



# Public Works Committee Meeting



## Wastewater Rate Study

June 3<sup>rd</sup>, 2020

Melanie Hobart, Project Consultant  
Angie Sanchez, Principal & Vice President





# Agenda

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- ◆ Scope of project

Stage	Storm	Wastewater	Water
Revenue Requirement	Complete	Draft	Pending
Cost of Service	Complete	Draft	Pending
Rate Design	Complete	Review Today	Pending
System Development Charges	Complete	Draft	Draft

- ◆ Today's discussion

- Monthly Billing
- Sewer Rate Design
- Customer Impacts



# Utility Bill Changes

- ◆ City is switching to monthly bills effective January 2021
- ◆ Combined utility bill
  - Water
  - Storm water
  - Wastewater
- ◆ New sewer rates
  - Structure change
  - Revenue neutral at this time

## Sample Monthly Bill



**MISSOULA**  
CITY OF MISSOULA, MONTANA

PO Box 5388 - 1345 W Broadway  
Missoula, MT 59806-5388  
Walk-in Office Hours: M-F 7:30 am - 5:30pm  
Customer Svc Phone Hours: M-F 8:00 am - 5:00 pm  
General Inquiries including 24 hour Emergency 406-522-6700  
Payments 866-790-7218  
Visit us <http://www.ci.missoula.mt.us/water>

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ANDREW BLYZKA  
1525 S 7TH ST W  
MISSOULA, MT, 59801

**Water Account Information**

Account Number:	073594
Customer Number:	138594
Customer Name:	ANDREW BLYZKA
Service Address:	1525 S 7TH ST W
Cycle: M09	Book: 011
Type of Bill:	FLAT RATE/REGULAR
Date of Bill:	12/07/2018
Due Date:	12/24/2018

**Water Service Information**

Service From:	06/13/2018	To:	07/16/2018	33 days
Rooms/Baths/Toilets				4/1/1
Sprinkler Square Footage				4032

You are currently being billed at a flat rate.  
If you are interested in metered service,  
please contact our Customer Service Department.

**Special Message**

Here is where your special messages would appear.  
\*If there is one.

**Billing Summary**

Previous Balance	\$205.02
Payment - Thank You	-205.01
<i>Date of Last Payment : 11/24/2018</i>	
Total Current Charges	\$102.65
<b>TOTAL AMOUNT DUE</b>	<b>\$102.65</b>

0-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS
102.65	0.00	0.00	0.00

**Current Water Charges**

MWC Flat Rate Water	\$49.17
Public Fire Protection Fee	1.36
<b>Total Water</b>	<b>\$50.53</b>

Questions about your water charges? Call: 111.111.1111

**Current Storm Water Charges**

Regulatory Compliance Fee	\$14.00
Administrative Fee	\$14.00
ITE 210 Trip Fee	\$ 3.18
<b>Total Storm Water</b>	<b>\$31.18</b>

ITE CODE 210: Single Family Residence  
Questions about your storm water charges? Call: 222.222.2222

**Current Wastewater Charges**

010 Administrative Fee	\$ 6.89
101 Sewer Use Fee	\$14.05
<b>Total Wastewater</b>	<b>\$20.94</b>

Questions about your waste water charges? Call: 333.333.3333



# Benefits of Monthly Billing

## ◆ Benefits to customers:

- One monthly utility bill
- Payment options
- Online portal
- E-bills

## ◆ Benefits to City:

- Stop paying for second billing system
- Save money on printing & postage
- Monthly revenues
- Daily payment processing

MISSOULA  
CITY OF MISSOULA

Login to My Account | Register Now

Enter Username Enter Password Login

Remember me [Forgot Username](#) | [Forgot Password](#)

[Make A Payment](#) [How to Read Your Bill](#)

Notice: If you've previously registered an account with us, you can log in with the same credentials.

