

Water, Sewer and Storm Drain Committee

October 24, 2005
5:00 PM
City Hall

“REVISED”

SPECIAL MEETING

Attendees:

Paula Ford – Mayor
Judy Richards – Council Member
Rob Hickey – City Manager
John Linhart – Community Development Director
Bruce Nash – City Engineer
Michael Bohlander – Public Works Director
Satwant Takhar - Finance Director
Kathleen Caldwell – Administrative Assistant

----- Agenda Topics -----

1. Meeting Called to Order
2. Roll Call
3. Approval of Meeting Minutes - None
4. Reports/Updates:
 - A. Water Rate Fee Study – ECO:LOGIC Presentation
 - B. Water Tank Update
5. Items from Council Members
6. Comments from Members
7. Adjournment

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Oklahoma City, Oklahoma 73102
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State of California)
City of Live Oak) SS

declare under penalty of perjury that I am employed by
the city of Live Oak, in the Clerk's Department and that I
posted this Agenda on the Front Door of the City Hall
on 10/20/05

Kathleen Caldwell
Date Signature

Posted 10/20/05 at
Live Oak Fire Station, 2745 Fir St.
Bradberry Barber Library, 10321 Live Oak Blvd.
Post Office, 2622 Gum Street
Live Oak City Hall, 9955 Live Oak Blvd.
By Gassi Smith



CITY OF LIVE OAK

Water Rate Study

Prepared by ECO:LOGIC Engineering

October 2005

ECO:LOGIC

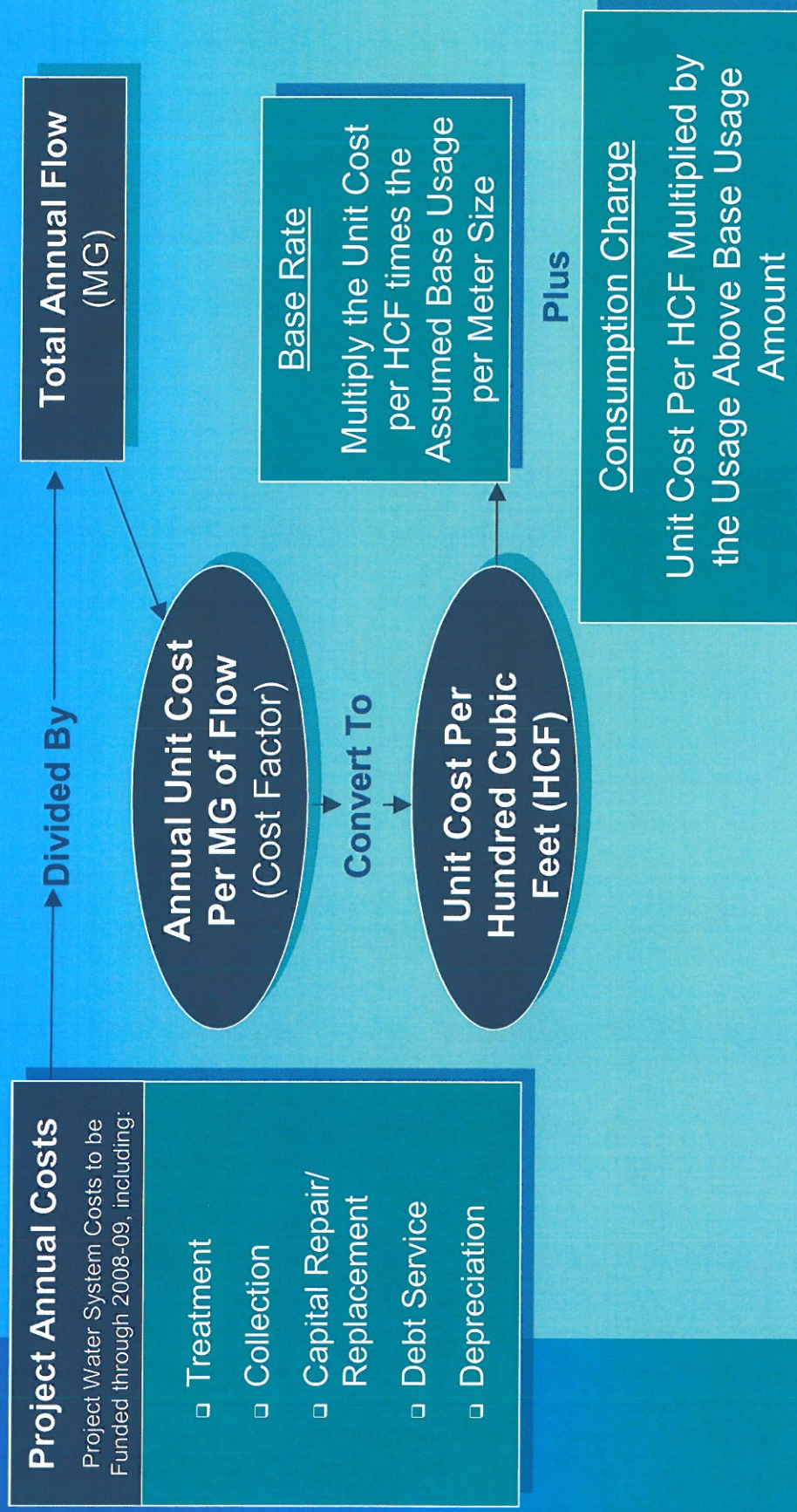
Why Update Water User Rates?

