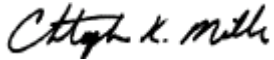


ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 11/13/17
Item No.: 7.b

Department Approval



City Manager Approval



Item Description: Consider Adopting the 2018 Utility Rate Adjustments

BACKGROUND

Over the past several months, City Staff has been reviewing the City's utilities operations to determine whether customer rate adjustments are necessary for 2018. The analysis included a review of the City's water, sanitary sewer, storm drainage, and curbside recycling operations.

The information presented below includes an analysis of these operations, some historical water usage information, and a series of rate comparisons with peer communities. Each of these are presented in separate sections.

Operational Review

Staff's analysis of its utility operations included a review of the following:

- ❑ *Fixed* costs including personnel, supplies and maintenance, and other costs that are generally independent of the amount of water purchased or wastewater that is generated.
- ❑ *Variable* costs including the purchase of water from the City of St. Paul, water treatment costs paid to the Metropolitan Council, and recycling contractor costs paid to Eureka Recycling.
- ❑ Capital replacement costs.
- ❑ Customer counts and consumption patterns, rate structure, and rates.

Based on an analysis of these costs and customer consumption patterns, Staff is recommending a number of fee adjustments for 2018. The need for these adjustments are presented in greater detail below sections.

Based on Staff's recommendation, the estimated quarterly impact on a typical single-family home is shown in the following table.

Utility Rate Impact: Single Family Home				
<u>Service</u>	<u>2017</u>	<u>2018</u>	<u>\$ Increase</u>	<u>% Increase</u>
Water - base fee	53.15	55.80	2.65	
Water - usage fee	31.50	31.50	-	
Sanitary Sewer - base fee	36.45	37.55	1.10	
Sanitary Sewer - usage fee	27.95	29.25	1.30	
Storm Sewer	12.95	13.35	0.40	
Recycling	6.50	7.00	0.50	
Total per Quarter	\$ 168.50	\$ 174.45	\$ 5.95	3.53%
Avg. Water consumption (1,000 gals.)	14			
Avg. Sewer consumption (1,000 gals.)	13			

26
27
28
29
30
31
32
33
34
35
36
37

For 2018 a typical single-family home will pay an estimated \$174.75 per quarter, or \$58.15 per month. This is an increase of \$1.98 per month or 3.5% from the current year. This is the same amount referenced in the 2018 City Manager Recommended Budget. More detailed information for each operating division can be found below.

Water Operations

The City’s water operation provides City customers with safe potable water, as well as on-demand water pressure sufficient to meet the City’s fire protection needs. The following table provides a summary of the 2017 and 2018 (proposed) Budget excluding capital:

	<u>2017</u>	<u>2018</u>	<u>\$ Increase</u>	<u>% Increase</u>
	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Revenues				
Customer Charges	\$ 7,100,000	\$ 7,400,000	\$ 300,000	4.2%
Interest Earnings	5,000	5,000	-	0.0%
Total	\$ 7,105,000	\$ 7,405,000	\$ 300,000	4.2%
Expenses				
Personnel Services	\$ 642,500	\$ 651,070	\$ 8,570	1.3%
Supplies & Materials	88,200	162,200	74,000	83.9%
Other Services & Charges	5,565,750	5,487,700	(78,050)	-1.4%
Total	\$ 6,296,450	\$ 6,300,970	\$ 4,520	0.1%
Net Available for Capital **	\$ 808,550	\$ 1,104,030		
** Excludes \$289,000 in cash reserves set aside for water-related capital				

38
39
40
41
42
43
44
45
46
47
48
49

For 2018, overall *budgeted* revenues are expected to increase primarily from added non single-family residential properties. Costs associated with assigned personnel are expected to remain fairly steady even after accommodating a 2.75% cost-of-living adjustment. The increase in supplies & materials simply reflects an adjustment to prior-year actuals.

The single largest operating cost for the water operation is the purchase of wholesale water from the St. Paul Regional Water System (SPRWS). SPRWS Officials have informed us that there will be a 3.1% increase in the cost of purchasing wholesale water in 2018. However, Roseville’s current customer usage rates have a sufficient cushion to accommodate this increase.

50 The revised 20-Year Capital Improvement Plan (CIP) identifies added infrastructure replacement costs
 51 in the coming years which will require a 5.0% increase in the residential water *base* fee.

52
 53 Sanitary Sewer Operations

54 The City maintains a sanitary sewer collection system to ensure the general public’s health and general
 55 welfare. The following table provides a summary of the 2017 and 2018 (proposed) Budget excluding
 56 capital:

57

	2017	2018	\$ Increase	% Increase
	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Revenues				
Customer Charges	\$ 5,040,000	\$ 5,323,000	\$ 283,000	5.6%
Interest Earnings	5,000	5,000	-	0.0%
Total	\$ 5,045,000	\$ 5,328,000	\$ 283,000	5.6%
Expenses				
Personnel Services	\$ 493,100	\$ 477,550	\$ (15,550)	-3.2%
Supplies & Materials	50,400	46,150	(4,250)	-8.4%
Other Services & Charges	3,505,550	3,530,150	24,600	0.7%
Total	\$ 4,049,050	\$ 4,053,850	\$ 4,800	0.1%
Net Available for Capital **				
	\$ 995,950	\$ 1,274,150		
** Excludes \$443,000 in cash reserves set aside for sanitary sewer-related capital				

58
 59
 60 For 2018, overall costs are expected to rise only 0.1%. Costs associated with assigned personnel are
 61 expected to decrease slightly reflecting changes in personnel. Revenues are expected to grow with a
 62 requested increase in both the base and usage rates.