  
**Pay My Bill**  
**PAY NOW**  
Quickly Pay Your Bill Without Registering  
[Learn more](#)

  
**New User**  
**REGISTER NOW**  
Get 24/7 Online Access Anywhere, Anytime  
[Learn more](#)



# Wastewater Rate Design



# Rate Design Recommendations

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- ◆ **Rate Design Goals:**
  - Collect sufficient and stable revenue
  - Cost based and equitable
  - Affordable
  - Administratively feasible
  - Easy to understand
  - Legally defensible
  
- ◆ **Evaluated goals and current issues with staff**
  
- ◆ **Recommend structure with base charge plus flow charge for all classes**
  - Introducing a new residential flow rate



# Existing Rate Schedule

User Class	Basis	2019 Existing	
		Semi-Annual	Monthly
<b>Residential</b>			
101 Single Family Residence	per unit	\$ 83.40	\$ 13.90
	per account	6.89	1.15
	per CCF	-	
102 Multifamily Residence	per unit	\$ 68.76	\$ 11.46
	per account	6.89	1.15
	per CCF	-	
		<b>Quarterly</b>	<b>Monthly</b>
200 General Commercial	per account	\$ 6.89	\$ 2.30
	per CCF	1.68	1.68
300 Food Service	per account	\$ 6.89	\$ 2.30
	per CCF	3.42	3.42
400 Hospitals	per account	\$ 6.89	\$ 2.30
	per CCF	1.63	1.63
500 Schools	per account	\$ 6.89	\$ 2.30
	per CCF	1.46	1.46

Fixed per unit charge for residential

Uniform administrative charge per account on every bill

Unique flow-based charge for each commercial class



# Residential & Commercial Customers

Base Charge



Flow Charge

- ◆ Commercial per account
- ◆ Residential per unit

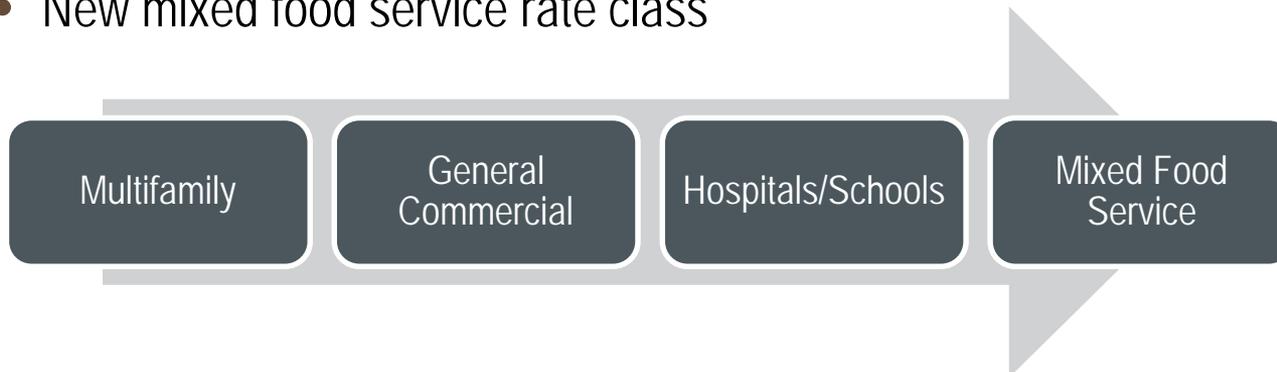
- ◆ Commercial per ccf\* actual metered water usage
- ◆ NEW Residential per ccf\* winter average water usage

*\*1 ccf = 748 gallons*



# New Mixed Use Policy

- ◆ **Currently, mixed use accounts with only one meter are a challenge to bill**
  - Staff estimates split in volume between types of use
  - Large administrative burden
  - Potential inconsistencies over time and between similar customers
- ◆ **New policy proposed to charge 100% of volume at the higher rate class**
  - Rate hierarchy to simplify and streamline billing:
    - Multi family/commercial mixed account billed at general commercial rate
    - Schools with mixed uses billed at school rate
    - New mixed food service rate class





# Proposed Rate Schedule

User Class	Base Rate	Flow Rate
101 Single Family Residential	\$ 14.00	\$ 0.18
102 Multi-Family Residential	11.00	0.16
200 General Commercial	5.00	1.55
300 Food Service	5.00	3.36
400 Hospitals	5.00	1.62
500 Schools	5.00	1.41
NEW Mixed Use w/ Food Service	5.00	2.45

