

Water and Sewer Service Billing and Rates February 25, 2017

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Basic Billing Process

1. Meter is read at end of month
2. Customer Service reviews 22,000 accounts looking for unusual variances
3. Consumption amount is adjusted if obvious to the City that it is wrong
4. Bills are mailed – Email and snail mail
5. Owner receives the bill and wants to question it
6. Owner contacts Customer Service, requests review
7. City rereads meter, gets consumption history, checks for battery malfunction
8. Internal review with progressively higher billing discrepancies reviewed at higher levels of City
9. Adjustment is arrived at

Reporting Water Billing Concerns

1. Website portal <http://cityofgalveston.org/176/Utility-Billing>
2. Email : CustomerService@GalvestonTX.Gov
3. Phone : (409) 797-3550
4. Office visit: 823 Rosenberg

Resolution/Research Options

1. City technician meter re-read
2. Customer self-reporting read
3. Consumption history by hour and day through register
4. Payment arrangements
5. Account adjustment

Type of Account Adjustments

1. Unexplained High Consumption – Half of water and sewer adjusted once every eighteen months
2. Inside Leak – Fifty percent adjustment of water and sewer
3. Outside Leak – Fifty percent adjustment of water only
4. Pool Fill – Once a year
5. Register Failure – Special project underway

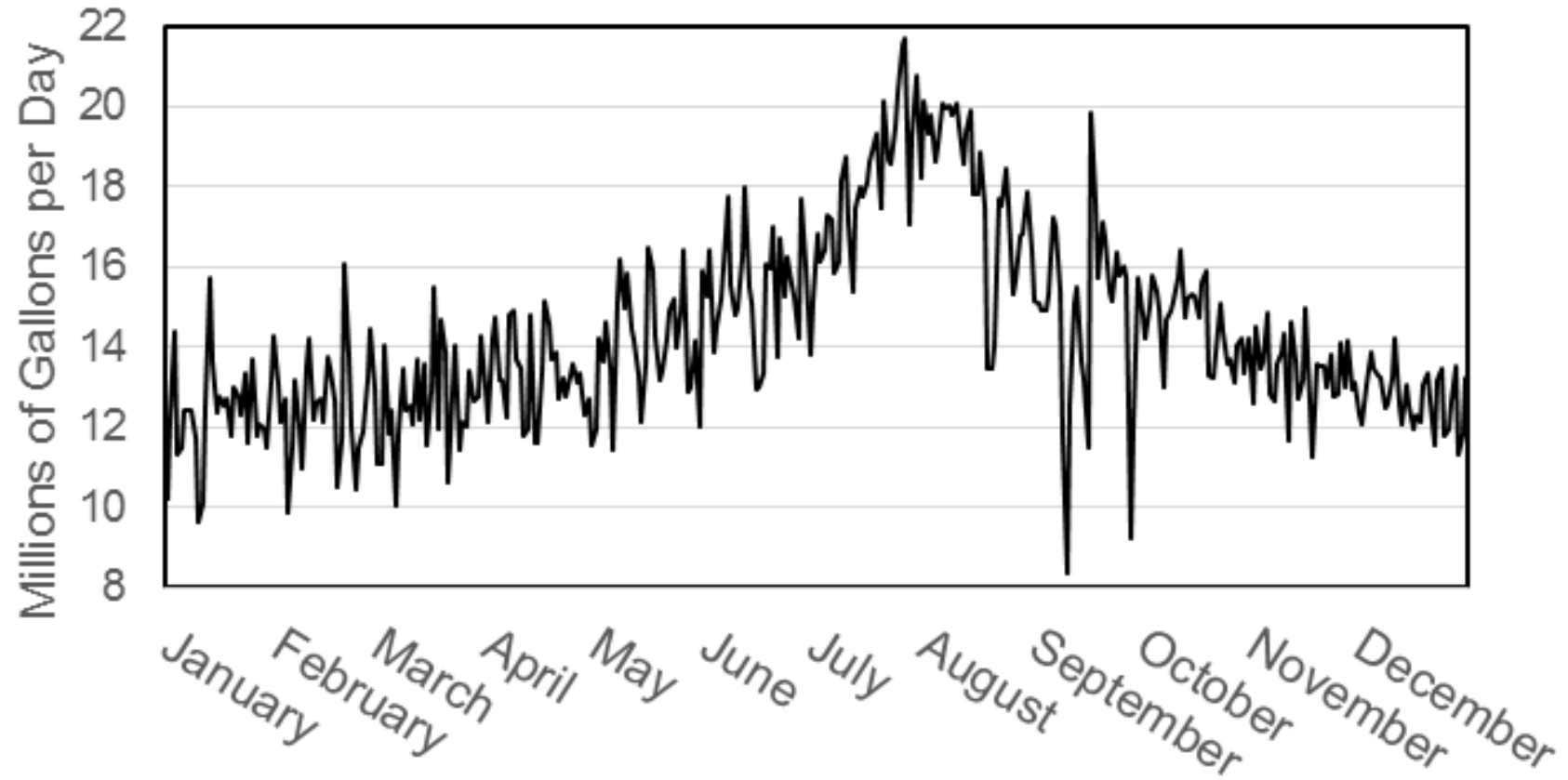
Payment Options

1. Website: <http://cityofgalveston.org/176/Utility-Billing>
Autopay: <http://cityofgalveston.org/176/Utility-Billing>
2. Pay By Phone: (409) 797-3550
3. Local Vendors: Arlan's Market 513 Market St
4. Bank Online Check

Water and Sewer Rate Overview

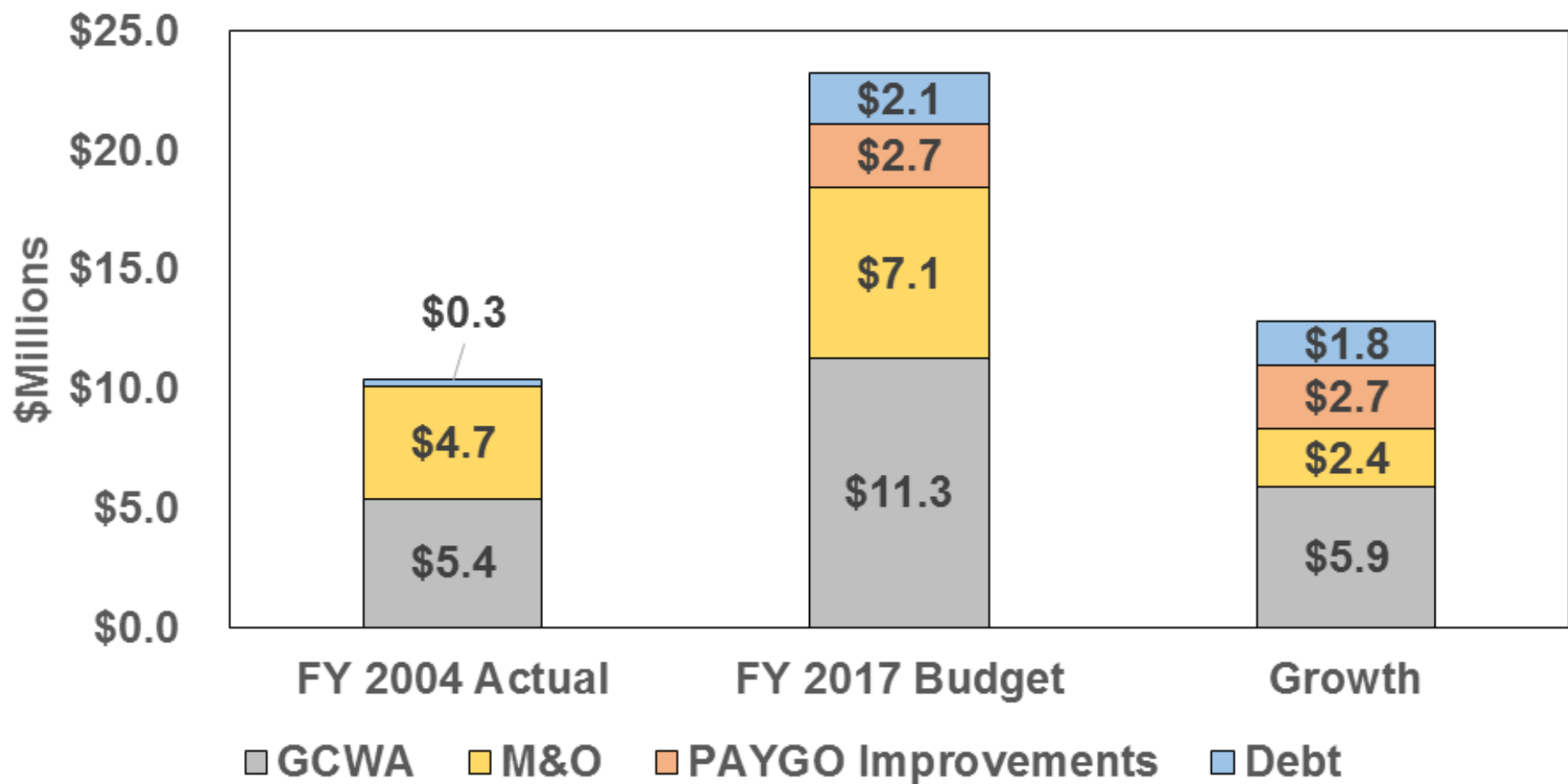
1. Discussed and implemented as part of FY 2016 Budget and Five Year Capital Improvement Plan (CIP)
2. Water and Sewer Budget adjusted to establish base using current rates after 2012-2015 rate rebate was implemented
3. Rates increased to cover \$2.2 million increase in Gulf Coast Water Authority and for CIP projects in FY 2016
4. Five year projections for the current period (FY17-21) anticipate additional rate increases on water side but not on sewer side
5. Operating budget and capital project monitoring to achieve results – See First Quarter Report at <http://cityofgalveston.org/DocumentCenter/Home/View/5303>
6. One time adjustment in rate structure was approved in 2015 to encourage conservation and protect the small residential user

