

# WASTEWATER TIERED RATE OPTIONS

City of Olympia  
Utility Advisory Committee  
April 3, 2014

# Current Rate Structure

- **City**
  - Single Family Residential – \$19.28
  - Multifamily – \$13.49
  - Non-residential – \$19.28 plus \$2.75/100 cubic feet of water for more than 700cf of usage
- **LOTT**
  - Single Family Residential – \$35.01
  - Multifamily – \$24.51
  - Non-residential – \$35.01 plus \$3.89/100 cf of water usage got more than 900cf
- Total of City plus LOTT: \$54.29/month for SF

# Water Customers and Use

Type of Account	Number	Percent Water Use
Single Family	13,500	48
Multifamily	5,200	18
Non residential	5,900	34

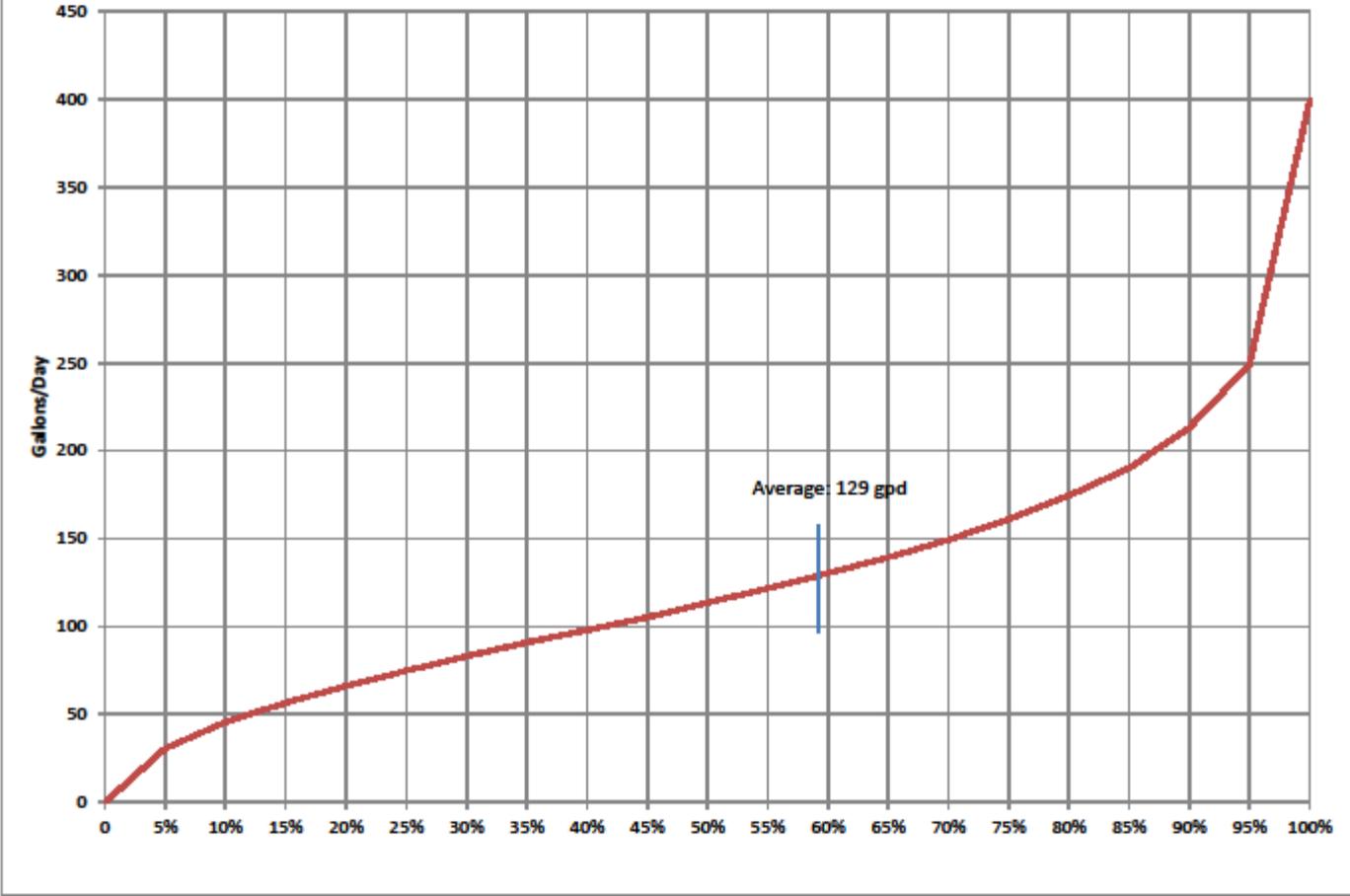
# Proposed Application of Tiered Rates

- ❑ City rates only....not LOTT
- ❑ Single family residential only....not multifamily or non-residential
- ❑ Based on previous winter's (non-irrigation) drinking water use
  - Measuring wastewater flows not feasible
  - Calculated annually
- ❑ Maintain constant Utility revenue
  - Base rates would increase

