



City of Grand Island

Tuesday, November 15, 2016

Study Session

Item -1

Presentation and Discussion Concerning the Grand Island Water System

Staff Contact: Tim Luchsinger, Utilities Director

Council Agenda Memo

From: Timothy Luchsinger, Utilities Director
Meeting: November 15, 2016
Subject: Grand Island Water System Revenue Discussion
Presenter(s): Timothy Luchsinger, Utilities Director

Background

The Grand Island water system has increased to where additional capacity is required to allow future growth in the city. An elevated storage tank is recommended by the recently completed water system master plan.

Discussion

To fund the cost of the elevated storage tank, a bond issue is proposed and a cost of service study was made by the Nebraska Municipal Power Pool in order to support projected revenue requirements of the bond debt service. The results of the study and possible changes to the water system rate structure will be provided to the Council for discussion.

Conclusion

This item is presented to the City Council in a Study Session to allow for any questions to be answered and to create a greater understanding of the issue at hand.

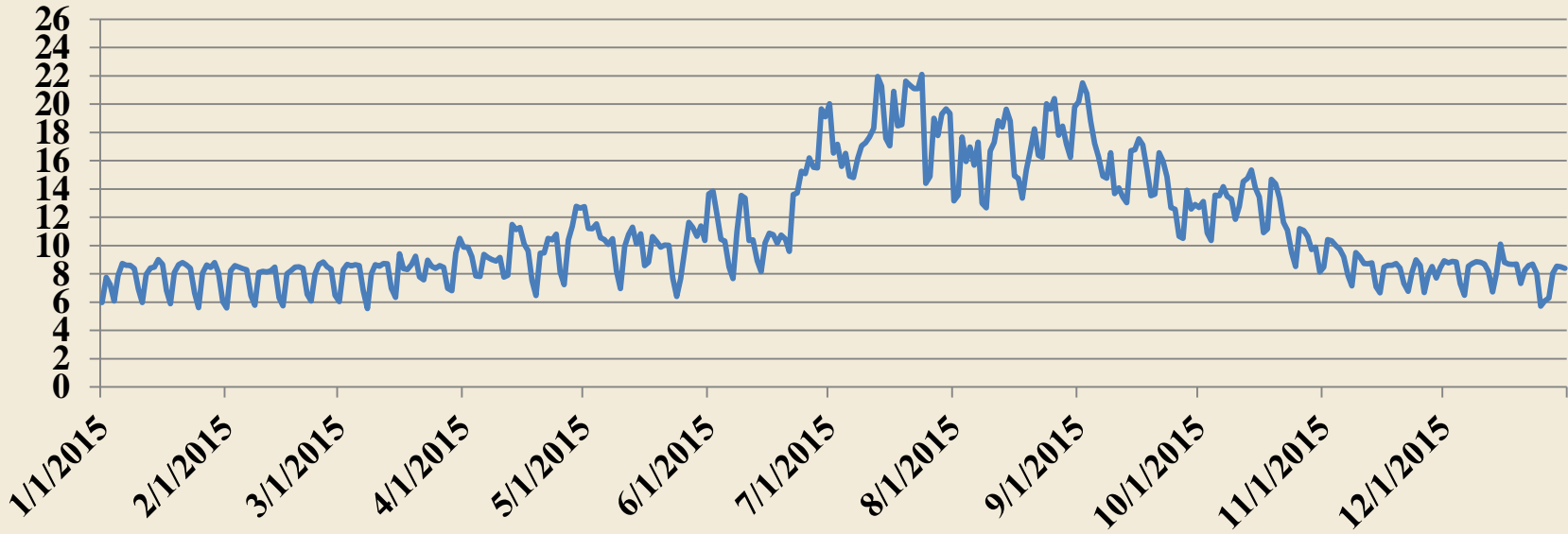
Water System Revenue Discussion

Study Session

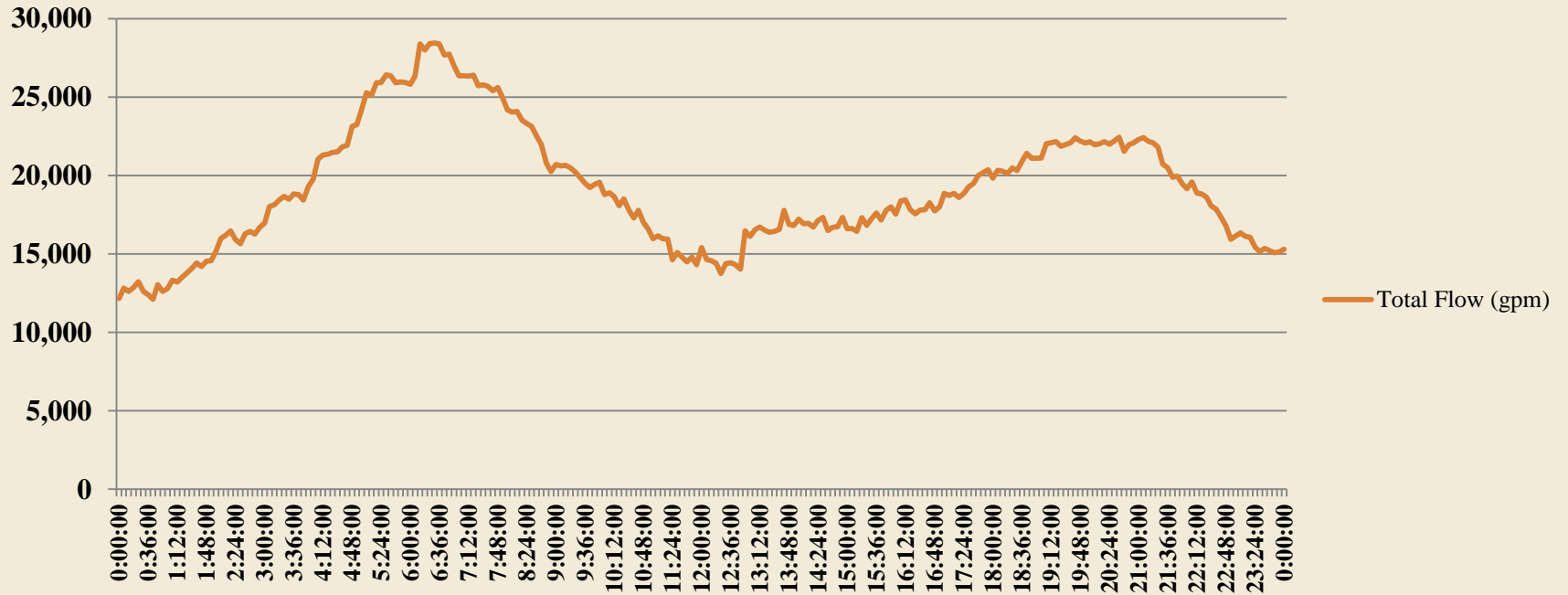
November 15, 2016



2015 City Demand (MGD) millions of gallons per day



City Total Water Flow Demand (gpm)

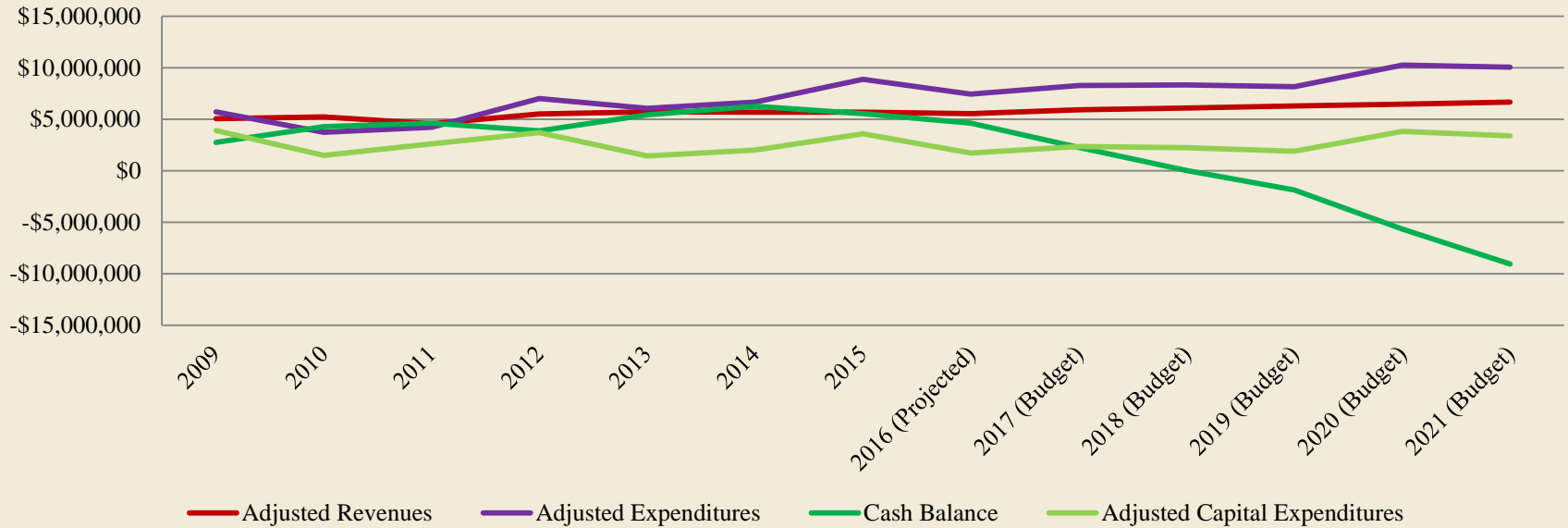




- 🌊 \$7M estimated cost
- 🌊 \$500,000 annual debt service
- 🌊 10% of current annual budget