City Gallons of Water Purchased Daily in 2015 from GCWA



Water Fund Spending (\$Mil)

M&O: Slowest Growing Cost Category in Percentage Terms



Initiatives and Projects FY 2017

► Water Projects on West End Include:

1. 24" line from 59th Street Pump Station to Airport – Design in FY17
2. 36" Causeway line – Design and Construction
3. 59th Street Pump Station Storage Tank Replacement – Design
4. Gulf Drive 6" Line for Sea Isle and Terramar Beach

► Sewer Projects on West End Include:

1. Replace Pirates Beach WWTP – Design
2. West End Sewer Service Extension - Alternatives under review, design pending
3. Bermuda Beach Sewer – Just complete

► Preventive Maintenance Initiatives Include:

1. Water valve repair and replacement
2. Fire hydrant replacement
3. Sewer Inflow and Infiltration repairs and replacement

Methodology for Rate Study

1. Full cost of water and sewer service used – GCWA water purchases, current and projected debt service, maintain 90-120 day reserves
2. Fifteen months' history of every account in the City
3. City's actual and projected costs including long-term contracts and existing debt service schedule – Water (\$20 mil per year) and Sewer (\$15 million per year)
4. Costs were reduced to offset rebates prior to setting basis for costs going forward – Approximately \$1 million per year
5. Assumed one percent growth, two percent inflation and five percent increase in GCWA cost annually
6. Base cost set using meter size to cover cost of impact on system

Base Charge Changes

Size	Current			Proposed		
	Water	Sewer	Total	Water	Sewer	Total
5/8"	\$11.92	\$18.09	\$30.01	\$9.54	\$13.10	\$22.64
1"	\$23.87	\$18.09	\$41.96	\$21.56	\$30.30	\$51.85
1.5"	\$47.76	\$18.09	\$65.85	\$41.58	\$58.98	\$100.56
2"	\$95.48	\$18.09	\$113.57	\$65.61	\$93.39	\$159.00
3"	\$190.99	\$18.09	\$209.08	\$129.69	\$185.15	\$314.84
4"	\$381.97	\$18.09	\$400.06	\$201.78	\$288.38	\$490.16
6"	\$763.92	\$18.09	\$782.01	\$402.03	\$575.13	\$977.16
8"	\$763.92	\$18.09	\$782.01	\$642.33	\$919.23	\$1,561.56
10"	\$763.92	\$18.09	\$782.01	\$922.68	\$1,320.68	\$2,243.36
12"	\$763.92	\$18.09	\$782.01	\$1,723.68	\$2,467.68	\$4,191.36