- ❖ **To Ensure that Revenues are Sufficient to Fund On-Going Operations and Maintenance**
- ❖ **To Provide Adequate Funding for Capital Replacement and Reserves**
- ❖ **To Also Provide Funding for Capital Improvement Projects (CIP) in Future Years**

Water Enterprise Fund Key Issues

- ❖ Revenue impact related to conversion of all accounts to metered basis
- ❖ Rates are calculated emphasizing rate equity – everyone pays the same cost per hundred cubic feet

Water User Rate Model Overview



Unit Cost Determination

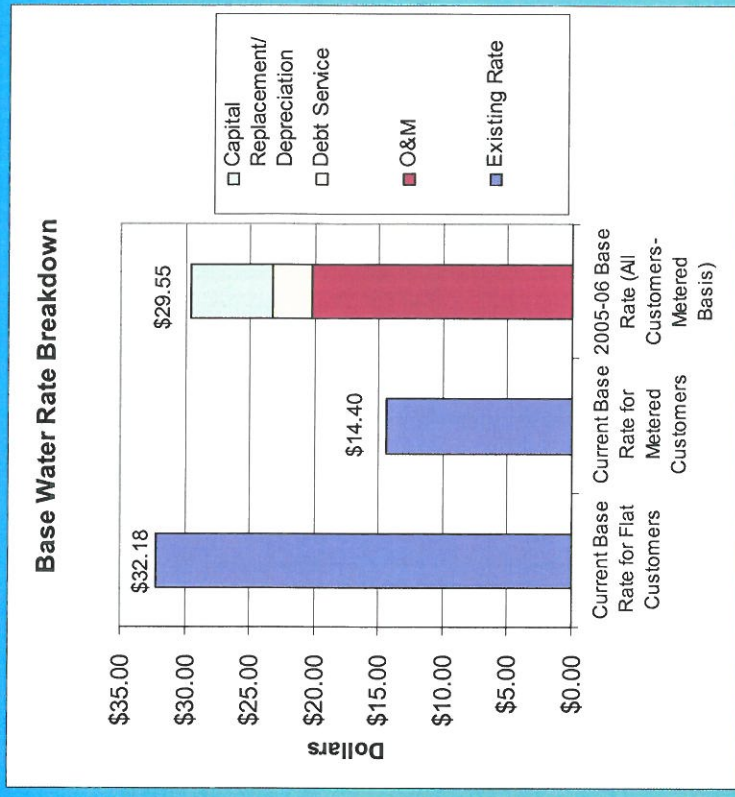
	Total Flow (MG)	Costs Allocated to Water Sales (User Charges) for Fiscal Years:												
		Base Year 2003-04	2004-05	2005-06	2006-07	2007-08	2008-09							
Total Costs		\$670,887	\$778,643	\$900,250	\$962,460	\$1,031,359	\$1,113,953							
Operating Reserve Allowance	A (From Table 5)	\$0	\$0	\$45,000	\$45,000	\$45,000	\$45,000							
Allowance for Other Revenues	B	\$0	\$0	\$0	\$0	\$0	\$0							
Costs Allocated to Water Sales	C	\$670,887	\$778,643	\$945,250	\$1,007,460	\$1,076,359	\$1,158,953							
	D=A+B+C													
Unit Cost Determination														
Unit Cost per MG of Flow	J=H/Water Flow	\$1,869	\$2,169	--- Unit Cost per MG of Flow ---	\$2,807	\$2,999	\$3,229							
Metered														
Unit Cost per Hundred Cubic Feet [1]	L=G/1,337 (1,337 hcf per MG)	\$1.40	\$1.63	--- Unit Cost per hcf ---	\$2.10	\$2.25	\$2.42							
Metered														
[1] Conversion Factors:		<table border="1"> <tr> <td>1 cubic foot =</td> <td>7.48051945 gallons</td> </tr> <tr> <td>100 cubic ft =</td> <td>748.051945 gallons</td> </tr> <tr> <td>1,000,000</td> <td>1,337 hcf</td> </tr> </table>		1 cubic foot =	7.48051945 gallons	100 cubic ft =	748.051945 gallons	1,000,000	1,337 hcf					
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1,000,000	1,337 hcf													

