

# Olympia Utilities: 2018 Budgets and Proposed Rates

Utility Advisory Committee  
September 7, 2017

# Water Resources

*Passionate caretakers of  
tomorrow's water*





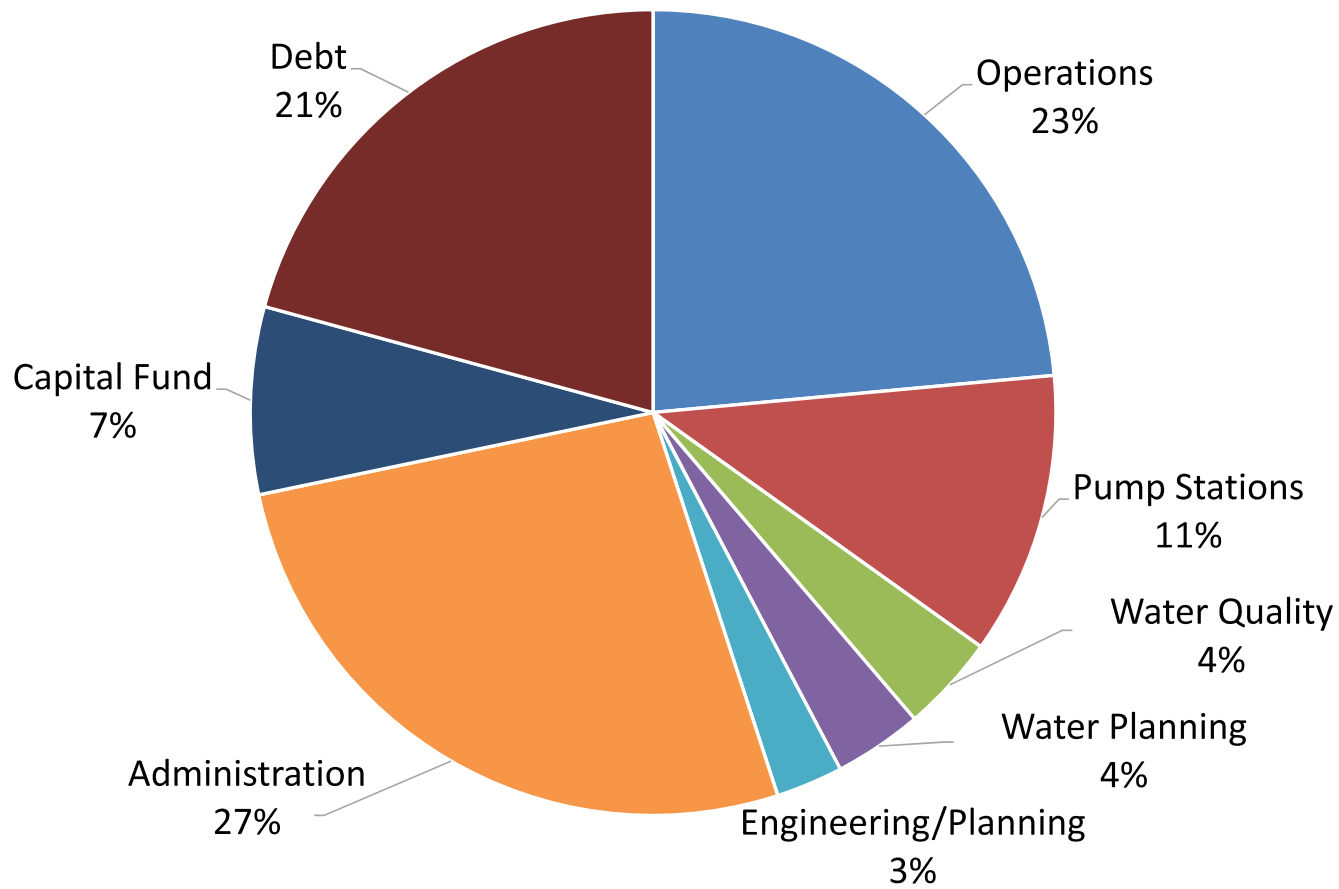


# Drinking Water

Expenditure Request	2017	2018	Projected 2017 Revenue	Revenue Shortfall
Drinking Water	\$13,297,250	\$13,905,276	\$13,461,120	\$444,156