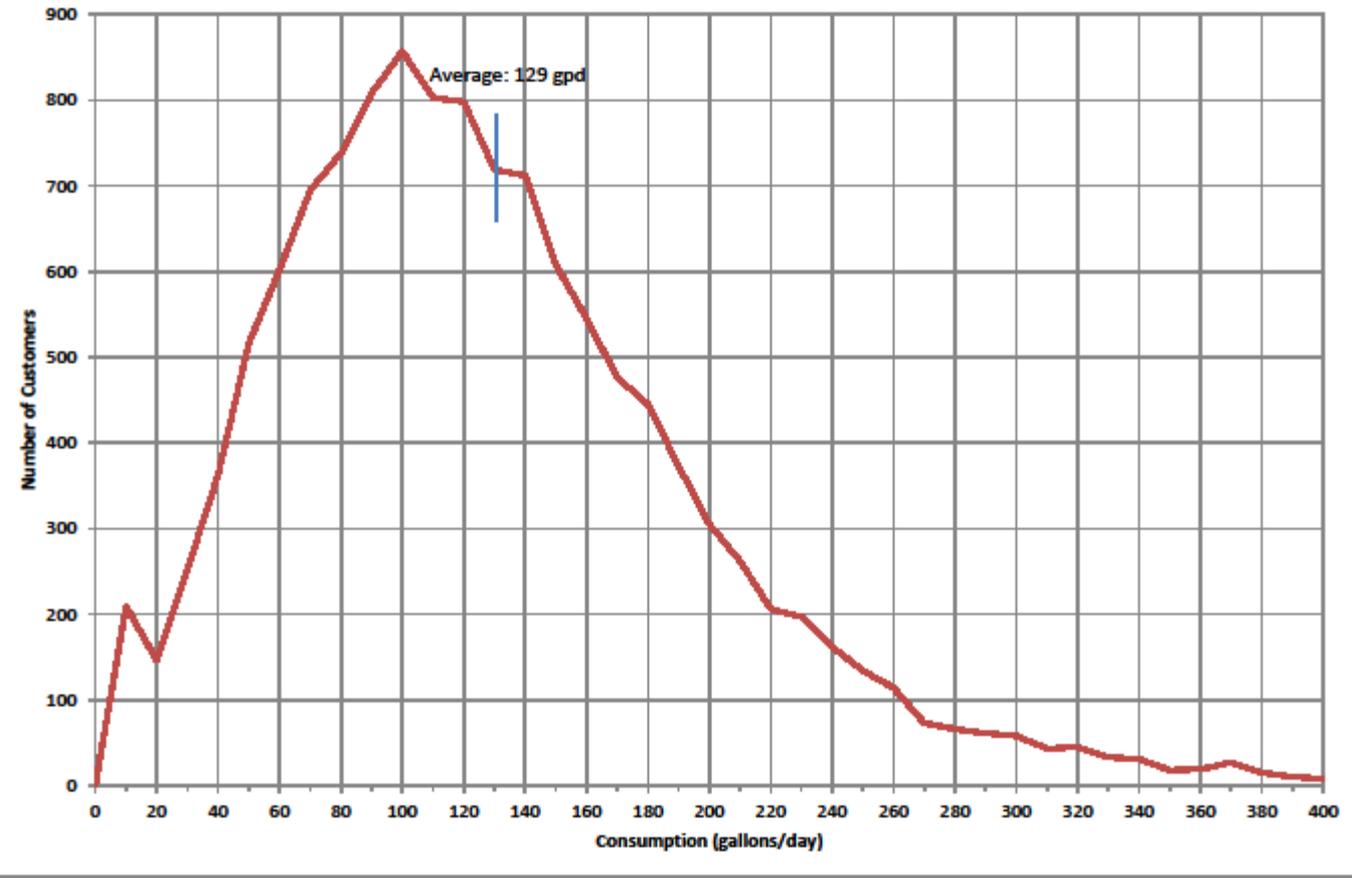
# Rate Goals

- Key decision...
  - Equity for low water users?
  - Incentive for conservation?
  - Both?
- Two or three tiered structure