63
 64 The single largest operating cost to the sanitary sewer operation is the wastewater treatment costs paid to
 65 the Metropolitan Council Environmental Services Division (MCES). The MCES has informed us that we
 66 can expect a 3.4% increase in wastewater treatment costs for 2018 reflecting both higher wastewater
 67 flows and treatment costs. This will require a 4.7% increase in sewer *usage* fees for our residential
 68 sanitary sewer customers.

69
 70 The revised 20-Year Capital Improvement Plan (CIP) identifies added infrastructure replacement costs
 71 in the coming years which will also require a 3.0% increase in the sanitary sewer *base* fee.

72
 73 Storm Drainage Operations

74 The City provides for the management of storm water drainage to prevent flooding and pollution control,
 75 as well as the street sweeping program. The following table provides a summary of the 2017 and 2018
 76 (proposed) Budget excluding capital:

	2017	2018	\$ Increase	% Increase
	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Revenues				
Customer Charges	\$ 1,775,000	\$ 1,830,720	\$ 55,720	3.1%
Interest Earnings	20,000	20,000	-	0.0%
Total	\$ 1,795,000	\$ 1,850,720	\$ 55,720	3.1%
Expenses				
Personnel Services	\$ 404,700	\$ 408,620	\$ 3,920	1.0%
Supplies & Materials	86,500	84,400	(2,100)	-2.4%
Other Services & Charges	347,100	267,700	(79,400)	-22.9%
Total	\$ 838,300	\$ 760,720	\$ (77,580)	-9.3%
Net Available for Capital **	\$ 956,700	\$ 1,090,000		
** Excludes \$197,000 in cash reserves set aside for storm sewer-related capital				

77
78

79 For 2017, overall costs are expected to decline 9.3% due to the elimination of the non-recurring cost for
80 the Stormwater Update. Costs associated with assigned personnel are expected to increase 1.0% which
81 includes a 2.75% cost-of-living adjustment.

82

83 The revised 20-Year Capital Improvement Plan (CIP) identifies added infrastructure replacement costs
84 in the coming years which will require a 3.1% increase in the storm sewer fee.

85

86 Recycling Operations

87 The recycling operation provides for the contracted curbside recycling pickup throughout the City and
88 related administrative costs. The primary operating cost is the amounts paid to a contractor to pick up
89 recycling materials.

90

91 The following table provides a summary of the 2017 and 2018 (proposed) Budget:

92

	2017	2018	\$ Increase	% Increase
	<u>Budget</u>	<u>Budget</u>	<u>(Decrease)</u>	<u>(Decrease)</u>
Revenues				
Base Fee Revenue	\$ 426,210	\$ 432,130	\$ 5,920	1.4%
SCORE Grant	85,000	87,500	2,500	2.9%
Revenue Sharing	-	20,000	20,000	0.0%
Interest Earnings	1,000	1,000	-	0.0%
Total	\$ 512,210	\$ 540,630	\$ 28,420	5.5%
Expenses				
Personnel Services	\$ 36,800	\$ 36,640	\$ (160)	-0.4%
Supplies & Materials	2,000	2,000	-	0.0%
Other Services & Charges	473,410	504,610	31,200	6.6%
Total	\$ 512,210	\$ 543,250	\$ 31,040	6.1%
Net From Operations **	\$ -	\$ (2,620)		
** The Recycling Fund has a cash balance of \$123,000				

93

94

95 For 2018, overall costs are expected to rise 6.1% resulting from a new multi-year contract for services.
96 The increased contractor costs which are included in the 'Other Services & Charges' category also
97 includes recycling pickups in public areas such as parks.

98

99
100
101
102

Recommended Rates for 2018

As noted above, a typical single-family home will pay \$174.45 per quarter, or \$58.15 per month under the recommended rates. The following tables provide a more detailed breakdown of the proposed rates.

<u>Water Base Rate Category</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
Single-Family Residential	\$ 53.15	\$ 55.80	Standard SF rate
Single-Family Residential: Low-Income Discount	34.55	36.30	Standard SF rate x 0.65
Non-SF Residential (5/8" Meter)	53.15	55.80	Standard SF rate
Non-SF Residential (1.0" Meter)	66.45	69.75	Standard SF rate x 1.25
Non-SF Residential (1.5" Meter)	106.10	111.40	Standard SF rate x 2.00
Non-SF Residential (2.0" Meter)	199.30	209.30	Standard SF rate x 3.75
Non-SF Residential (3.0" Meter)	398.60	418.50	Standard SF rate x 7.50
Non-SF Residential (4.0" Meter)	797.20	837.05	Standard SF rate x 15.00
Non-SF Residential (6.0" Meter)	1,594.45	1,674.20	Standard SF rate x 30.00
<u>Water Usage Rate Category</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
SF Residential: Up to 30,000 gals./qtr	\$ 2.25	\$ 2.25	Standard SF rate
SF Residential: Over 30,000 gals./qtr (winter rate)	2.50	2.50	Standard SF rate +10%
SF Residential: Over 30,000 gals./qtr (summer rate)	2.70	2.70	Standard SF rate +20%
Non-SF Residential (winter rate)	2.95	2.95	Standard SF rate +30%
Non-SF Residential (summer rate)	3.15	3.15	Standard SF rate +40%
Rates are per 1,000 gallons			
<u>Sewer Base Rate Category</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
Single-Family Residential	\$ 36.45	\$ 37.55	Standard SF rate
Single-Family Residential: Low-Income Discount	23.70	24.40	Standard SF rate x 0.65
Multi-Family Residential (townhomes)	36.45	37.55	Standard SF rate x 1.00
Multi-Family Residential (apartments & condos)	25.65	26.40	Standard SF rate x 0.70
Non-SF Residential (5/8" Meter)	27.30	28.10	Standard SF rate x 0.75
Non-SF Residential (1.0" Meter)	54.60	56.25	Standard SF rate x 1.50
Non-SF Residential (1.5" Meter)	81.90	84.35	Standard SF rate x 2.25
Non-SF Residential (2.0" Meter)	127.70	131.55	Standard SF rate x 3.50
Non-SF Residential (3.0" Meter)	267.80	272.50	Standard SF rate x 7.25
Non-SF Residential (4.0" Meter)	530.45	545.00	Standard SF rate x 14.50
Non-SF Residential (6.0" Meter)	1,055.75	1,090.00	Standard SF rate x 29.00
Multi-family rate is per housing unit			
<u>Sewer Usage Rate Category</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
Residential	\$ 2.15	\$ 2.25	Standard rate
Non-Residential	5.00	5.20	Standard rate x 2.30
Rates are per 1,000 gallons			

