

City of Cadillac

Water and Sewer Rate Information

Presented to the Cadillac City Council

April 2, 2018

Rate Determination

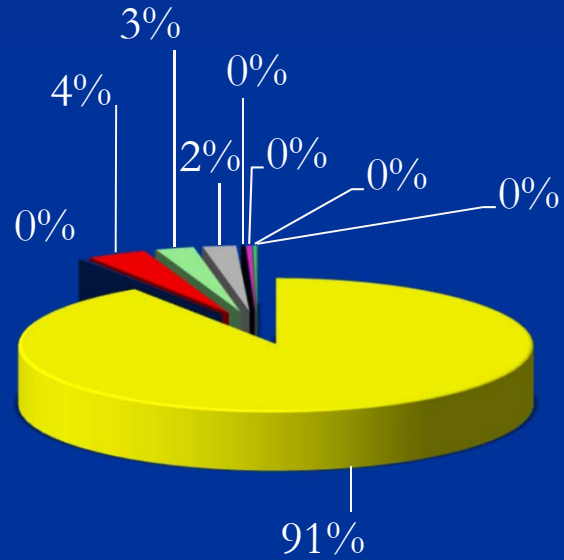
- Water and Sewer Fund is an enterprise fund – self sufficient
- City Manager, Finance Director and Utilities Director analyze Water and Sewer Fund
- Make determination of rate to keep the fund balanced and enable ongoing capital investment
- Propose increase of 3.0% to maintain integrity of system

Rate Determination

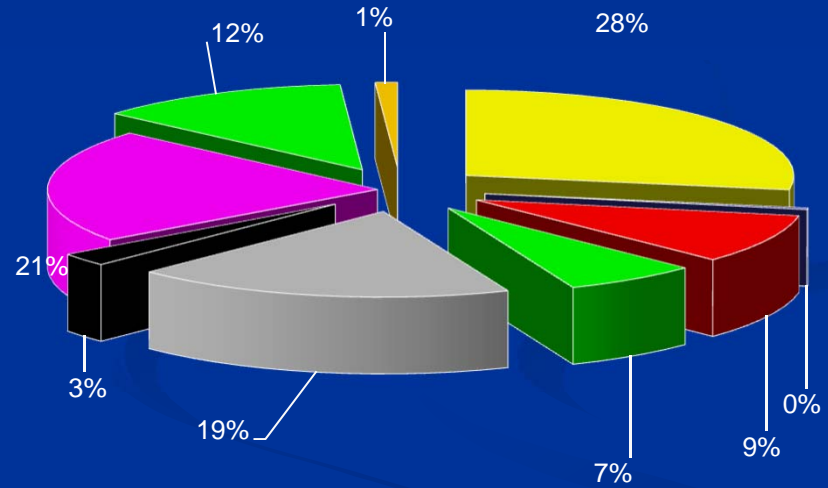
- Rate increase applied to the following services provided by Utilities Department:
 - Water rates
 - Sewer rates
 - Sprinkling meters
 - Flat rate sewer accounts
 - Fire Protection Lines
- Refuse and Recycling rates may change –waiting on new COLA to be determined
- Township rates will be tied to City rates when new contract is finalized

Customer Profile

Accounts



Usage By Meter Size



■ 5/8" □ 3/4" ■ 1" ■ 1-1/2" ■ 2" ■ 3" ■ 4" ■ 6" ■ 8"

Water and Sewer Billing

- Ready-to-Serve (RTS) charge for water and sewer:
 - Monthly charge
 - Based on meter size
- Commodity charge based on usage for both water and sewer:
 - Based on 100 cubic feet of usage
 - Summer sewer usage averaged for yard watering

Water – RTS - Proposed Increase
effective July 1, 2018:

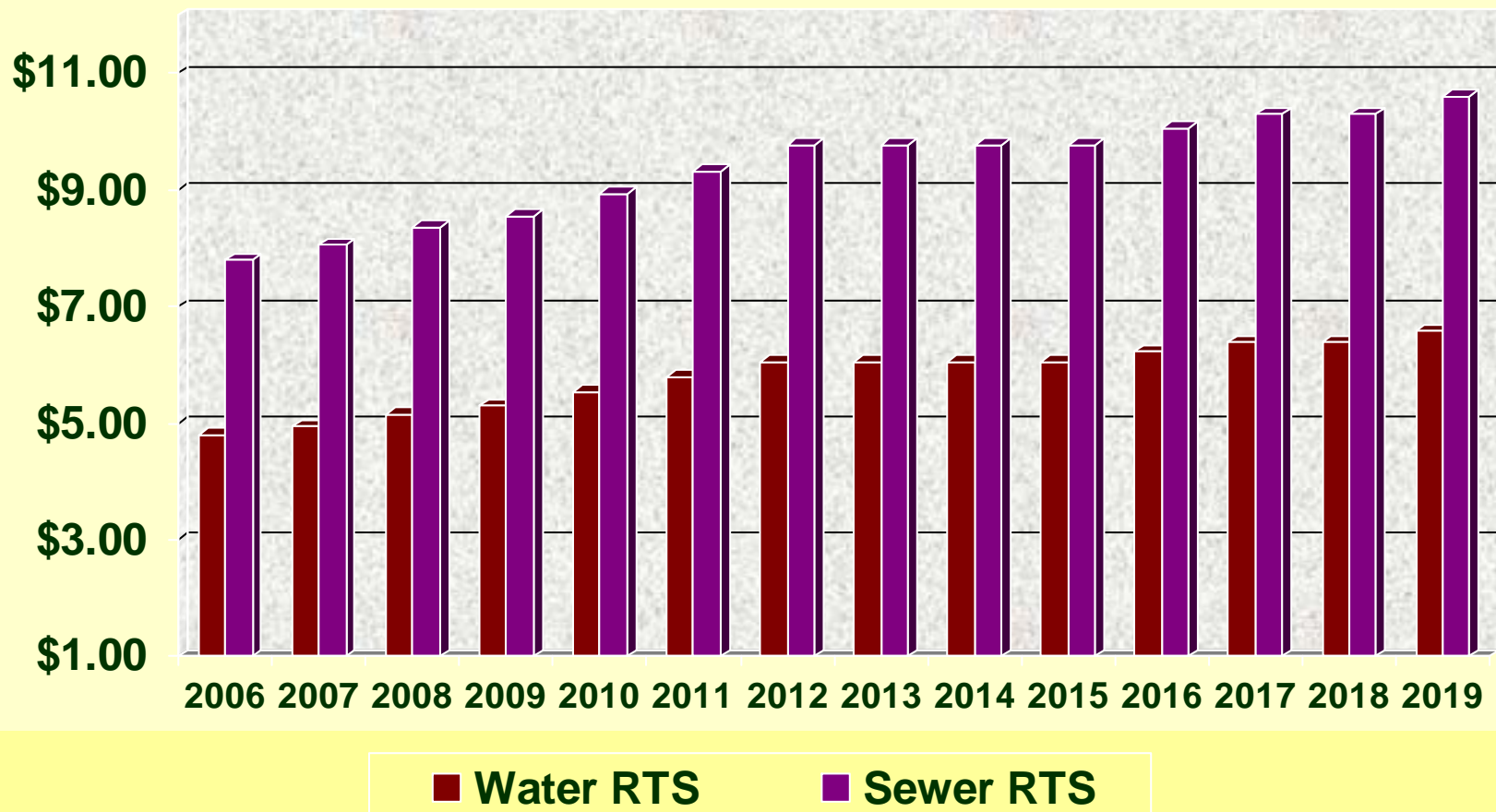
Meter Size	Current Rate	Proposed Rate
5/8"	\$ 6.39	\$ 6.58
3/4"	\$ 9.40	\$ 9.68
1"	\$ 15.67	\$ 16.14
1-1/2"	\$ 31.39	\$ 32.33
2"	\$ 50.06	\$ 51.56
3"	\$ 109.64	\$ 112.93
4"	\$ 187.94	\$ 193.58
6"	\$ 391.62	\$ 403.37
8"	\$ 563.90	\$ 580.82