Base Rate Calculation

	Base Usage per Account hcf per month	Base Charge per Month per Account				
		2004-05	2005-06	2006-07	2007-08	2008-09
Cost per hcf - Metered Customers						
		\$1.63	\$1.97	\$2.10	\$2.25	\$2.42
Metered - Residential						
3/4" or Less	15 hcf	\$24.45	\$29.55	\$31.50	\$33.75	\$36.30
1"	18 hcf	\$29.34	\$35.46	\$37.80	\$40.50	\$43.56
1 1/2"	22 hcf	\$35.58	\$43.01	\$45.84	\$49.12	\$52.83
1 3/4"	22 hcf	\$35.58	\$43.01	\$45.84	\$49.12	\$52.83
2"	36 hcf	\$59.43	\$71.83	\$76.57	\$82.04	\$88.23
3"	90 hcf	\$147.22	\$177.93	\$189.67	\$203.22	\$218.57
4"	155 hcf	\$252.81	\$305.55	\$325.71	\$348.98	\$375.34
6"	330 hcf	\$537.64	\$649.78	\$692.66	\$742.14	\$798.21
Metered - Non-Residential						
3/4"	15 hcf	\$24.45	\$29.55	\$31.50	\$33.75	\$36.30
1"	18 hcf	\$29.34	\$35.46	\$37.80	\$40.50	\$43.56
1 1/2"	22 hcf	\$35.58	\$43.01	\$45.84	\$49.12	\$52.83
2"	36 hcf	\$59.43	\$71.83	\$76.57	\$82.04	\$88.23
3"	90 hcf	\$147.22	\$177.93	\$189.67	\$203.22	\$218.57
4"	155 hcf	\$252.81	\$305.55	\$325.71	\$348.98	\$375.34
6"	330 hcf	\$537.64	\$649.78	\$692.66	\$742.14	\$798.21

2005-06 Calculated Rate Breakdown

- ❖ **Current Metered Base Rate Insufficient to Cover All Annual Expenditures**



Rate Example

❖ If Metered Customers use the assumed average amount of 400 gallons per day, the equivalent rate would be \$33.49 per month

❖ This is approximately \$1.31 more than the current rate for flat rate customers at \$32.18