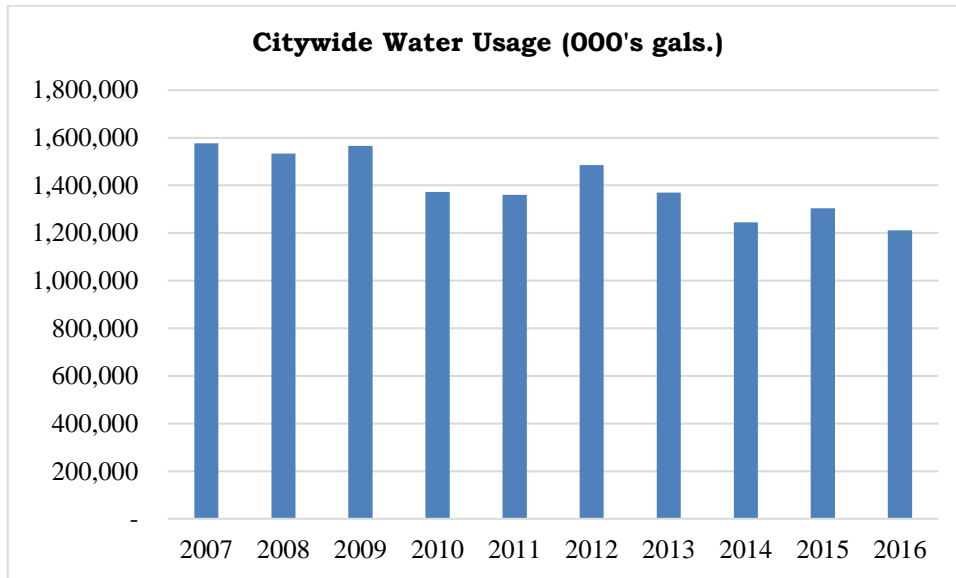
103
104

<u>Stormwater Base Rate Category</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
Single-Family Residential & Duplex	\$ 12.95	\$ 13.35	Standard SF rate
Multi-Family & Churches	100.35	103.35	Standard SF rate x 7.75
Cemeteries & Golf Course	9.75	10.05	Standard SF rate x 0.75
Parks	30.20	31.10	Standard SF rate x 2.35
Schools & Community Centers	48.80	50.25	Standard SF rate x 3.75
Commercial & Industrial	200.55	206.55	Standard SF rate x 15.50
Rates for single-family are per housing unit; all others are per acre			
<u>Recycling Rate Category</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
Single-Family	\$ 6.50	\$ 7.00	Standard rate
Multi-Family	6.50	7.00	Standard rate

105
106
107
108
109
110

Water Usage History

The series of graphs presented below depict water customer consumption patterns over the past 10 years beginning with a depiction of the *citywide* water consumption.



111
112
113
114
115
116

As indicated in the graph, citywide consumption has generally been falling over the past decade – a 23% reduction since 2007. This has allowed the City’s usage rates to remain unchanged since 2015 despite increases in the cost of purchasing water from St. Paul.

Rate Comparisons

The graphs below depict a number of water and sewer rate comparisons with other peer communities. For this analysis, peer communities include 1st ring suburbs that serve a population between 18,000 and 50,000, and which are not simply an extension of a larger entity’s system (e.g. Maplewood is excluded because they’re part of St. Paul’s system). This group was selected to try and approximate cities with stand-alone systems with similar age of infrastructure which can have a significant influence on the cost of water and sewer services.