Unique flow-based charge for each class

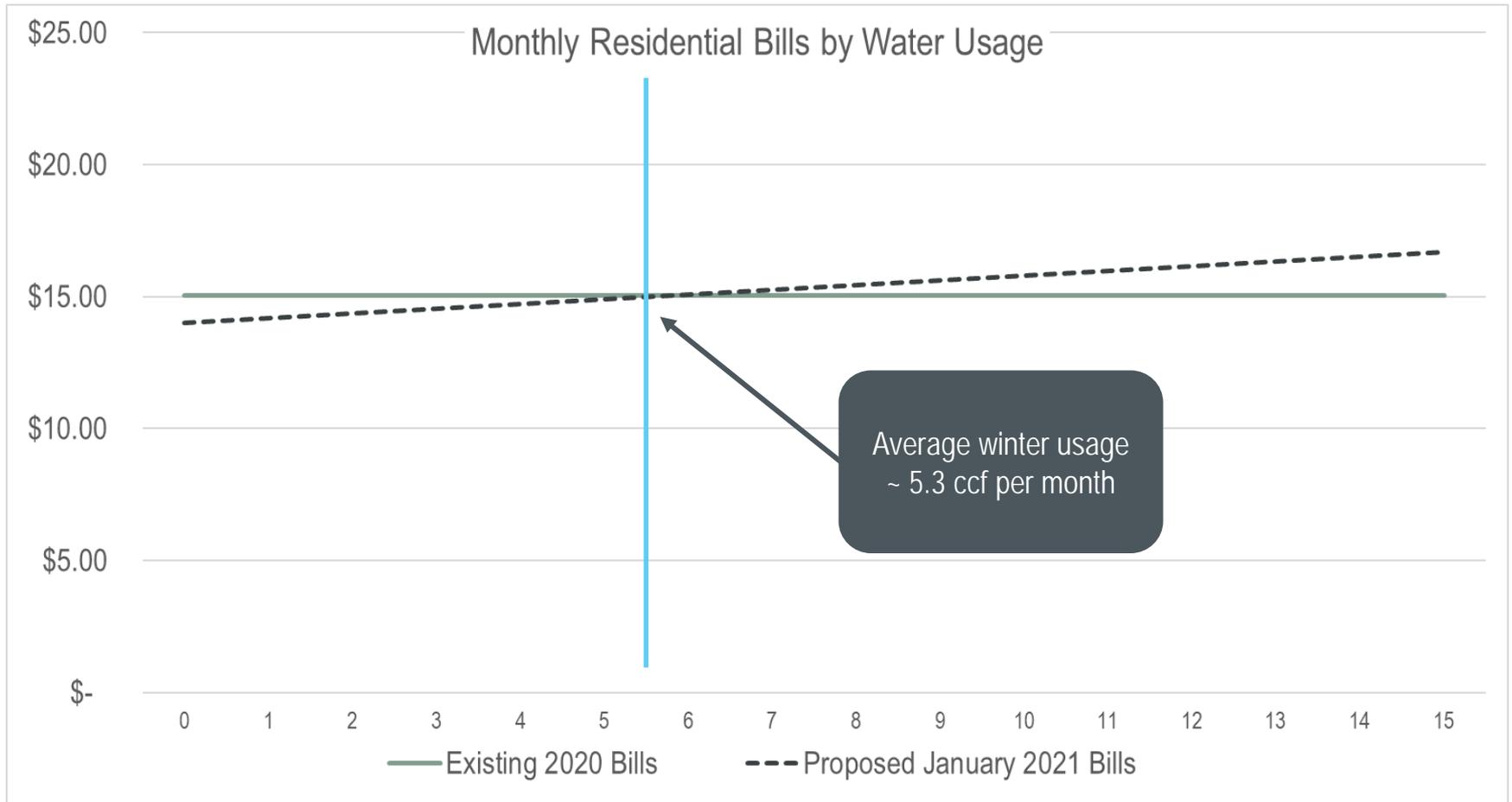
Base charge for all customers:  
Residential per unit  
Commercial per account