Proposed Rate Increase	Utility Bill Increase
4.4% (Debt Financing)	\$1.12/month/residence

Main Budget Drivers
<ul style="list-style-type: none"><li>• \$440K Increase in Debt Financing (3 projects totaling \$18M)</li><li>• 3% COLA – No new FTEs</li><li>• 1.5% Account Growth</li></ul>



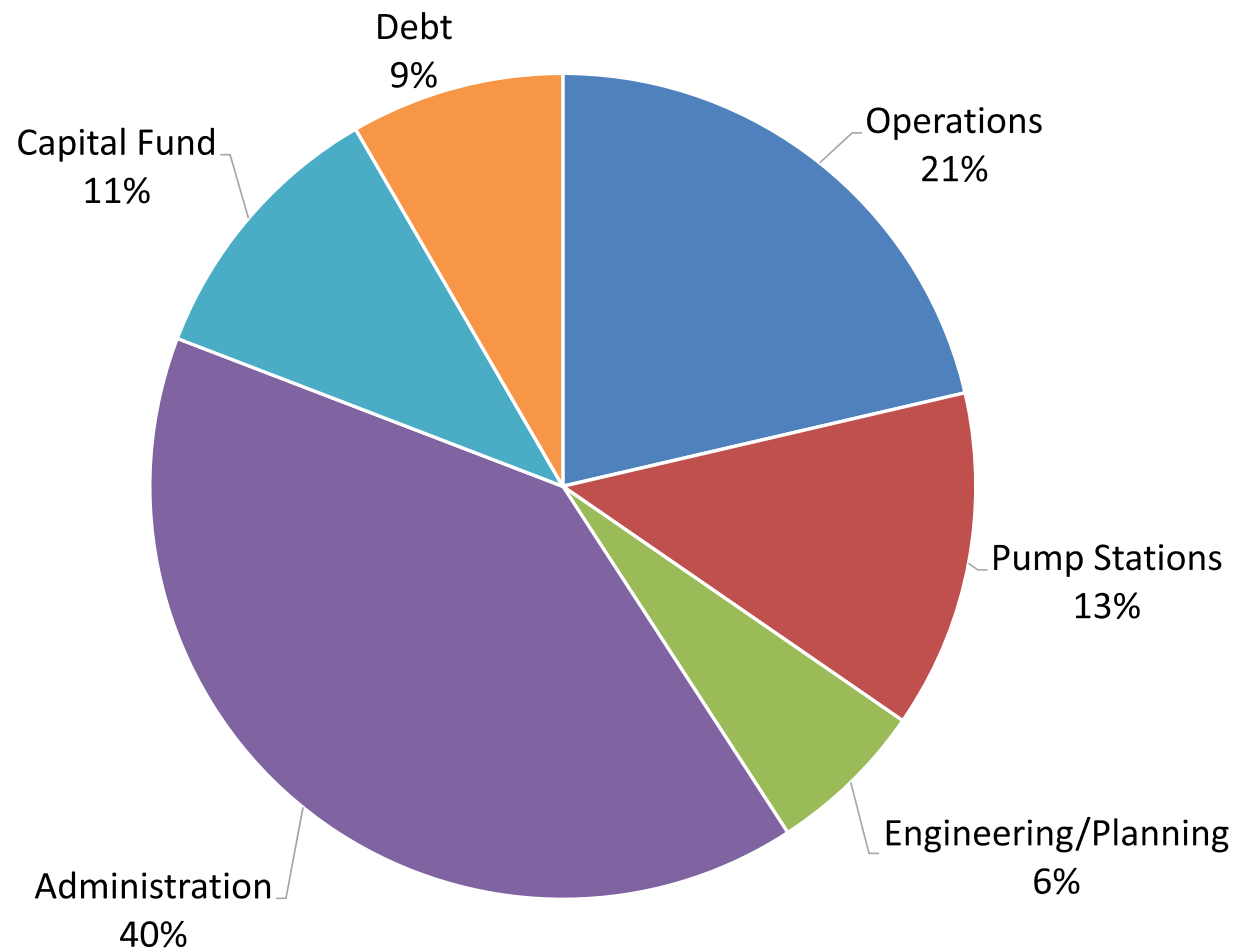


# Wastewater

Expenditure Request	2017	2018	Projected 2017 Revenue	Revenue Shortfall
Wastewater	\$6,785,000	\$6,958,600	\$6,909,317	\$(49,283)

Proposed Rate Increase	Utility Bill Increase
0.0%	\$0.00/month/residence

Main Budget Drivers
<ul style="list-style-type: none"><li>• 3% COLA – No new FTEs</li><li>• 1.5% Account Growth</li><li>• \$25,000 taxes associated with LOTT rate increase</li></ul>