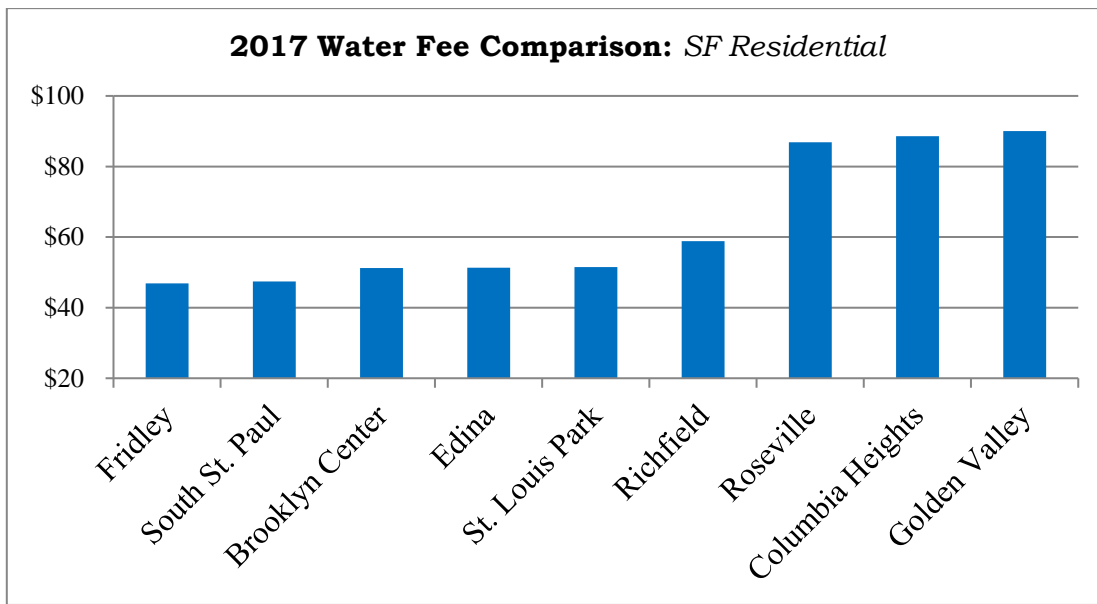
124

125 It should be noted that broad comparisons only give a cursory look at how one community's rates
126 compares to another. One must also incorporate each City's individual philosophy in funding programs
127 and services.

128
129 For example, Roseville does NOT utilize assessments to pay for water or sewer infrastructure
130 replacements like many other cities do. Instead we fund infrastructure replacements 100% through the
131 rates. As a result, Roseville's water and sewer rates are inherently higher when compared to a City that
132 uses assessments to pay for improvements. Other influences on the rates include whether or not a
133 community softens its water before sending it on to customers, and the extent in which communities
134 charge higher rates to non-residential customers.

135
136 The following chart depicts the peer group comparison for combined *water* base rate and usage rate for
137 a single-family home that uses 15,000 gallons per quarter.

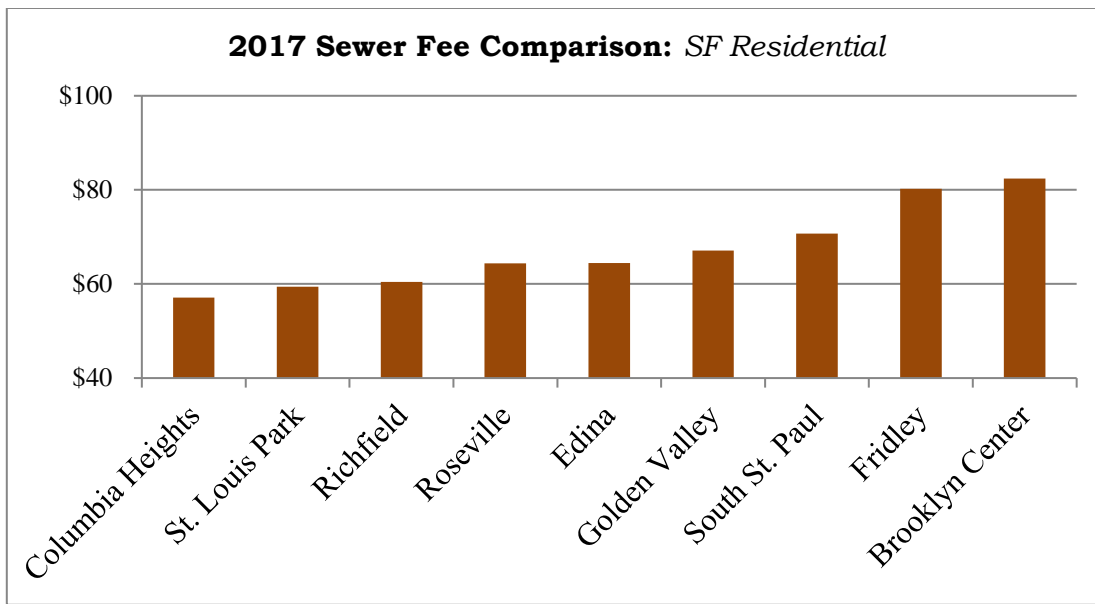
138



139
140
141 As is shown in the graph, Roseville's total water charge (base + usage) is one of the highest in the
142 comparison group. One of the primary reasons why Roseville's water rates are higher is due to the
143 significant increase in infrastructure replacements in recent years, which unlike many other cities, are
144 funded solely by the rates.

145
146 The following chart depicts the peer group comparison for combined *sewer* base rate and usage rate for
147 a single-family home that uses 13,000 gallons per quarter.