# Customer Impacts

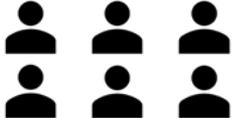


# Residential Customer Impact





# What does this mean for you?

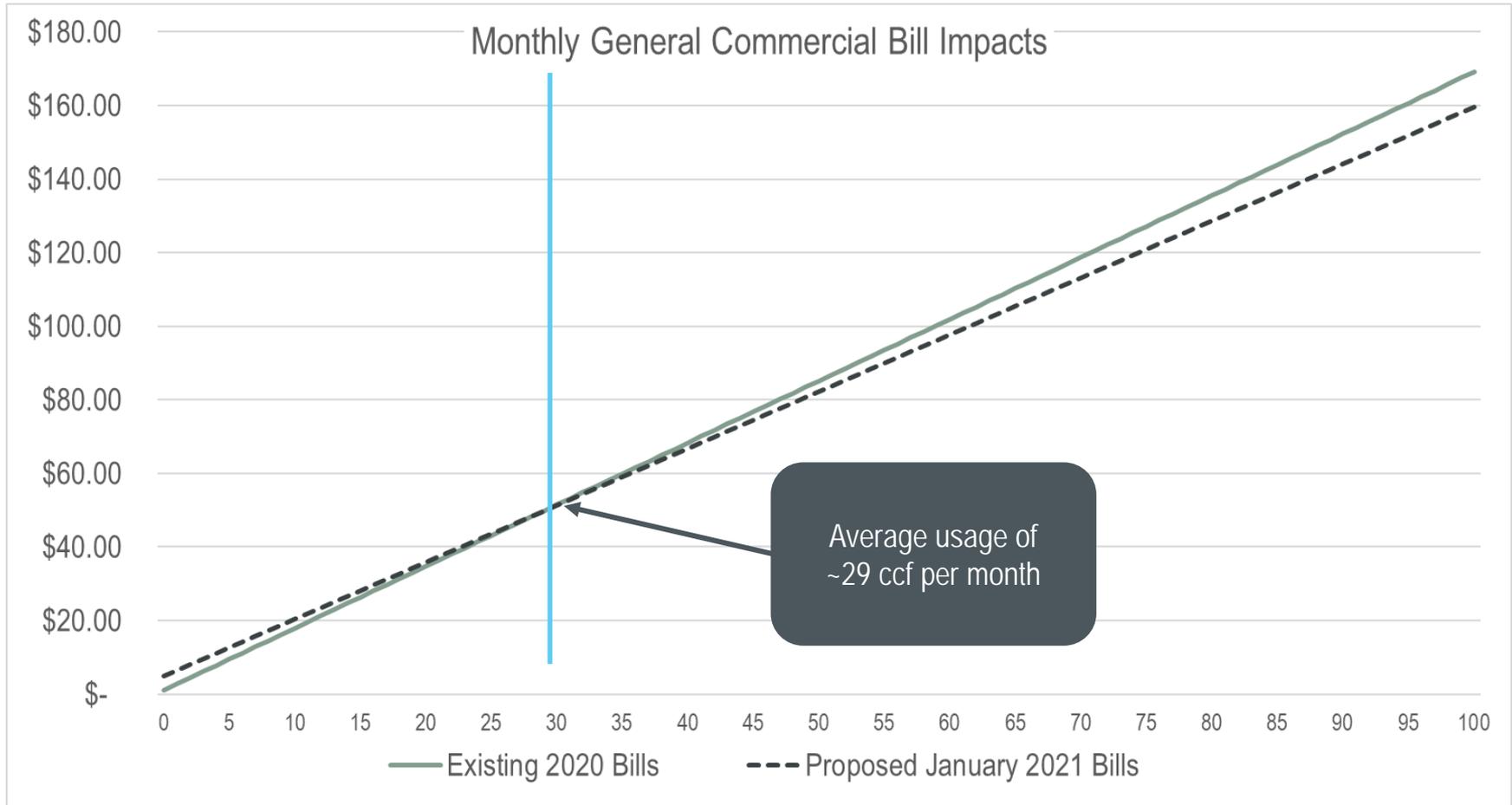
Household Size	Monthly Winter Usage	Existing 2020 Monthly Total	Projected 2021 Monthly Total	Difference
	2.4 ccf	\$15.05	\$14.43	- \$0.62
	4.8 ccf	\$15.05	\$14.86	- \$0.19
	9.6 ccf	\$15.05	\$15.73	+ \$0.68
	14.4 ccf	\$15.05	\$16.59	+ \$1.54

