001-50,000	4.23	4.75
50,0001 +	4.91	5.52

TABLE 2: Wastewater Rates Status Quo

Residential and Commercial Base Rates		
	Current	FY 2016
	14.58	15.35
Residential and Commercial Volumetric Rates		
	Current	FY 2016
	2.50	2.63

TABLE 3: Wastewater Rates No Cap Res & Com

Residential and Commercial Base Rates		
	Current	FY 2016
	14.58	14.58
Residential and Commercial Volumetric Rates		
	Current	FY 2016
	2.50	2.50

TABLE 4: Wastewater Rates Winter Averaging

Residential and Commercial Base Rates		
	Current	FY 2016
	14.58	19.10
Residential and Commercial Volumetric Rates		
	Current	FY 2016
	2.50	3.28

TABLE 5: Wastewater Rates Flat Fee

Residential and Commercial Base Rates		
	Current	FY 2016
	14.58	47.68
Residential and Commercial Volumetric Rates		
	Current	FY 2016
	2.50	N/A