### Water Consumption



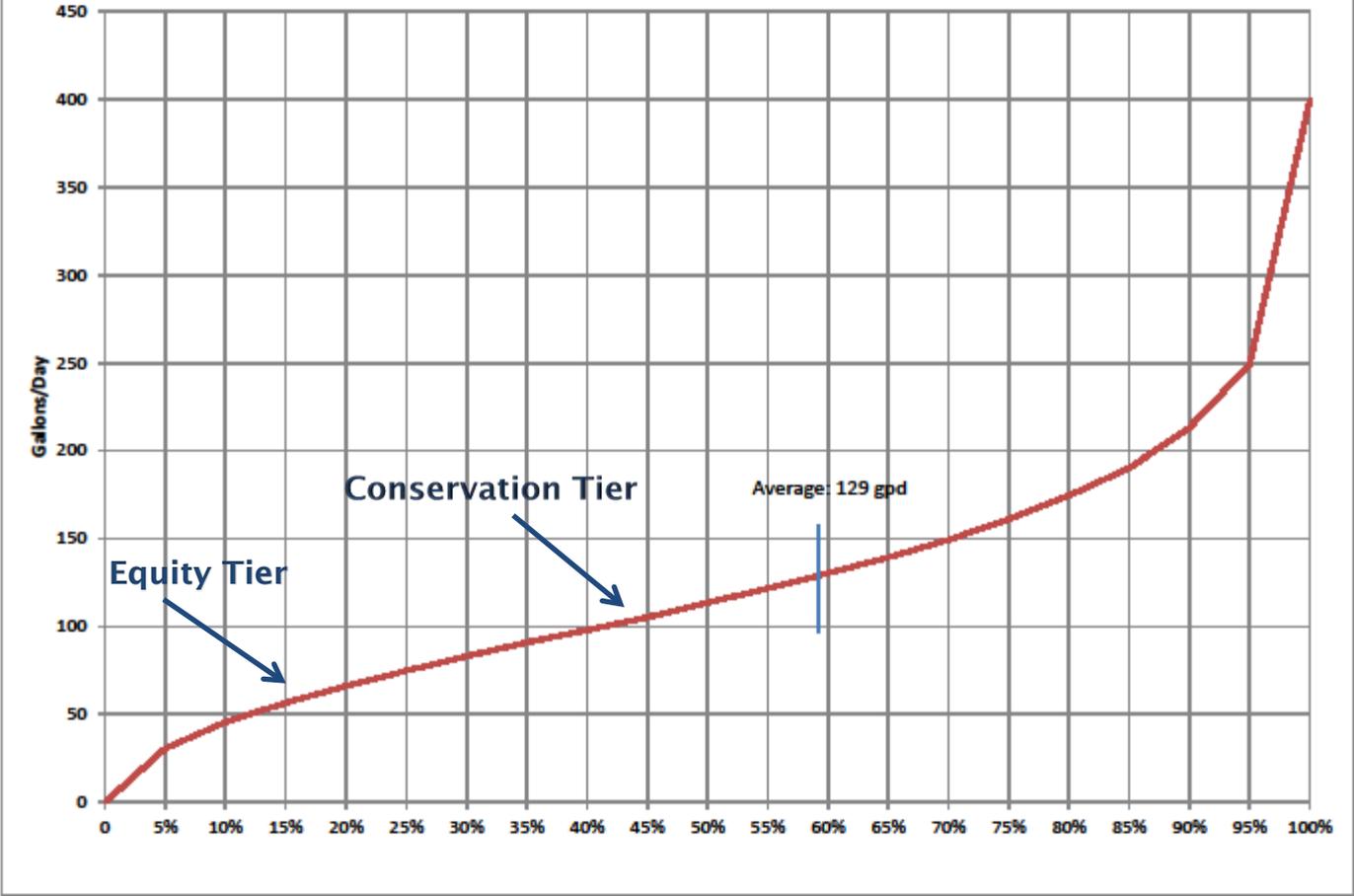
**Number of Customers**  
(at each water consumption level)

