

WEST DES MOINES WATER WORK BOARD OF TRUSTEES MEETING COMMUNICATION

ITEM:**DATE:** November 6, 2017

3. Recommendations from Committees
 - a. Finance and Audit
 1. Resolution – Fixing the Date, Time and Place for a Public Hearing on Water Rates and Water Basic Service Charge Adjustments at 4:00 PM, November 20, 2017 at 1505 Railroad Avenue, West Des Moines, Iowa

FINANCIAL IMPACT:

None

SUMMARY:

A public hearing is required prior to adjusting the water rates and various water basic service charges. This action will set a public hearing for the November 20, 2017 meeting. A summary of rates in the metro area is included in this packet for your review. Even with the proposed increases for 2018 West Des Moines Water Works rates for domestic/commodity service are the lowest in the suburbs.

BACKGROUND:

An adjustment to the water rates and water basic service charges is necessary to generate adequate revenues to pay for increasing costs of operation. The draft 2018 budget included in your board packet contains a proposed 1% domestic/commodity water rate increase, a proposed 5% irrigation water rate increase and proposed increases to the basic service charge of certain larger water meters. A rate differential between domestic and irrigation water has been targeted at \$1.00 per 1000 gallons, which is in line with other metro communities (Urbandale, Waukee, and Johnston). This targeted differential is supported by an internal analysis of the cost of supplying irrigation demands. No increase to the basic service charge for domestic water is proposed for most meter sizes. However, an increase of \$6.00 per month, or 8.6%, is proposed for 6" meters while an increase of \$40.00 per month, or 9.5%, is proposed for 10" meters. These meters are used by only 5 customers.

This rate increase proposal will be presented for review during the upcoming draft budget discussion. At that time a decision will be made by the board regarding appropriate rate adjustments to be presented at the public hearing.

RECOMMENDED ACTION BY THE BOARD OF TRUSTEES:

To concur with the recommendation of the Finance and Audit Committee and adopt a Resolution Fixing the Date, Time and Place for a Public Hearing on Water Rates and Water Basic Service Charge Adjustments at 4:00 PM on November 20, 2017 at 1505 Railroad Avenue, West Des Moines, Iowa.

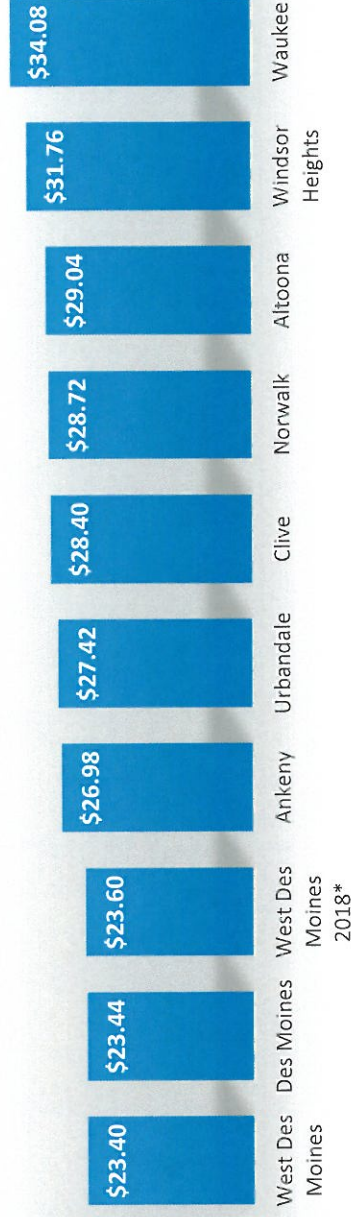
Prepared by: Becky Scott

Approved for Content by: [Signature]

Metro Water Rate Comparison

The following graphs and tables highlight water billing throughout the metro based on 4,000 gallons of water usage. In West Des Moines, active single family accounts averaged 3,723 gallons in February and 4,372 gallons in July. Townhomes and condos averaged 2,364 gallons in February and 2,521 gallons in July. The graph includes basic service charge based on a ¾ inch meter.

Billing for 4,000 gallons domestic service



2017 Update 9/08/17	Basic Service Charge	Domestic	Irrigation	Notes
Irrigation		Per 1,000	Per 1,000	
Altoona	\$5.00	\$6.01	same	
Ankeny	\$10.38	\$4.15		Water rate over 5,000 gallons goes to \$5.84 / 1,000 gallons. No irrigation meters
Clive	none	\$7.10	same	Commercial Irrigation \$8.47
Des Moines	\$7.00	\$4.11	same	5,000 - 15,000 gallons \$2.76 / 1,000 gallons; 15,000+ gallons \$2.12 / 1,000 gallons
Johnston	\$8.91	\$6.62	\$8.29	
Norwalk	\$5.00	\$5.93	same	
Urbandale	\$4.50	\$5.73	\$6.73	
Waukee	\$11.22 to 1,000 gallons	\$7.62 after first 1,000	\$1 more per 1,000 gallons	
West Des Moines	\$4.12	\$4.82	\$5.54	
West Des Moines	\$4.12	\$4.87	\$5.82	At proposed rates for 2018*
Windsor Heights	\$7.00	\$6.19	SAME	

RESOLUTION

A RESOLUTION FIXING THE DATE, TIME AND PLACE FOR A PUBLIC HEARING ON WATER RATE ADJUSTMENTS

WHEREAS, management and control of the West Des Moines Water Works is vested in The Board of Trustees, and

WHEREAS, this Board of Trustees has determined that it is necessary and in the public interest to revise the rates applicable to the sale of water to its customers, and

WHEREAS, before said rate adjustments may be adopted, it is necessary to hold a public hearing,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE WEST DES MOINES WATER WORKS, AS FOLLOWS:

That the General Manager and Secretary be and is hereby directed to publish public notice of hearing in a local newspaper, said publication to be not less than four clear days nor more than twenty days hereinafter fixed as the date for a public hearing on the proposed water rate adjustments, said hearing to be at 4:00 P.M. on November 20, 2017.

PASSED AND APPROVED this 6th day of November, 2017

THE BOARD OF TRUSTEES, WEST DES MOINES WATER WORKS

Karen Novak Swalwell
Chair

Attest:

Diana J. Wilson
General Manager and Secretary