

**Metropolitan Domestic Water Improvement District
Board of Directors Meeting**

May 13, 2019

**Resolution 2019-4
Proposed Adjustments to Rates and Fees**

Synopsis

The Board of Directors is requested to review the information presented by staff at the public hearing and consider comments from the public regarding the proposed rate and fee adjustments before voting on Resolution 2019-4.

Background

On March 27, 2019, the requested budget along with the proposed rate and fee changes for Fiscal Year 2020 were reviewed and discussed with the Finance Oversight Committee. The Committee voted 6-0 to recommend the Board of Directors adopt the proposed increase to the Water Availability Rate in all service areas. This change will increase the fee charged for dual meters and private fire service line fees since the Water Availability Rate is part of these fee calculations.

At the April 2, 2019, study session, the Board of Directors approved the scheduling of a public hearing to be held on May 13, 2019, for the purpose of discussing and recommending the adjustments to the District's rate schedules as they were presented and discussed with the Finance Oversight Committee and the Board of Directors.

The last rate change to the Water Availability Fee was effective July 2016 with the implementation of the breakeven point analysis of fixed and variable costs. With the proposed changes, the District would continue to maintain fixed revenue coverage of 89.57% of the District's fixed costs.

Information Meeting Held on May 8, 2018

A public Information Meeting was held on Wednesday, May 8, 2019, to review the proposed rate and fee changes and how Staff have mitigated the impact of rate changes. Customers attending were provided with an opportunity to ask questions in an informal setting. Customers who attended did not have any questions about the proposed rate changes, but did ask about ground water storage and rainwater harvesting rebates.

Public Hearing

At the public hearing, staff will provide an overview of the proposed adjustments and the public will have an opportunity to provide comment. The Board will then be able to discuss the proposed adjustments and determine whether to approve the requested changes. If approved, the adjustments will become effective July 1, 2019, and start being applied, in full, to the first billing cycle in July 2019.

Rate inserts outlining the proposed rate and the fee adjustments for each service area were sent to all customers receiving paper statements, they were available on the District website, and available in the lobby for customers not receiving paper statements. The inserts invited all customers to attend the May 8, 2019, Information Meeting, and the May 13, 2019, Public Hearing. The insert described the proposed rate schedule for their service area, provided the percentage increase for an average customer, and provided the five-year average increase in their service area. All required notices for the May 13, 2019, public hearing have been completed.

Proposed Rate Adjustment

Water Rates and Fees are presented with a requested 95¢ increase to the Water Availability Rate, for a 5/8-inch meter, in all service areas with fees for other meter sizes increasing proportionally. This will also increase the fee charged for dual meters and private fire service line fees as presented on the rate schedules.

Staff Recommendation

It is recommended that Board of Directors discuss with staff the proposed rate and fee adjustments and then consider any comments that the public may present at the public hearing.

After discussing the rate and fee adjustments, it is recommended that the Board of Directors approve Resolution 2019-4, which would put into effect the proposed rates and fees as presented to be effective July 1, 2019, and applied in full to the July 9, 2019, billing cycle.

Suggested Motion

I move to approve and adopt Resolution 2019-4 to adjust the established water rates and fees effective July 1, 2019, and applied in full to the July 9, 2019, billing cycle.

Respectfully submitted,

Diane Bracken, M.Adm.
Chief Financial Officer

I concur with the recommendation
Respectfully submitted,

Joseph Olsen, P.E.
General Manager