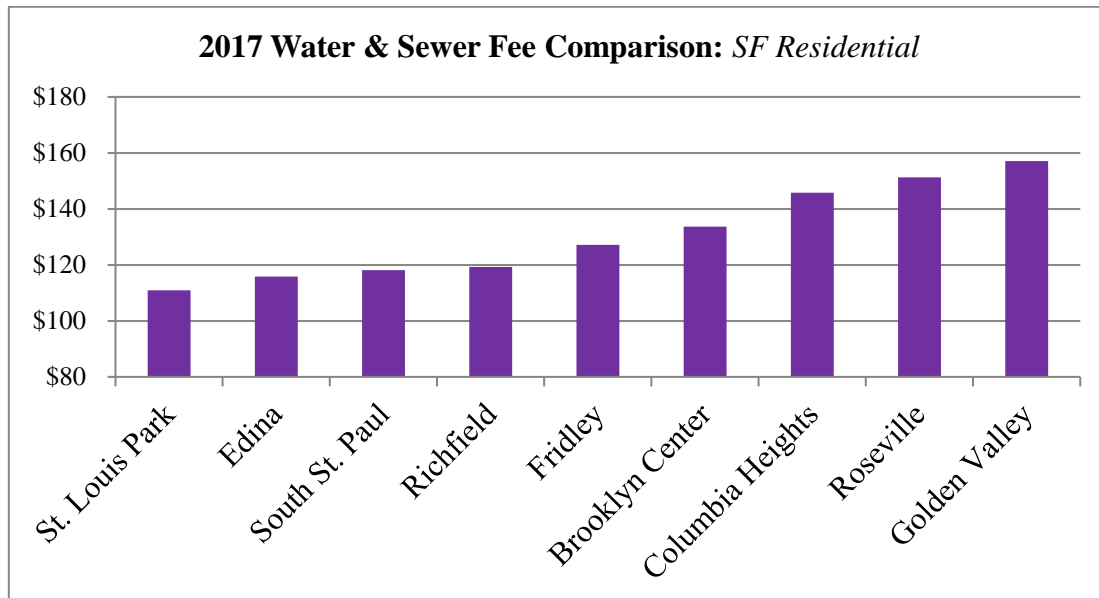
148



149
150
151
152
153
154
155

In this comparison, Roseville sewer charges were less than the median and average for the group.

To get a broader perspective, the following chart has been prepared depicting the combined *water and sewer* impact for a typical single-family home for the comparison group.



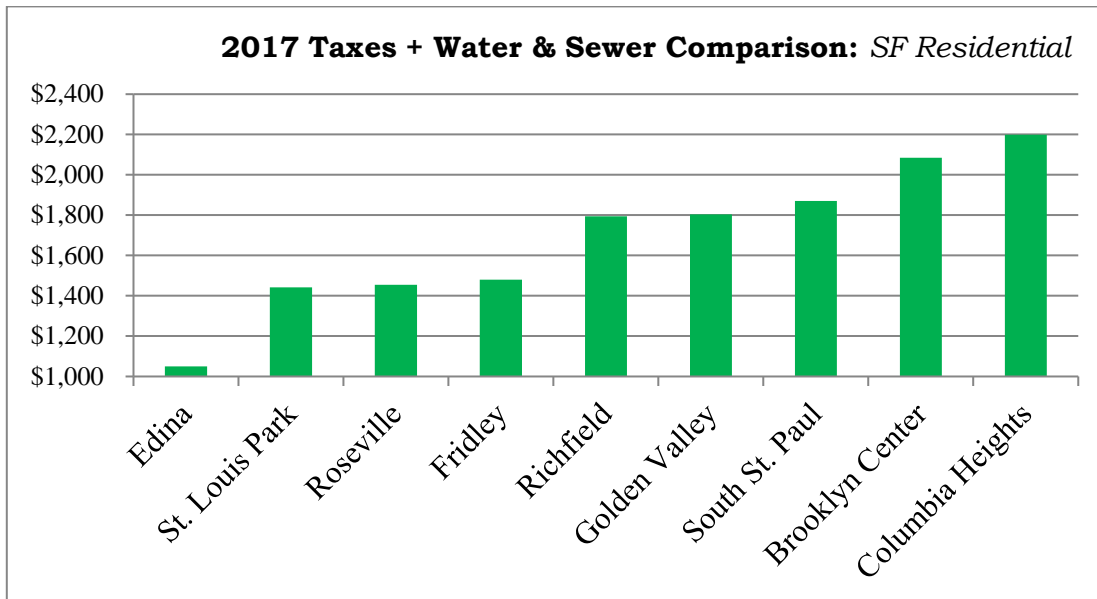
156
157
158
159
160
161
162
163
164
165
166

When combined, Roseville is approximately 15% above the average for the peer group.

It should be noted that most of the cities shown in the chart that have lower water & sewer rates, happen to have much higher property tax rates. This is an important distinction because again, each City employs a different philosophy in how it funds the direct and indirect costs of providing water & sewer services.

Roseville's philosophy is to ensure that all indirect costs are reflected in the water and sewer rates. This results in higher water and sewer rates. This also means that we don't have as many indirect costs being supported by the property tax or assessments.

167 We can adjust for these differences by combining property taxes and water & sewer fees for a typical
168 single-family home.
169



170
171
172 As is shown in this graph, when looking at more comprehensive comparison that factors in a broader
173 spectrum of needs and funding philosophies, Roseville has one of the lowest financial impacts on
174 residents of the comparison group – approximately 14% below the peer average.
175

176 Staff will be available at the Commission meeting to address any inquiries.
177

178 **POLICY OBJECTIVE**

179 An annual review of the City’s utility rate structure is consistent with governmental best practices to
180 ensure that each utility operation is financially sound.

181 **FINANCIAL IMPACTS**

182 See above.

183 **STAFF RECOMMENDATION**

184 Based on the increasing costs noted above, Staff is recommending rate adjustments as shown in the report
185 and attached resolution. These recommendations do not include any changes with regard to the rate
186 structure itself. Both the Public Works and Finance Commissions have been reviewing the rate structure
187 and are expected to continue their review into 2018. However, they have not recommended any changes
188 as of yet.