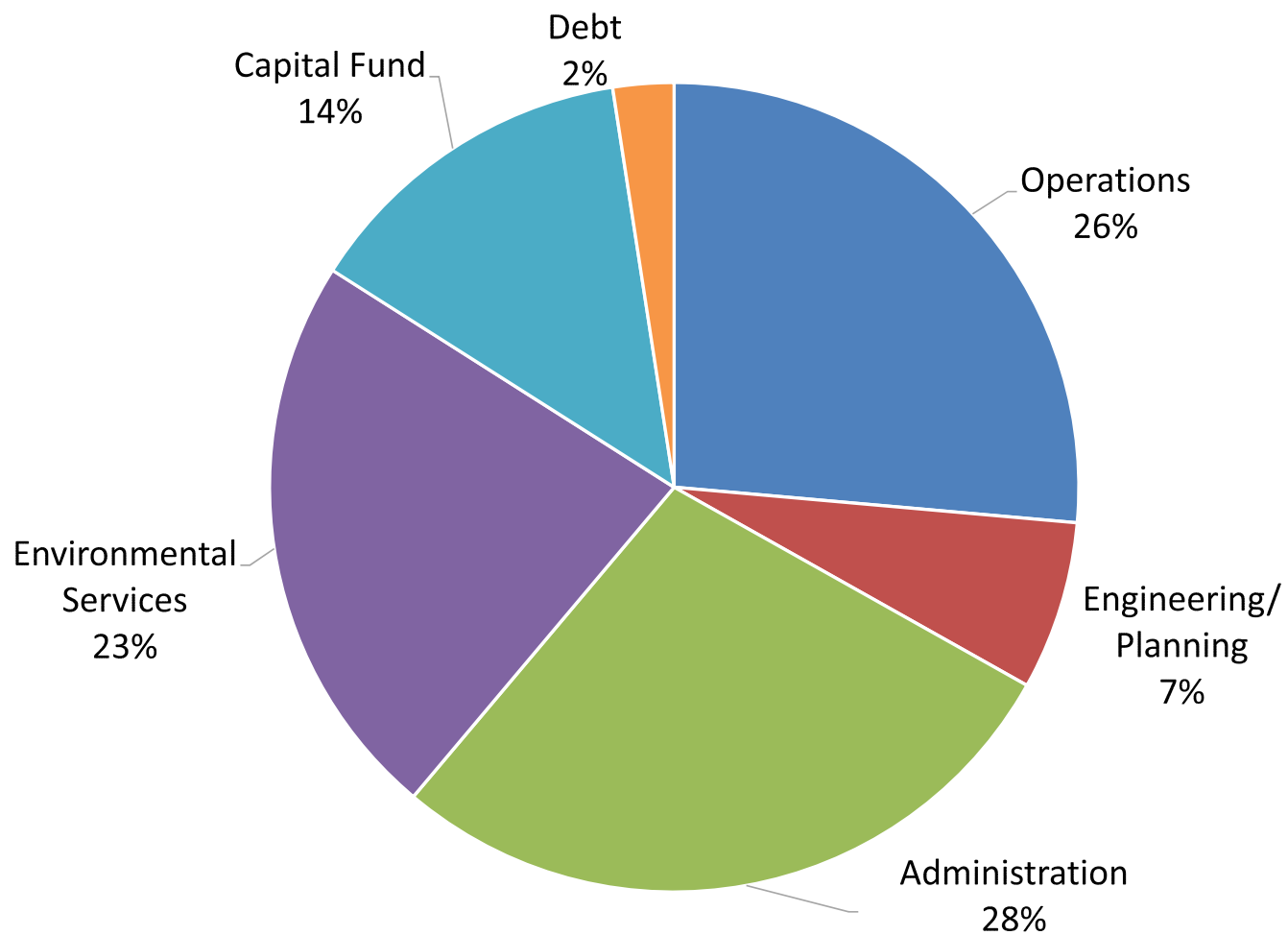


# Storm and Surface Water

Expenditure Request	2017	2018	Projected 2017 Revenue	Revenue Shortfall
Storm and Surface Water	\$5,310,757	\$5,334,370	\$5,396,612	\$(62,242)

Proposed Rate Increase	Utility Bill Increase
0.0%	\$0.00/month/residence

Main Budget Drivers
<ul style="list-style-type: none"><li>• 3% COLA – No new FTEs</li><li>• 1.5% Account Growth</li><li>• Anticipate rate increase consistent with the SSW Plan in 2019</li></ul>







# LOTT Clean Water Alliance

Expenditure Request	2017	2018	Projected 2017 Revenue	Revenue Shortfall
LOTT	\$12,809,000	\$13,032,657	\$13,043,940	N/A