Consumption Charge Changes

Cubic Feet	Tier 1	Tier 2	Tier 3	Tier 4	Tier 1	Tier 2	Tier 3	Tier 4
Current	4,000	50,000	1,000,000	<1000000	\$3.12	\$3.32	\$3.37	\$4.05
Proposed	500	1,000	2,000	>2000	\$1.62	\$4.05	\$6.08	\$9.12

1. Include 29% revenue increase for O&M and CIP needs
2. Are applied to all metered use (current rates start after 200CF)
3. Separate irrigation meter block structure starts with 2nd Tier
4. Non-residential billed uniform rate equal to 2nd tier rate
5. FY 2015 Sewer Rate = \$3.63; FY 2016 Proposed = \$3.42

Residential Customer Impact (See Note)

Inside Residential Water 5/8" Meter Water & Sewer Bill Calculations								
Monthly Use (CF)	Monthly Use (Gal)	# of Bills	% of Bills	Agg. %	Current FY 15	Proposed FY 16	\$ Chg	% Chg
0	0	35,994	14.2%	14.2%	\$30.01	\$22.64	-\$7.37	-24.6%
100	748	26,685	10.6%	24.8%	\$30.01	\$27.68	-\$2.33	-7.8%
200	1,496	29,699	11.8%	36.5%	\$30.01	\$32.72	\$2.71	9.0%
300	2,244	27,421	10.8%	47.4%	\$33.13	\$37.76	\$4.63	14.0%
400	2,992	25,517	10.1%	57.5%	\$36.25	\$42.80	\$6.55	18.1%
500	3,740	21,407	8.5%	66.0%	\$39.37	\$47.84	\$8.47	21.5%
600	4,488	17,040	6.7%	72.7%	\$46.12	\$55.31	\$9.19	19.9%
700	5,236	13,583	5.4%	78.1%	\$52.87	\$62.78	\$9.91	18.7%
800	5,984	10,433	4.1%	82.2%	\$59.62	\$70.25	\$10.63	17.8%
900	6,732	7,896	3.1%	85.3%	\$66.37	\$77.72	\$11.35	17.1%
1,000	7,480	6,559	2.6%	87.9%	\$73.12	\$85.19	\$12.07	16.5%
1,100	8,228	4,657	1.8%	89.8%	\$79.87	\$94.69	\$14.82	18.6%
1,200	8,976	3,802	1.5%	91.3%	\$86.62	\$104.19	\$17.57	20.3%
1,300	9,724	3,043	1.2%	92.5%	\$93.37	\$113.69	\$20.32	21.8%
1,400	10,472	2,391	0.9%	93.4%	\$100.12	\$123.19	\$23.07	23.0%
1,500	11,220	2,054	0.8%	94.2%	\$106.87	\$132.69	\$25.82	24.2%
2,000	14,960	958	0.4%	96.7%	\$140.62	\$180.19	\$39.57	28.1%
2,500	18,700	470	0.2%	97.8%	\$174.37	\$242.89	\$68.52	39.3%
5,000	37,400	64	0.0%	99.5%	\$345.12	\$556.39	\$211.27	61.2%

Across-The-Board Increase

FY 2016	\$ Chg	% Chg.
\$37.63	\$7.62	25.4%
\$37.63	\$7.62	25.4%
\$37.63	\$7.62	25.4%
\$41.65	\$8.52	25.7%
\$45.68	\$9.43	26.0%
\$49.70	\$10.33	26.2%
\$58.20	\$12.08	26.2%
\$66.68	\$13.81	26.1%
\$75.18	\$15.56	26.1%
\$83.66	\$17.29	26.1%
\$92.16	\$19.04	26.0%
\$100.64	\$20.77	26.0%
\$109.13	\$22.51	26.0%
\$117.62	\$24.25	26.0%
\$126.10	\$25.98	26.0%
\$134.60	\$27.73	25.9%
\$177.04	\$36.42	25.9%
\$219.50	\$45.13	25.9%
\$434.32	\$89.20	25.8%

Note: "Proposed FY16" was approved by City Council and constitutes rates currently in effect for FY 2017.