◆ **Assumptions:**

- Average usage per person: 60 gallons per day or 2.4 ccf per month
- All single family homes



# General Commercial Bill Impact





# Commercial Sewer Sample Bill Impact

Customer type	Monthly Av. Usage	Existing Annual Bill	Proposed Annual Bill	Direction of Change	Reason for Change
High School	1,061 ccf	\$19,324	\$18,141	↓	<ul style="list-style-type: none"><li>• 100% of usage at school rate</li><li>• Higher than average usage</li></ul>
Elementary School	409 ccf	\$7,269	\$7,012	↓	<ul style="list-style-type: none"><li>• 100% of usage at school rate</li><li>• Higher than average usage</li></ul>
Car Dealership	114 ccf	\$2,302	\$2,166	↓	<ul style="list-style-type: none"><li>• Higher than average usage</li></ul>
Car Dealership	51 ccf	\$1,047	\$999	↓	<ul style="list-style-type: none"><li>• Higher than average usage</li></ul>
Restaurant / Commercial	293 ccf	\$7,179	\$8,667	↑	<ul style="list-style-type: none"><li>• 100% of usage at new mixed food service rate</li></ul>
Restaurant	63 ccf	\$2,603	\$2,601	--	<ul style="list-style-type: none"><li>• Average usage for a food service account</li></ul>



# Montana Cities Residential Bill Comparison

Cities	Flow Rate*	Base Rate	Other Charges	Avg. Monthly Bill (5.3 ccf)
Missoula - Current	\$0	\$15.05	\$0	\$15.05
Missoula - Proposed	\$0.18	\$14.00	\$0	\$14.95
Great Falls	\$2.48	\$0	\$0	\$13.14
Billings	\$3.60	\$0	\$0	\$19.08
Helena	\$3.09	\$9.00	\$0	\$25.38
Bozeman	\$3.28	\$19.58	\$0	\$36.96
Kalispell	\$8.48	\$11.19	\$0	\$56.11



# Full Proposed Rate Schedule

Class	Base Rate	Volume Rate
101 Single Family Residential	\$ 14.00	\$ 0.18
102 Multi-Family Residential	11.00	0.16
200 General Commercial	5.00	1.55
300 Food Service	5.00	3.36
400 Hospitals	5.00	1.62
500 Schools	5.00	1.41
NEW Mixed Use w. FS	5.00	2.45

Large Volume & Industrial	Charge per Unit
Base Fee	\$ 6.89
CCF	1.23
lbs BOD	0.23
lbs SS	0.17
lbs Phosphorus	4.05
lbs Nitrogen	0.48

Flat Rate Customers	Monthly Fee
Flat Rate Residential	\$ 16.70
Flat Rate Commercial	
C05	\$ 17.14
C07	23.46
C01	38.51
C11	80.53
C02	134.63
C03	325.09
Flat Rate Mixed Use Commercial	
MU05	\$ 103.25
MU07	145.88
MU01	132.16
MU11	133.43
MU02	186.45
MU03	398.84
MU04	675.08
Flat Rate Food Service	
F05	\$ 97.18
F07	196.09
F01	253.96
F11	502.47
F02	401.74



# Summary

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- ◆ Monthly utility billing benefits City and utility customers
- ◆ New sewer rate structure in line with industry standards
- ◆ Proposed changes effective January 2021



# Future

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- ◆ **Next for Council Review**
  - Sewer development charges
  - Water development charges
  - Approach to future increases
    - Consumer Price Index (CPI)
- ◆ **Overall project status**

Stage	Storm	Wastewater	Water
Revenue Requirement	Complete	Draft	Pending
Cost of Service	Complete	Draft	Pending
Rate Design	Complete	Complete	Pending
System Development Charges	Complete	Draft	Draft



# Questions

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