

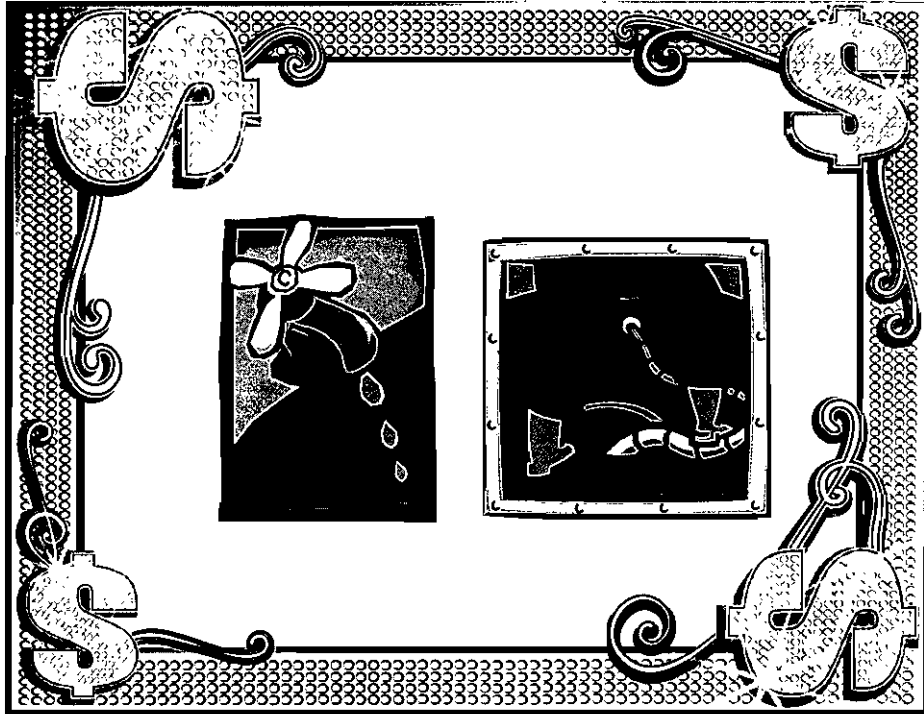
Water & Sewer Rate Task Force

Tuesday

December 4, 2012

Worksession

5:15 p.m.



City Hall Conference Room - Upstairs
491 E. Pioneer Avenue
Homer, Alaska 99603



**NOTICE OF MEETING
WORKSESSION**

- 1. CALL TO ORDER**
- 2. APPROVAL OF THE AGENDA**
- 3. PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**
- 4. RECONSIDERATION**
- 5. APPROVAL OF MINUTES** (*Minutes are not approved during worksessions*)
- 6. VISITORS**
- 7. STAFF & COUNCIL REPORT/COMMITTEE REPORTS/BOROUGH REPORTS**
- 8. PUBLIC HEARING**
- 9. PENDING BUSINESS**
 - A. Review and Discussion on Working Draft Rate Model revised November 20, 2012
 - a. Draft Models printed from Working Spreadsheets - for reference only Page 5
- 10. NEW BUSINESS**
- 11. INFORMATIONAL ITEMS**
 - A. Emails From Task Force Members Requesting Information from Staff Page 11
Page 120 of the 2013 Proposed Budget
- 12. COMMENTS OF THE AUDIENCE**
- 13. COMMENTS OF THE CITY STAFF**
- 14. COMMENTS OF THE CHAIR**
- 15. COMMENTS OF THE TASK FORCE**
- 16. ADJOURNMENT** the next **REGULAR MEETING** is **DECEMBER 18, 2012** at 5:15 p.m. Conference Room Upstairs in the City Hall, **TUESDAY, JANUARY 8, 2012** a **PUBLIC HEARING** is scheduled in COWLES COUNCIL CHAMBERS, CITY HALL located at 491 E. Pioneer Avenue, Homer Alaska.

