

Water & Sewer Rate Adjustment

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As submitted to
the City Council
on September 07, 2021



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Killeen

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Background

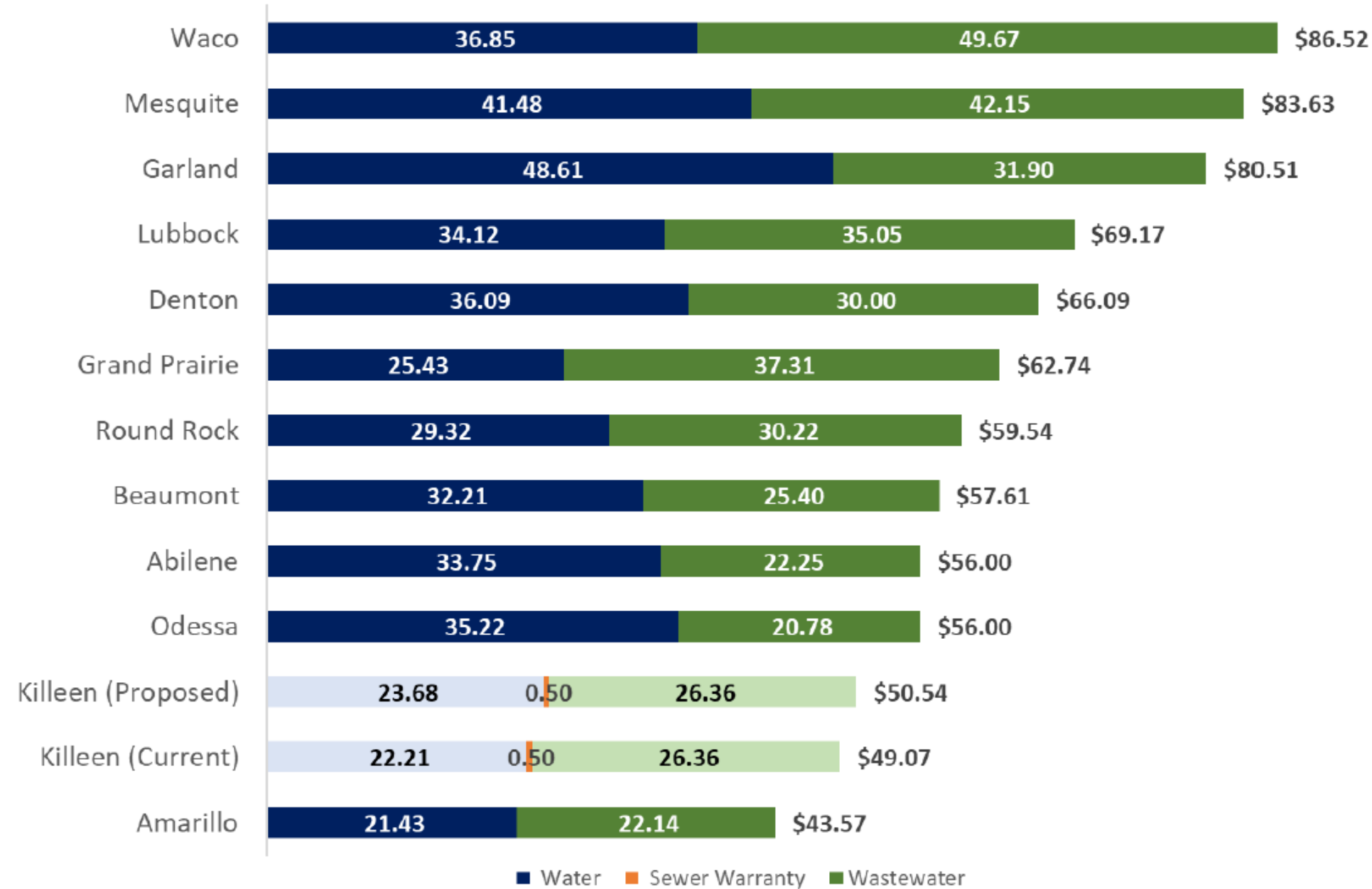
- On July 7, 2020, City Council received the results of the 2020 Water & Sewer Rate Study
 - Water revenues are not sufficient, sewer revenues are sufficient
- City Council deferred rate adjustment due to the pandemic
- Rate adjustment is included in the proposed FY 2022 Budget
- Water rate increase recommended
 - Increase of \$1.47 per month for a customer using 5,000 gallon per month (average user)
 - Added additional volumetric rate to encourage conservation
 - Heavy users pay more

