

Amendment #2 to Resolution 31760 - DRAFT
Sponsor: CM Herbold
Civil Rights, Utilities, Economic Development and Arts Committee

Drainage and Wastewater Fund Rate Smoothing Impacts – This amendment changes the proposed 6-year average annual rate path to reflect Council passing changes to drainage and wastewater rates in 2018—one year earlier than anticipated. Although the 6-year combined average annual rate remains the same as proposed, the amendment makes substantive changes to projected annual drainage and wastewater rates and the annual combined rate increases described in Section 4. To effect the changes described in the amended rate path (see table below), Council must increase drainage and wastewater rate revenues by 3.7 percent over the currently adopted rates. Since adding new revenues to 2018 reduces future revenue requirements, rate smoothing decreases the combined average annual rate increase in 2019 by 1.6 percentage points and in 2020 by 2.3 percentage points respectively (see table below). Council will consider a new drainage and wastewater rate study in 2018 for implementation in 2019.

*Council requests Central Staff adjust the 6-year rate path and combined average annual rate in Section 4 to reflect the cumulative impacts of all amendments to Resolution 31760.

Section 4. The City Council requests that, absent justifiable circumstances, the Executive submit rates for 2018 through 2023 that support and are consistent with the Plan Update and are no higher than the Plan Update’s 5.5 percent combined 2018-2023 average annual rate path as amended by this resolution and shown in the lower right corner of the table below. To limit rate volatility in future years, Council may adjust drainage and wastewater rates earlier than anticipated to moderate the influence of increased capital spending.

Projected 6-Year Rate Path	2018	2019	2020	2021	2022	2023	2018-2023 Average
Drinking Water	3.5%	4.1%	5.2%	5.3%	4.1%	5.6%	4.6%
Wastewater	1.24.1%	12.29.3%	12.69.2%	3.29.1%	4.00.1%	2.74.0%	5.9%
Drainage	7.510.7%	14.29.9%	15.99.9%	6.19.9%	2.87.9%	7.14.7%	8.8%
Solid Waste	3.1%	3.3%	4.6%	2.8%	3.7%	2.9%	3.4%
Combined	3.24.7%	8.26.6%	9.57.2%	4.16.9%	3.73.2%	4.24.3%	5.5%