City of Homer Water and Sewer Rate Study Draft Rate Model				
Version 7 - Working				
Updated November 5, 2012 by KC				
Water Rates				
Revenue Assumptions (dollars):				Source:
1	Total Water Revenue Requirements (2014)=		1,890,265	annual budget
2	Deduct Water portion collected through Service Fee		310,077	annual budget
2	Hydrant Rents (10% of E6) =		189,027	annual budget
4	Sprinkler Differential (20 buildings - \$5/mo)=		1,200	Building Customer
6	Surplus Water Sales (Bulk) surcharge only =		98,750	Bulk Sales
8	Adjusted Revenue Requirements =		1,291,211	Calculated
9	Usage Assumptions (gallons):			
10	Metered Sales Projection (gallons) =		125,000,000	Prior Year
11	Commodity Reduction due to Conservation =		13%	Number to be tested
12	Adjusted Sales Projection (gallons) =		108,750,000	Calculated
	Informational:			
13	Spit Water Sales =		17,921,000	Prior Year
14	Surplus (Bulk) Water Sales =		23,072,500	Prior Year
15	Number of Meters =		1,472	Prior Year
16	City Hall Finance Department O/H=		775,192	annual budget
17	Public Facilities Water Usage (value)=		134,904	annual budget
	All Customers	Water Rate	Metered Service Fee	
		0.0119	17.55	

City of Homer Water and Sewer Rate Study Draft Rate Model			
Updated November 20, 2012 by KC			
Sewer Rates		Version 7 - Working	
	Revenue Assumptions (dollars):		Source:
1	2014 Total Revenue Requirement=	1,680,279	Annual Budget
2	Spit Differential Sewer (.86*50% of Lift Stations) =	78,223	Spit Users
3	High BOD Generator Sewage Differential (10%) =	21,980	New Fee
4	Customer Fee from KC/Tennants (\$5/mo) =	53,160	Reduced Fee
7	Kachemak City Fees (less pumping) =	81,270	
8	Summer Metered Gallons (Septic Reduction) =	(400.00)	
9	Adjusted Revenue Requirements=	1,446,046	
	Usage Assumptions (gallons):		
10	Discharge Sales Projection (gross metered) =	125,000,000	
11	13% Commodity Reduction due to Conservation =	(16,250,000)	
12	Metered Spit w/o entering Treatment Line=	(9,150,000)	
13	Adjusted Discharge Sales Projection =	99,600,000	
	Informational:		
14	Spit Sewer Discharge (gallons)=	7,225,000	Prior Year
15	Lift Station Costs=	181,915	Annual Budget
16	Single Connection Multi-Tenant Units=	886	Prior Year
17	Public Facilities Contribution =	46,918	Annual Budget
18	High BOD Generator Sewage (gallons) =	15,700,000	
19	Dumping Station Fees =	10,500	Annual Budget
	All Customers - Sewer Base Rate /gal		
	0.015		
	Spit Customer - Sewer Rate /gal (Base plus Differential)		
	0.025		
	Spit Customer - Sewer Rate /gal (High BOD = .004)		
	0.029		
	High BOD Rate		
	0.0183		

Type of User	\$18/mo Service Fee	1.2¢ gal Water Fee	1.6¢ gal Bulk Water	1.4¢ gal Sewer Fee	2.7¢ gal Sewer Fee	\$5/mo Customer Fee	\$.0183/gal BOD Fee	\$5/mo Fire Demand
BASE FEES:								
Bulk Water Purchaser			✓					
Residential/ Commercial - City*	✓	✓		✓				
Residential/ Commercial - Spit	✓				✓			
Residential/Com - Kachemak City						✓		
ADDITIONAL FEES:								
Commercial/Institutional Kitchens							✓	
Multi-unit Customer Fee**						✓		
Car Washes							✓	
Hotels/Motels							✓	
Processing Facilities							✓	
Campground/RV Parks							✓	
Laundromat							✓	
Service Stations							✓	
Buildings w/ Sprinkler Systems								✓
* Includes:								
B & B's								
Businesses								
Churches w/o DEC Kitchens								
Cocktail Lounges								
Groceries w/o DEC Kitchens								
Private Club w/o DEC Kitchens								
Public Authority w/o DEC Kitchens								
** Includes:								
Apartment/Housing Complexes								
Malls & Other Multi-unit Commercial								
Trailer Parks on Shared Meter(s)								

Renee Krause

From: Ken Castner <KCastner@tonsina.biz>
Sent: Tuesday, November 27, 2012 10:30 AM
To: Renee Krause
Cc: Regina Mauras; Mary Wythe
Subject: RE: Response from Regina

Oh! Do you mean Line 4616 the one that is titled (by the City, not me) "Metered Sales"? Is it *that* code 4616???
How silly of me to not infer that that included sewage charges that were not determined by metered water sales – like what you find in Kachemak City.

Here is my email from yesterday:

On Page 120 of the budget, I see revenue stated for metered sewer sales, but not for unmetered (Kachemak City) sales. Where are the K. City revenues accounted for?