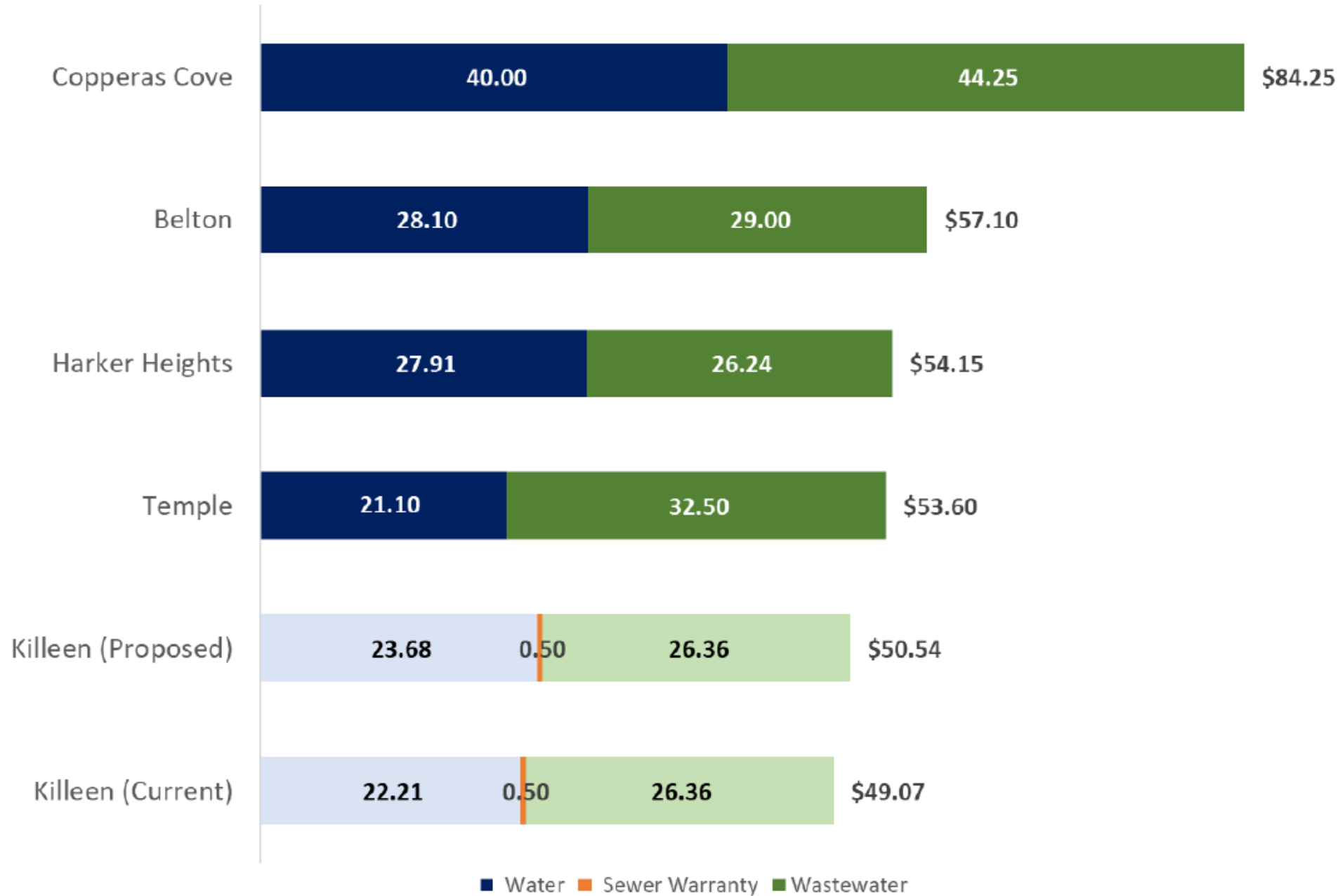
	<u>Residential</u>		<u>Commercial</u>	
	<u>Current</u>	<u>FY 2022</u>	<u>Current</u>	<u>FY 2022</u>
Meter Charge (includes 2,000 gal)				
3/4 inch	\$ 12.70	\$ 13.54	\$ 13.15	\$ 14.02
1 inch	14.06	14.99	14.60	15.57
1 1/2 inch	17.47	18.63	18.13	19.33
2 inch	21.55	22.98	22.38	23.86
3 inch	31.09	33.15	32.30	34.44
4 inch	44.74	47.70	46.49	49.57
6 inch	79.83	85.11	82.98	88.47
8 inch	119.68	127.60	124.56	132.80
Volumetric Charge (per 1,000 gal)				
2,000 – 15,000	\$ 3.17	\$ 3.38		
15,000 – 25,000	3.17	4.03		
25,000 – 30,000	3.78	4.03		
30,000 +	3.78	4.81		
2,000 +			\$ 3.28	\$ 3.50

Monthly Residential Water Rates

	Current	FY 2022
2,000 Gallons		
Water	\$ 12.70	\$ 13.54
Wastewater	19.26	19.26
Total	\$ 31.96	\$ 32.80
<i>Monthly Increase over Current</i>		\$ 0.84
5,000 Gallons		
Water	\$ 22.21	\$ 23.68
Wastewater	26.86	26.86
Total	\$ 49.07	\$ 50.54
<i>Monthly Increase over Current</i>		\$ 1.47

5,000 Gallon Monthly Bill Comparison (Benchmark)





5,000 Gallon
Monthly Bill
Comparison
(Local)

Out-of-City Rates

- Review showed several customers outside of the city limits are being charged in-city rates
 - Currently, no customers charged out-of-city rates
- Higher out-of-city rates reflect higher costs to serve customers in more remote areas
- Current ordinance requires out-of-city customers to pay in-city rates plus 100%
 - Proposed ordinance will change to in-city rates plus 50%
- Out-of-city customers will be notified and begin being billed according to the ordinance

Alternatives

- Do not amend water and sewer rates and continue using current rates
- Amend water and sewer rates

Recommendation

Approve the ordinance amending Chapter 30, Water, Sewers, and Sewer Disposal, of the Code of Ordinances, to amend water and sewer rates