189 **REQUESTED COUNCIL ACTION**

190 Motion to approve the attached resolution establishing the 2018 Utility Rates.
191

Prepared by: Chris Miller, Finance Director
Attachments: A: Resolution establishing the 2018 Utility Rates
192
193

EXTRACT OF MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF ROSEVILLE

* * * * *

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Roseville, County of Ramsey, Minnesota was duly held on the 13th day of November, 2017 at 6:00 p.m.

The following members were present:
and the following were absent:

Member introduced the following resolution and moved its adoption:

RESOLUTION _____

RESOLUTION ESTABLISHING THE 2018 UTILITY RATES

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Roseville, Minnesota, the water, sanitary sewer, storm drainage, and recycling rates are established for 2018 as follows:

<u>Water Base Rate Category</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
Single-Family Residential	\$ 53.15	\$ 55.80	Standard SF rate
Single-Family Residential: Low-Income Discount	34.55	36.30	Standard SF rate x 0.65
Non-SF Residential (5/8" Meter)	53.15	55.80	Standard SF rate
Non-SF Residential (1.0" Meter)	66.45	69.75	Standard SF rate x 1.25
Non-SF Residential (1.5" Meter)	106.10	111.40	Standard SF rate x 2.00
Non-SF Residential (2.0" Meter)	199.30	209.30	Standard SF rate x 3.75
Non-SF Residential (3.0" Meter)	398.60	418.50	Standard SF rate x 7.50
Non-SF Residential (4.0" Meter)	797.20	837.05	Standard SF rate x 15.00
Non-SF Residential (6.0" Meter)	1,594.45	1,674.20	Standard SF rate x 30.00
<u>Water Usage Rate Category</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
SF Residential: Up to 30,000 gals./qtr	\$ 2.25	\$ 2.25	Standard SF rate
SF Residential: Over 30,000 gals./qtr (winter rate)	2.50	2.50	Standard SF rate +10%
SF Residential: Over 30,000 gals./qtr (summer rate)	2.70	2.70	Standard SF rate +20%
Non-SF Residential (winter rate)	2.95	2.95	Standard SF rate +30%
Non-SF Residential (summer rate)	3.15	3.15	Standard SF rate +40%
Rates are per 1,000 gallons			

<u>Sewer Base Rate Category</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
Single-Family Residential	\$ 36.45	\$ 37.55	Standard SF rate
Single-Family Residential: Low-Income Discount	23.70	24.40	Standard SF rate x 0.65
Multi-Family Residential (townhomes)	36.45	37.55	Standard SF rate x 1.00
Multi-Family Residential (apartments & condos)	25.65	26.40	Standard SF rate x 0.70
Non-SF Residential (5/8" Meter)	27.30	28.10	Standard SF rate x 0.75
Non-SF Residential (1.0" Meter)	54.60	56.25	Standard SF rate x 1.50
Non-SF Residential (1.5" Meter)	81.90	84.35	Standard SF rate x 2.25
Non-SF Residential (2.0" Meter)	127.70	131.55	Standard SF rate x 3.50
Non-SF Residential (3.0" Meter)	267.80	272.50	Standard SF rate x 7.25
Non-SF Residential (4.0" Meter)	530.45	545.00	Standard SF rate x 14.50
Non-SF Residential (6.0" Meter)	1,055.75	1,090.00	Standard SF rate x 29.00
Multi-family rate is per housing unit			
<u>Sewer Usage Rate Category</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
Residential	\$ 2.15	\$ 2.25	Standard rate
Non-Residential	5.00	5.20	Standard rate x 2.30
Rates are per 1,000 gallons			
<u>Stormwater Base Rate Category</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
Single-Family Residential & Duplex	\$ 12.95	\$ 13.35	Standard SF rate
Multi-Family & Churches	100.35	103.35	Standard SF rate x 7.75
Cemeteries & Golf Course	9.75	10.05	Standard SF rate x 0.75
Parks	30.20	31.10	Standard SF rate x 2.35
Schools & Community Centers	48.80	50.25	Standard SF rate x 3.75
Commercial & Industrial	200.55	206.55	Standard SF rate x 15.50
Rates for single-family are per housing unit; all others are per acre			
<u>Recycling Rate Category</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
Single-Family	\$ 6.50	\$ 7.00	Standard rate
Multi-Family	6.50	7.00	Standard rate
<u>Meter Security Deposit</u>	<u>2017 Rate</u>	<u>2018 Rate</u>	<u>Comments</u>
5/8" Meter	\$ 190.00	\$ 190.00	Based on approx. meter cost
3/4" Meter	215.00	215.00	Based on approx. meter cost
1.0" Meter	240.00	240.00	Based on approx. meter cost
1.5" Meter	440.00	440.00	Based on approx. meter cost
2.0" Meter (Disc)	535.00	535.00	Based on approx. meter cost
2.0" Meter (Compound)	1,340.00	1,340.00	Based on approx. meter cost
3.0" Meter	1,910.00	1,910.00	Based on approx. meter cost
6.0" Meter	5,430.00	5,430.00	Based on approx. meter cost

219
220
221
222

223 The motion for the adoption of the foregoing resolution was duly seconded by member
224
225 and upon a vote being taken thereon, the following voted in favor thereof:

226
227 and the following voted against the same:

228
229 WHEREUPON, said resolution was declared duly passed and adopted.

230
231 State of Minnesota)
232) SS
233 County of Ramsey)

234
235 I, undersigned, being the duly qualified City Manager of the City of Roseville, County of Ramsey, State
236 of Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of
237 minutes of a regular meeting of said City Council held on the 13th day of November, 2017 with the
238 original thereof on file in my office.