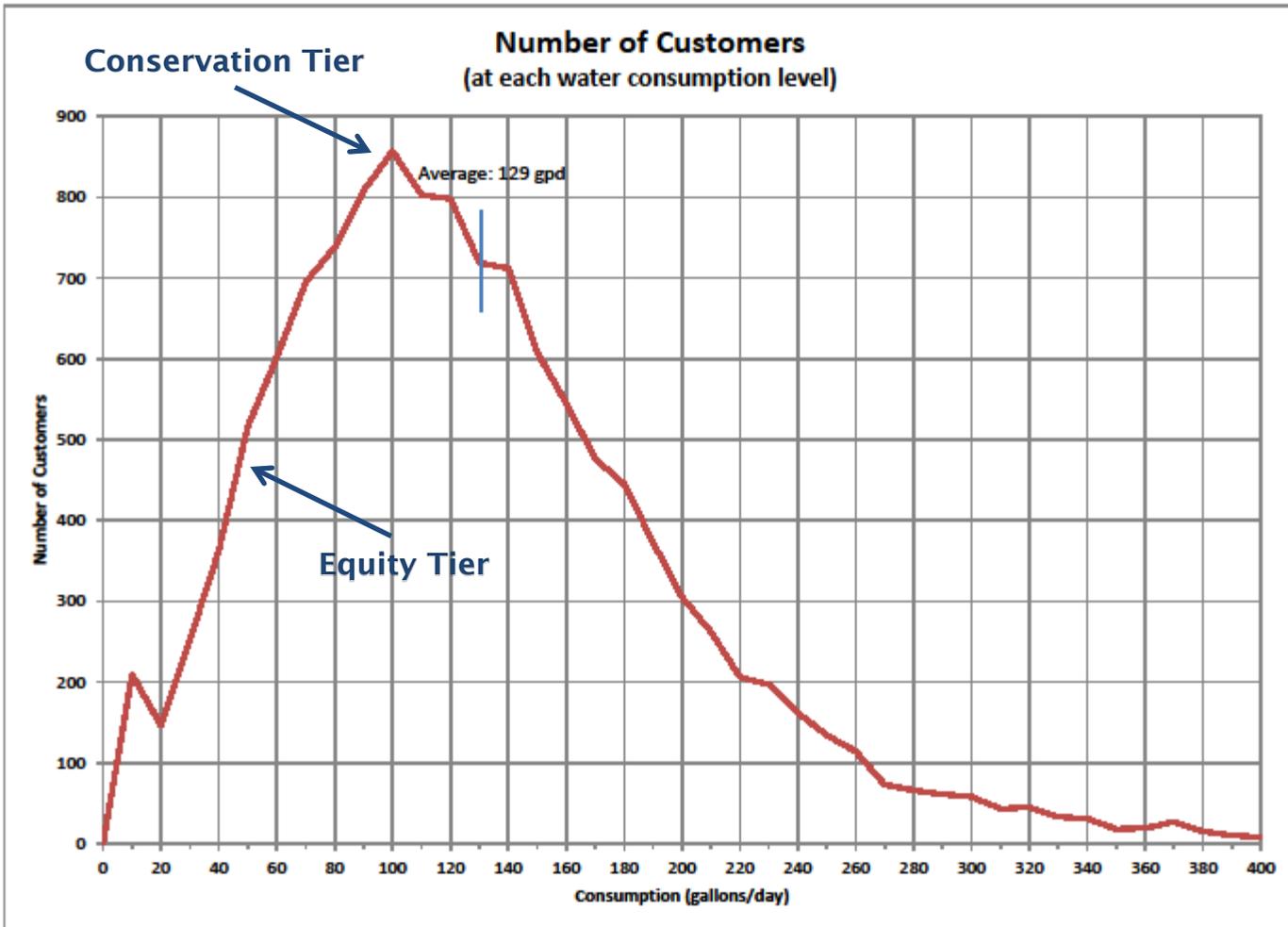


# Consumption Thresholds?

- ❑ Low water users...50 gallons per day
- ❑ Conservation incentive...100 gpd
- ❑ Current average user...129 gpd

# Water Consumption





# Rate Implications

- ❑ **Current flat rate: \$19.28/month**
- ❑ **Equity Tier: Lowest 17% of water users pay 33% less than others**
  - Equity monthly rate: \$12.72 for 2,300 customers
  - New monthly base rate: \$19.59 for 11,200
- ❑ **Equity + Conservation Incentive Tier: Add a 15% reduction for the next lowest 25% of water users. Discount provided to lower 42% of customers.**
  - Conservation monthly rate: \$16.39 for 3,400
  - New monthly base rate: \$20.28 for 7,800
- ❑ **Total City plus LOTT rate: \$47.73 – \$55.29**

# Next Steps

- ❑ Prepare draft Olympia Municipal Code language for legal review
- ❑ Evaluate winter flow rates and apply tiers to customer base
- ❑ Incorporate into annual Wastewater budget decision-making processes with UAC letter of support.
- ❑ Adopt rate ordinance...late 2014
- ❑ Implement new rates....2015

# Additional UAC Needs?