Proposed Rate Increase	Utility Bill Increase
2.0%	\$0.76/month/residence



# 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



# Utility Bill Implications

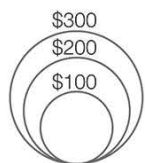
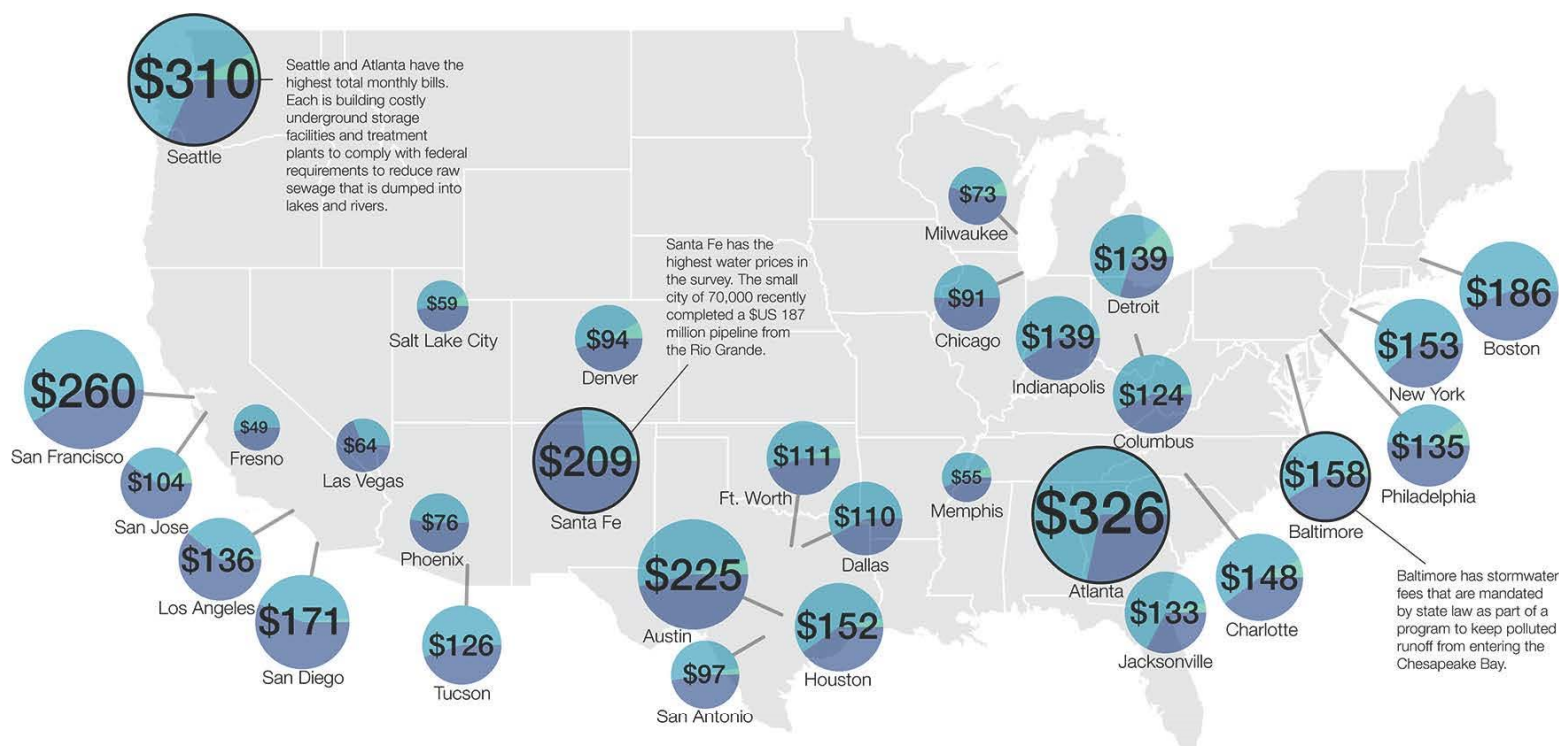
	2014	2015	2016	2017	Proposed 2018	% Increase
Drinking Water *	\$42.42	\$44.97	\$48.25	\$51.00	\$53.24	4.4%
Wastewater**	\$38.57	\$39.33	\$25.56 - \$41.30	\$26.58 - \$42.95	Same	0%
Waste ReSources ***	\$41.43	\$43.90	\$46.32	\$46.32	\$47.25	2%
Storm and Surface Water	\$22.89	\$23.89	\$25.16	\$26.74	Same	0%
LOTT ****	\$70.02	\$72.12	\$74.28	\$75.76	\$77.28	2%
TOTAL:	\$215.33	\$224.21	\$219.56 - \$235.30	\$226.39 - \$242.76	<b>\$231.08 - \$247.45</b>	
Increase from Previous Year	4.8%	4.1%	-1.9% - 5.1%	3.2%	1.9%	
\$ Total Increase	\$9.82	\$8.88	-\$4.32 - \$11.42	\$6.83 - \$7.46	\$4.69	

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	\$130.25
Lacey	\$15.21	\$9.08	\$19.60	\$10.11	\$37.88	\$25.41	\$7.60	N/A	\$124.89
Tumwater	\$7.77	\$14.94	\$16.48	\$9.83	\$37.88	\$25.41	\$7.60	\$2.94	\$122.85

# National Utility Bill Comparisons

## THE PRICE OF WATER: 2015

Combined water, sewer and stormwater prices for households in 30 major U.S. cities.



**Water** prices pay for treating, pumping, and delivering water, while sewer prices cover the cost of cleansing the water that goes down the drain.



**Sewer** prices are often higher than water prices because more energy and chemicals are required for treatment. Following the Clean Water Act, the federal government gave grants for new treatment plants during the 1970s and 1980s. Over the past three decades, however, new spending has been cut for local sewer infrastructure.



**Stormwater** fees are not included in every city's monthly bill. Some cities use general tax revenues to pay for projects to reduce polluted runoff from streets and parking lots. However, these projects must then compete for funds with other departments like police and schools.

# 2018 Utility Rate Recommendations

## Follow-up?

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