Average Consumption for a 3/4" Meter - 400 Gallons Per Day

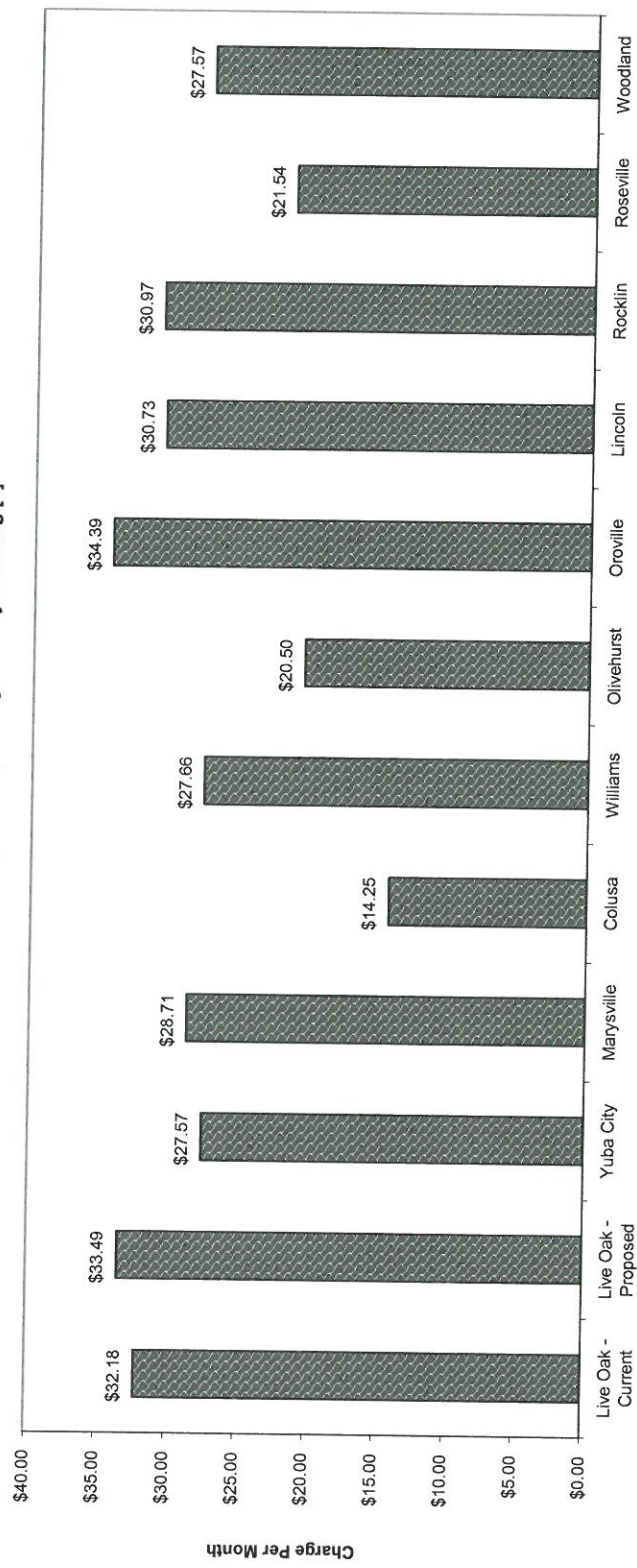
Total Water Consumption:	1658 cf	17 hcf
Base Consumption:	1500 cf	15 hcf
Additional Consumption:	158 cf	2 hcf

2005-06	
Current Rate	Calculated Rate
Base Charge	\$14.40
Cost per hcf	\$0.82
Additional Cost	\$1.30
Total Charge:	\$15.70
	\$33.49

Rate Comparison

WATER SERVICE CHARGES

Figure 1
Comparison of Monthly Water Service Charges
Flat Rate or Metered Equivalent per Single Family Dwelling [1]



[1] For metered water use equivalent, a single family home was assumed to use approximately 17 hundred cubic feet (hcf).
[2] Rate shown for Marysville is proposed for 2006 as publicly noticed on August 19, 2005.