

# Olympia Utilities: 2018 Budgets and Proposed Rates

Utility Advisory Committee

October 5, 2017



## UAC'S ROLE

- Prepare a recommendation letter to Council addressing:
  - Capital Facilities Plan
  - Rates and general facility charges
- Provide staff with initial perspective for sharing with the Council Finance Committee on October 11th
  - Attend the meeting?
- Share recommendations, concerns, suggestions

## CAPITAL FACILITY PLAN

- Reviewed by UAC in early summer
  - No concerns noted
- Continuation of 2017 Plan
  - No appreciable new projects or initiatives
- Economic growth is helping with cash flows
- Affordable with existing and expected revenues

## PROPOSED 2018 RATE INCREASES

- Storm and Surface Water – 0%
- Wastewater – 0%
- LOTT – 2%
  - Already adopted by the LOTT Board
- Drinking Water – 4.4%
  - Entirely tied to debt service
- Waste ReSources
  - 2% without debt funding ramp-up
  - 6% with ramp-up

PROPOSED GENERAL  
FACILITY CHARGE  
INCREASES

- Storm and Surface Water – 0%
- Wastewater – 0%
- LOTT – 4.1% or \$231/single family residence
  - Adopted
- Drinking Water – 6% or \$253
  - Brings the recommended, justified charge up to \$4,433/single family residence

## KEY RATE DECISION

### Single Family Rates

- Should Waste ReSources rates be increased in 2018 to begin accumulating funding for debt service associated with the proposed Carpenter Road Facility?
- Or defer increases to a future year?

Rate Increase, %	Monthly Cost	Increase over 2017, \$
2%	\$23.63	\$0.47
6%	\$24.55	\$1.39

# TYPICAL RESIDENTIAL BI-MONTHLY UTILITY BILL

	2014	2015	2016	2017	Proposed 2018	% Increase
Drinking Water *	\$42.42	\$44.97	\$48.25	\$51.00	\$53.24	4.4%
Wastewater**	\$38.57	\$39.33	\$25.56 - \$41.30	\$26.58 - \$42.95	Same	0%
Waste ReSources ***	\$41.43	\$43.90	\$46.31	\$46.31	\$49.10	6%
Storm and Surface Water	\$22.89	\$23.89	\$25.16	\$26.74	Same	0%
LOTT ****	\$70.02	\$72.12	\$74.28	\$75.76	\$77.28	2%
<b>TOTAL:</b>	\$215.33	\$224.21	\$219.56 - \$235.30	\$226.39 - \$242.76	\$232.94- \$249.31	
% Overall Increase from Previous Year	4.8%	4.1%	-1.9% - 5.1%	3.2%	2.7%	
\$ Total Increase	\$9.82	\$8.88	-\$4.32 - \$11.42	\$6.83 - \$7.46	\$6.55	

# GENERAL FACILITY CHARGES

	2014	2015	2016	2017	Proposed 2018	\$ Increase	% Increase
<b>Drinking Water</b>	\$3,456	\$3,687	\$3,918	\$4,180	\$4,433	\$253	6%
<b>Wastewater</b>	\$3,342	\$3,342	\$3,442	Same as 2016	Same as 2016	0	0%
<b>Storm and Surface Water</b>	\$1,094 plus \$1.80 trip charge	\$1,190 plus \$1.80 trip charge	\$1,190 plus \$4.50 trip charge	Same as 2016	Same as 2016/2017	0	0%
<b>LOTT CDC</b>	\$4,924	\$5,136	\$5,354	\$5,579	\$5,810	\$231	4.1%
<b>TOTAL:</b>	\$12,816	\$13,355	\$13,904	\$14,391	\$14,875	\$484	3.7%

Utility	Collected in 2016	2017 Budgeted	2017 To-Date
<b>Drinking Water</b>	\$1,299,872	\$753,000	\$688,571
<b>Wastewater</b>	\$2,092,931	\$631,000	\$905,173
<b>Storm and Surface Water</b>	\$230,179	\$144,000	\$272,057

# REGIONAL UTILITY BILL COMPARISON

## Comparison of Local Utility Charges (based on 2017 Rates)

### Typical Monthly Utility Bill

City	Water Base Fee	Water Consumption Fee (650 cubic feet of water use)	Sewer	Storm & Surface Water	LOTT	Waste ReSources		Utility Tax	TOTALS
						Refuse (65 gallon container)	Organics/yard waste (optional)		
Olympia	\$12.43	\$11.70	\$21.47	\$13.37	\$37.88	\$23.15	\$10.25	N/A	<b>\$130.25</b>
Lacey	\$15.21	\$9.08	\$19.60	\$10.11	\$37.88	\$25.41	\$7.60	N/A	<b>\$124.89</b>
Tumwater	\$7.77	\$14.94	\$16.48	\$9.83	\$37.88	\$25.41	\$7.60	\$2.94	<b>\$122.85</b>