Water Department - Fund 525



Water Rate Structure

- Customer Charge for unfunded mandates for Clean Water Act (Backflow program)
- Meter Charge
- Commodity

- Customer Charge for unfunded mandates for Clean Water Act (Backflow program)
- Added in 2004 at \$0.35 per account
- Proposed change of \$0.70 per account based on current program expenses

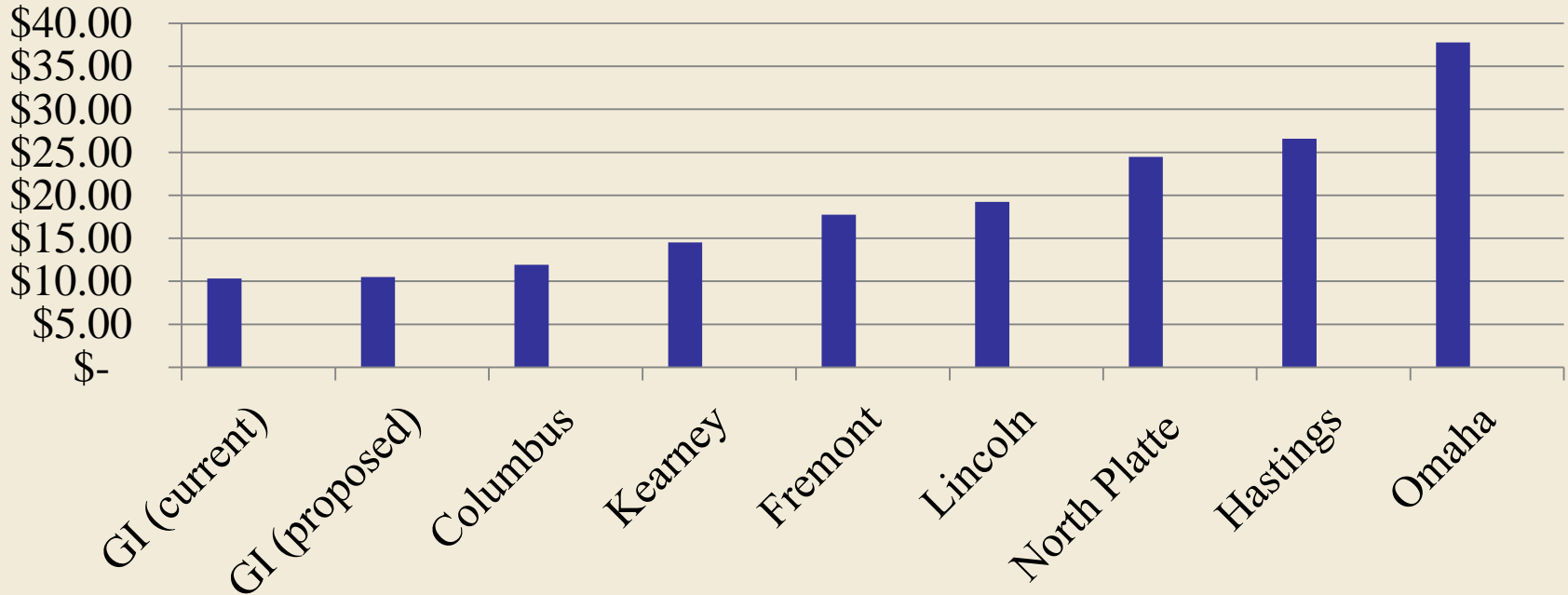
Monthly Meter Charge

Size	Current	Proposed
5/8"	\$2.50	\$6.50
3/4"	\$2.50	\$6.50
1"	\$2.50	\$6.50
1-1/2"	\$8.00	\$12.00
2"	\$22.50	\$28.50
3"	\$40.00	\$48.50
4"	\$55.00	\$66.00
6"	\$225.00	\$225.00
8"	\$1,250.00	\$1,250.00
10"	\$4,000.00	\$4,000.00

Monthly Commodity Charge

Commodity	Current \$/ccf	Proposed \$/ccf
First 5 ccf (0-5)	\$1.496	\$0.800
Next 5 ccf (5-10)	\$0.700	\$1.040
Next 5 ccf (10-15)	\$0.692	\$1.352
Next 25 ccf (15-40)	\$0.767	\$1.352
Next 60 ccf (40-100)	\$0.713	\$0.715
Next 900 ccf (100-1000)	\$0.654	\$0.690
Next 1000 ccf (1000-2000)	\$0.574	\$0.690
Over 2000 ccf (2000+)	\$0.535	\$0.665
Minimum charge (5 ccf)	\$7.48	\$0.00

Residential Comparison (5 ccf)





Residential Comparison (50 ccf)