239
240 WITNESS MY HAND officially as such Manager this 13th day of November, 2017.

241

242

243

244

245

246

247

248

Patrick Trudgeon
City Manager

Seal

City of Roseville

Water Rate Analysis

2018

Total Fixed Costs	<u>2018</u>	
Personnel Services	\$ 651,070	
Supplies & Maintenance	162,200	
Other Charges (net of water purchase)	937,700	
Less Depreciation	(360,000)	
Capital Outlay	1,225,275	(20-year CIP amortization)
Total	\$ 2,616,245	= Amount to recover from <u>BASE</u> rates

	# of Customers	Avg. Usage (a)	Current		Proposed		Current		Proposed			
			Base Fee	Revenue	Base Fee	% Increase (decrease)	Base Fee	Revenue	Fee per 1,000 gals.	Usage Fee Revenue	Fee per 1,000 gals.	% Increase (decrease)
Single-Family Residential (b)	9,497	14	53.15	504,766	55.80	4.99%	529,933	2.25	299,156	2.25	0.00%	299,156
Multi-Family and Non-Residential												
5/8" Meter or 3/4" Meter	70	31.48	53.15	3,721	55.80	4.99%	3,906	2.95	6,501	2.95	0.00%	6,501
1.0" Meter	276	148.73	66.45	18,340	69.75	4.97%	19,251	2.95	121,096	2.95	0.00%	121,096
1.5" Meter	210	148.52	106.10	22,281	111.40	5.00%	23,394	2.95	92,008	2.95	0.00%	92,008
2.0" Meter	144	171.57	199.30	28,699	209.30	5.02%	30,139	2.95	72,883	2.95	0.00%	72,883
3.0" Meter	42	356.05	398.60	16,741	418.50	4.99%	17,577	2.95	44,115	2.95	0.00%	44,115
4.0" Meter	1	2.75	797.20	797	837.05	5.00%	837	2.95	8	2.95	0.00%	8
6.0" Meter	2	1,387.38	1,594.45	9,567	1,674.20	5.00%	10,045	2.95	8,186	2.95	0.00%	8,186
Total # of Customers	10,242			604,912			635,082		643,951			643,951
Total Annual Revenue				2,419,646			2,540,328		2,575,806			2,575,806

(a) Usage is in thousands of gallons, based on average YEAR-Round usage
 (b) As of 11/14/16; 29 households were receiving the discount

Total Costs to Recoup	2,616,245	Total Costs to Recoup	2,393,881
Revenue over (under) Costs	(75,917)	Revenue over (under) Costs	181,924
Total Annual Revenue	2,540,328		
Amount Needed for Operations	(1,390,970)		
Amount Available for Capital	1,149,358	= Amount to Use on CIP Funding Projections	

Total Variable Costs	St. Paul		Roseville	Roseville	Consumption	Blended	Unaccounted	Estimated	Estimated
	Cu Ft Rate	Cu Ft Rate *	Gal. Rate	Gal. Rate					
2018 St. Paul Base Rate					%	Rate			
Base Rate						0.540	0.567		648,000
Water Rate: Winter	2.722	1.9054	1.425	45.0%		0.641	0.673	540,000	769,629
Water Rate: Summer	2.825	1.9775	1.479	55.0%		0.814	0.854	660,000	976,252
* Per Contract with SPRWS, Roseville pays 70% of the 'inside City rate'						1.995	2.095	1,200,000	2,393,881 = amount to recover from <u>USAGE</u> rates

City of Roseville
Sanitary Sewer Rate Analysis
2018

Total Fixed Costs	2018	
Personnel Services	\$ 477,550	
Supplies & Maintenance	46,150	
Other Charges (net of sewer treatment)	880,150	
Less Depreciation	(350,000)	
Capital Outlay	1,261,550	(20-year CIP amortization)
Total	\$ 2,315,400	= Amount to recover from <u>BASE</u> rates

	# of Customers	Avg. Usage (a)	Current		Proposed		Current		Proposed			
			Base Fee	Revenue	Base Fee	% Increase (decrease)	Base Fee	Revenue	Fee per 1,000 gals.	Usage Fee Revenue	Fee per 1,000 gals.	% Increase (decrease)
Single-Family Residential	9,497	13	36.45	346,166	37.55	3.02%	356,612	2.15	265,441	2.25	4.65%	277,787
Residential - Multi Family (b)	60	7.76						2.15	1,001	2.25	4.65%	1,048
Residential - Apts & Condos (c)	189	272.01						2.15	110,531	2.25	4.65%	115,672
Residential - Multi Family (b)	239		36.45	8,712	37.55	3.02%	8,974					
Residential - Apts & Condos (c)	5,976		25.65	153,284	26.40	2.92%	157,766					
Non-residential												
5/8" Meter or 3/4" Meter	70	33.11	27.30	1,911	28.10	2.93%	1,967	5.00	11,589	5.20	4.00%	12,052
1.0" Meter	276	42.99	54.60	15,070	56.25	3.02%	15,525	5.00	59,326	5.20	4.00%	61,699
1.5" Meter	210	75.73	81.90	17,199	84.35	2.99%	17,714	5.00	79,517	5.20	4.00%	82,697
2.0" Meter	144	151.50	127.70	18,389	131.55	3.01%	18,943	5.00	109,080	5.20	4.00%	113,443
3.0" Meter	42	251.66	267.80	11,248	272.50	1.76%	11,445	5.00	52,849	5.20	4.00%	54,963
4.0" Meter	1	2.75	530.45	530	545.00	2.74%	545	5.00	14	5.20	4.00%	14
6.0" Meter	2	-	1,055.75	6,335	1,090.00	3.24%	6,540					
	16,706			578,843			596,032		689,347			719,376
	16,457											
			Total Annual Revenue	2,315,370			2,384,128		2,757,388			2,877,502