Non-Residential Customer Impact (See Note)

Inside Commercial Water & Sewer Bill Calculations								Across-The-Board Increase		
Customer Type	Meter size	Monthly Use (CF)	Monthly Use (Gal)	Current FY 15	Proposed FY 16	\$ Chg	% Chg	FY 2016	\$ Chg	% Chg.
Commercial Shop	5/8"	1,000	7,480	\$73.12	\$97.34	\$24.22	33.1%	\$92.16	\$19.04	26.0%
Professional office	1"	2,000	14,960	\$143.21	\$201.27	\$58.06	40.5%	\$180.38	\$37.17	26.0%
Service Station	1.5"	3,000	22,440	\$209.64	\$324.66	\$115.02	54.9%	\$263.90	\$54.26	25.9%
Restruant	2"	9,000	67,320	\$622.44	\$831.30	\$208.86	33.6%	\$783.35	\$160.91	25.9%
Mutlitfamily	3"	15,000	112,200	\$1,040.87	\$1,435.34	\$394.47	37.9%	\$1,310.05	\$269.18	25.9%
Hotel	4"	25,000	187,000	\$1,734.29	\$2,357.66	\$623.37	35.9%	\$2,182.79	\$448.50	25.9%

Note: "Proposed FY16" was approved by City Council and constitutes rates currently in effect for FY 2017.

Sprinkler Customer Impact (See Note)

Inside 5/8" Meter Sprinkler Bill Calculations									Across-The-Board Increase		
Monthly Use (CF)	Monthly Use (Gal)	# of Bills	% of Bills	Agg. %	Current Sprinkler	Proposed Sprinkler	\$ Chg	% Chg	FY 2016	\$ Chg	% Chg.
0	0	4,830	29.9%	29.9%	\$11.92	\$9.54	-\$2.38	-20.0%	\$15.38	\$3.46	29.0%
500	3,740	424	2.6%	46.3%	\$21.28	\$29.79	\$8.51	40.0%	\$27.45	\$6.17	29.0%
1,000	7,480	396	2.5%	58.7%	\$36.88	\$60.19	\$23.31	63.2%	\$47.58	\$10.70	29.0%
1,500	11,220	342	2.1%	69.4%	\$52.48	\$90.59	\$38.11	72.6%	\$67.70	\$15.22	29.0%
2,000	14,960	241	1.5%	77.5%	\$68.08	\$136.19	\$68.11	100.0%	\$87.82	\$19.74	29.0%
2,500	18,700	173	1.1%	83.3%	\$83.68	\$181.79	\$98.11	117.2%	\$107.95	\$24.27	29.0%
3,000	22,440	128	0.8%	87.3%	\$99.28	\$227.39	\$128.11	129.0%	\$128.07	\$28.79	29.0%
3,500	26,180	76	0.5%	90.3%	\$114.88	\$272.99	\$158.11	137.6%	\$148.20	\$33.32	29.0%
4,000	29,920	73	0.5%	92.4%	\$130.48	\$318.59	\$188.11	144.2%	\$168.32	\$37.84	29.0%
4,500	33,660	53	0.3%	94.1%	\$147.08	\$364.19	\$217.11	147.6%	\$189.73	\$42.65	29.0%
5,000	37,400	29	0.2%	95.3%	\$163.68	\$409.79	\$246.11	150.4%	\$211.15	\$47.47	29.0%

Note: "Proposed FY16" was approved by City Council and constitutes rates currently in effect for FY 2017.

Service and Billing Tools can be found at

<http://cityofgalveston.org/176/Utility-Billing>

1. Three separate Excel-based rate calculators (Residential, Non-Residential and Sprinkler). Enter your monthly consumption amount and meter size and see the difference in the bill based on current and previous rates
2. Water & Sewer Rate Table Explanation
3. Water Billing Customer Concern Online Form
4. Forms and access to enroll in online bill pay and in autopay, as well as forms for new service, transfers and disconnection of services
5. Form to request confidentiality of your personal information
6. Frequently asked questions and answers

Questions and Answers