We have included an offset in the draft rate model, and should have a corresponding revenue item.

Thanks.

Ken Castner

Did you look at page 120 to see what I'm referring to?

Do you see the section titled "Sewer Revenue"?

Do you see, within that section, "4616 Metered Sales"?

Do you see a line that indicates that 4616 is Residential, not metered?

To further complicate things, 4616 is also the code you use for Water Sales Residential.

Are these all lumped together, or is there a sub-code?

When this Rate Model goes out for public comment, people are going to ask us: "Where did you get that number"? The easiest answer is: "It is the published number in the City budget".

Ken Castner

From: Renee Krause [<mailto:RKrause@ci.homer.ak.us>]

Sent: Monday, November 26, 2012 4:48 PM

To: Ken Castner

Subject: Response from Regina

Kachemak City goes into 4616, which is Residential., not metered. Sewer has never been metered separately.

Renee Krause, CMC
Deputy City Clerk I
City of Homer
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Homer, Alaska 99603
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rkrause@ci.homer.ak.us

"Successful is the person who has lived well, laughed often and loved much, who has gained the respect of children, who leaves the world better than they found it, who has never lacked appreciation for the earth's beauty, who never fails to look for the best in others or give the best of themselves."

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City of Homer
2013 Operating Budget

Fund 200
400 Water & 500 Sewer Fund Revenues

	FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Adopted Budget	FY 2012 Amended Budget	FY 2013 Proposed Budget	Difference Between 2012 Amended & 2013 Proposed Budget	
Water Revenue								
Operating Revenue:								
4616 Metered Sales Residential	\$ 455,712	\$ 460,681	\$ 443,853	\$ 713,541	\$ 713,541	\$ 664,234		
4617 Metered Sales Commercial	1,035,770	1,154,757	1,230,033	932,560	932,560	1,107,241		
4618 Metered Sales Industrial	23,503	31,318	33,594	32,000	32,000	33,000		
4661 Connection Fees	15,600	14,813	15,516	15,000	15,000	15,000		
4662 Services & Meters	20,912	23,452	19,495	24,000	24,000	24,000		
Total Operating Revenue	1,551,497	1,685,020	1,742,491	1,717,101	1,717,101	1,843,475	126,374	7.36%
Non- Operating Revenue								
4801 Interest on Investments	23,846	4,566	4,668	5,000	5,000	5,000		
4802 Penalty & Interest (Utilities)	9,069	8,812	8,772	6,000	6,000	6,000		
4527 PERS Revenue	93,758	49,838	108,649	50,000	50,000	112,810		
4902 Other Revenue	5,592	147,493	12,371	-	-	-		
Total Non-Operating Revenue	132,265	210,709	134,461	61,000	61,000	123,810	62,810	102.97%
Total Water Revenue	\$ 1,683,762	\$ 1,895,729	\$ 1,876,952	\$ 1,778,101	\$ 1,778,101	\$ 1,967,285	189,184	10.64%
Sewer Revenue								
Operating Revenue								
4616 Metered Sales	589,008	634,165	600,522	953,785	953,785	824,821		
4617 Meter Sales Commercial	846,763	818,798	882,664	582,304	582,304	793,511		
4618 Meter sales Industrial	26,030	17,925	16,036	20,000	20,000	20,000		
4662 Services & Meters	13,770	9,609	5,220	13,000	13,000	6,000		
4701 RV Dump Station	3,253	2,924	3,010	3,000	3,000	3,000		
Total Operating Revenue	1,478,825	1,483,423	1,507,452	1,572,089	1,572,089	1,647,332	75,243	4.79%
Total Sewer Revenue	\$ 1,478,825	\$ 1,483,423	\$ 1,507,452	\$ 1,572,089	\$ 1,572,089	\$ 1,647,332	75,243	4.79%
Operating Transfers								
Total Operating Revenue	\$ 3,030,321	\$ 3,168,443	\$ 3,249,942	\$ 3,289,190	\$ 3,289,190	\$ 3,490,807		
Total Non-Operating Revenue	\$ 132,265	\$ 210,709	\$ 134,461	\$ 61,000	\$ 61,000	\$ 123,810		
Total Water & Sewer Revenues	\$ 3,162,586	\$ 3,379,152	\$ 3,384,403	\$ 3,350,190	\$ 3,350,190	\$ 3,614,617	264,427	7.89%

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