(a) Usage is in thousands of gallons. Residential usage is based on average WINTER usage

(b) Total UB Accounts = 60, total units for base revenue calculation = 239

(c) Total UB Accounts = 189, total units for base revenue calculation = 5,976

** Multi-Family & Condo are charged a single property base fee plus a separate fee for each housing unit.

Total Costs to Recoup **2,315,400**

Revenue over (under) Costs 68,728

Total Annual Revenue 2,384,128

Amount Needed for Operations (1,053,850)

Amount Available for Capital **1,330,278**

Total Costs to Recoup **2,912,015**

Revenue over (under) Costs (34,513)

Total Variable Costs

Total Wastewater Treatment Cost **2,912,015** ** based on Met Council email dated 5/16/2017

City of Roseville

Storm Sewer Rate Analysis 2018

Total Costs	<u>2018</u>
Personnel Services	\$ 408,620
Supplies & Maintenance	84,400
Other Charges	692,700
Less Depreciation	(425,000)
Capital Outlay	1,138,150 (20-year CIP amortization)
Total	\$ 1,898,870 = Amount to recover from rates

	# of Customers	# of Lots / Acreage	Current Rates		% Increase (decrease)	Proposed	
			Base Fee	Revenue		Base Fee	Revenue
Single Family & Duplex	9,497	9,497	12.95	\$ 122,986	13.35	3.09%	\$ 126,785
Multi-Family & Churches	n/a	350	100.35	35,123	103.35	2.99%	36,173
Cemeteries & Golf Course (a)	n/a	79	9.75	770	10.05	3.08%	794
Parks (b)	n/a	1	30.20	30	31.10	2.98%	31
Schools & Comm. Centers (c)	n/a	153	48.80	7,466	50.25	2.97%	7,688
Commercial & Industrial	n/a	1,450	200.55	290,798	206.55	2.99%	299,498
		<u>11,530</u>		<u>457,173</u>			<u>\$ 470,968</u>
			Total Annual Revenue	\$1,828,692			\$ 1,883,873

Total Costs to Recoup	\$ 1,898,870
Revenue over (under) Costs	(14,997)

Total Annual Revenue	1,883,873
Amount Needed for Operations	(760,720)
Amount Available for Capital	1,123,153

City of Roseville

Solid Waste Recycling Rate Analysis

2018

Total Costs

	<u>2018</u>		<u># of Units</u>
Personnel Services	\$ 36,640		Single-Family 9,372
Supplies & Maintenance	2,000		Multi-Family 6,084
Other Charges: Miscellaneous	54,520		Opt-in <u>13</u>
Contractor Costs: Customers	447,480	@ 15,469 units	15,469
Contractor Costs: Public Spaces	2,160	@ 96 units	
Contractor Costs: Public Spaces	450	@ 20 units	Parks: Regular 96
Total	\$ 543,250	= Amount to recover from rates	Parks: Pathways 20

		<u>Current Rates</u>		<u>Proposed Rates</u>		
	# of Customers (Units)	<u>Base Fee</u>	<u>Revenue</u>	<u>Base Fee</u>	<u>% Increase (decrease)</u>	<u>Base Fee</u> <u>Revenue</u>
Single Family	9,385	6.50	61,003	7.00	7.69%	65,695
Multi family	6,084	6.50	39,546	7.00	7.69%	42,588
Revenue Sharing from Contractor (quarterly)	15,469		-			5,000
Ramsey Co. SCORE Grant (quarterly)			<u>21,250</u>			<u>21,875</u>
			121,799			135,158
	Total Quarterly Revenue					
	Total Annual Revenue		487,194			540,632

Total Costs to Recoup	\$ 543,250
Revenue over (under) Costs	(2,618)

City of Roseville

Utility Base Rate History

2002 - 2018

Category	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Proposed 2018
Water Base Fee: SF Residential	\$ 13.00	\$ 27.75	\$ 27.75	\$ 30.55	\$ 40.03	\$ 49.50	\$ 54.45	\$ 51.60	\$ 51.60	\$ 53.15	\$ 55.80
Sanitary Sewer Base Fee: SF R	\$ 13.35	\$ 23.35	\$ 23.35	\$ 23.35	\$ 30.35	\$ 37.35	\$ 37.35	\$ 35.40	\$ 35.40	\$ 36.45	\$ 37.55
Storm Sewer Base Fee: SF Res	\$ 5.45	\$ 5.75	\$ 6.15	\$ 6.75	\$ 11.15	\$ 11.15	\$ 11.70	\$ 12.00	\$ 12.35	\$ 12.95	\$ 13.35
Recycling Fee: SF Residential	\$ 5.90	\$ 5.90	\$ 7.25	\$ 6.00	\$ 6.10	\$ 6.00	\$ 5.00	\$ 5.50	\$ 5.60	\$ 6.50	\$ 7.00
Combined Base Fees: SF Resic	\$ 37.70	\$ 62.75	\$ 64.50	\$ 66.65	\$ 87.63	\$ 104.00	\$ 108.50	\$ 104.50	\$ 104.95	\$ 109.05	\$ 113.70