Sewer – RTS - Proposed Increase effective July 1, 2018:

Meter Size	Current Rate	Proposed Rate
5/8"	\$ 10.30	\$ 10.61
3/4"	\$ 15.48	\$ 15.94
1"	\$ 25.78	\$ 26.55
1-1/2"	\$ 51.56	\$ 53.11
2"	\$ 82.53	\$ 85.01
3"	\$ 180.66	\$ 186.08
4"	\$ 309.51	\$ 318.80
6"	\$ 644.93	\$ 664.28
8"	\$ 928.65	\$ 956.51

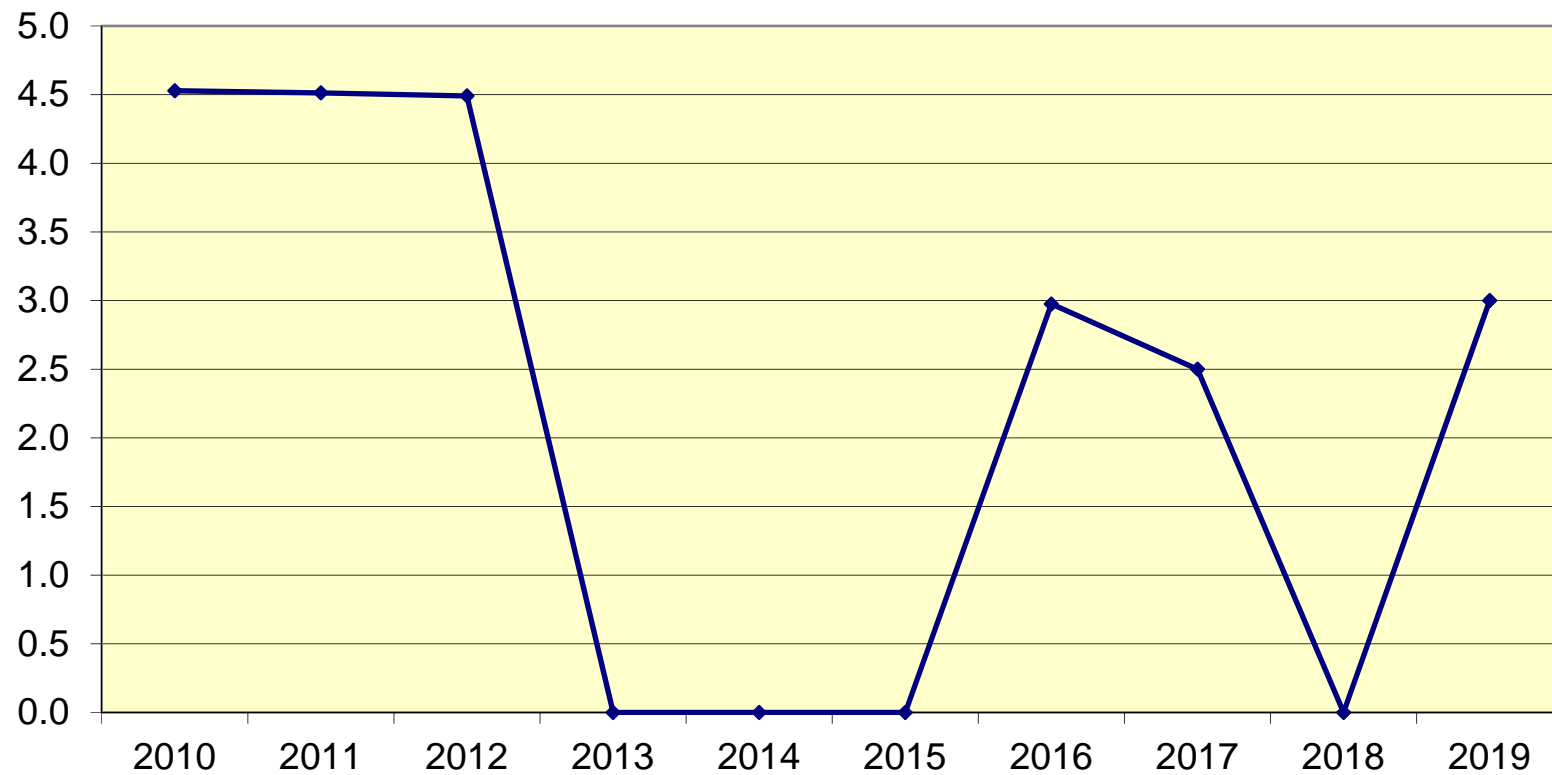
Residential (5/8") RTS

14 Year History



Residential Water and Sewer Rate Increase History

City of Cadillac – Water and Sewer Rate % Change



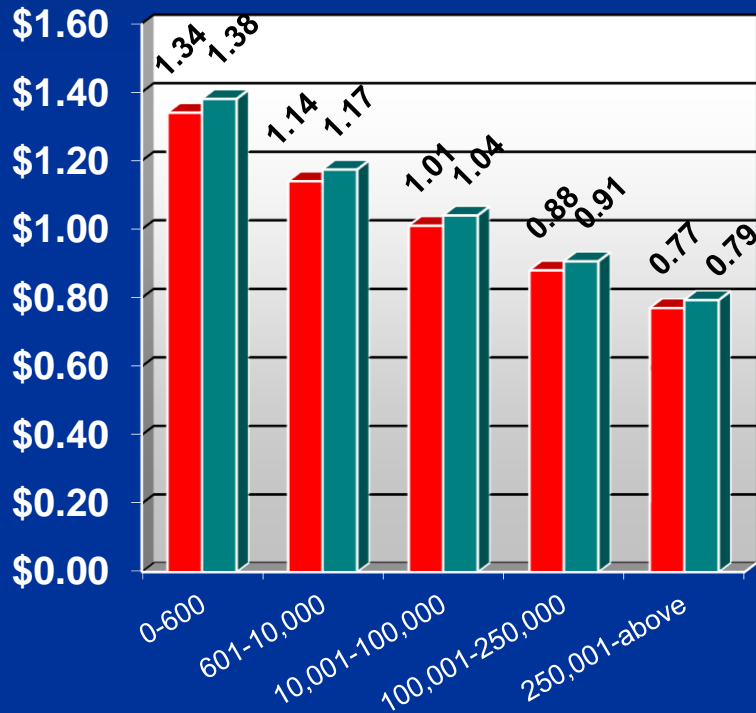
Water and Sewer Commodity Charge

- Water commodity charge is a declining block structure based on usage.
- Sewer commodity charge is a flat rate structure.
- Residential sewer charge is averaged for lawn watering during the months of:
 - May
 - June
 - July
 - August
 - September

Water and Sewer Commodity Rates

(Rates per 100 Cu.Ft. Unit per month)

Water Commodity Rate



■ Current ■ Proposed

Sewer Commodity Rate



— Current - \$2.39 — Proposed - \$2.46

Water and Sewer Rate Increase

Residential Examples – 5/8” Meter

Monthly Billing (100 cu.ft. = 750 gallons)

W&S Usage	Current Bill	Proposed Bill	Increase
300 cu.ft. (2,250 Gallons)	\$ 27.88	\$ 28.71	\$ 0.83
600 cu.ft. (4,500 Gallons)	\$ 39.07	\$ 40.23	\$ 1.16
1200 cu.ft. (9,000 Gallons)	\$ 60.25	\$ 62.01	\$ 1.76
1800 cu.ft. (13,450 Gallons)	\$ 81.43	\$ 83.79	\$ 2.36

Water and Sewer Rate Increase

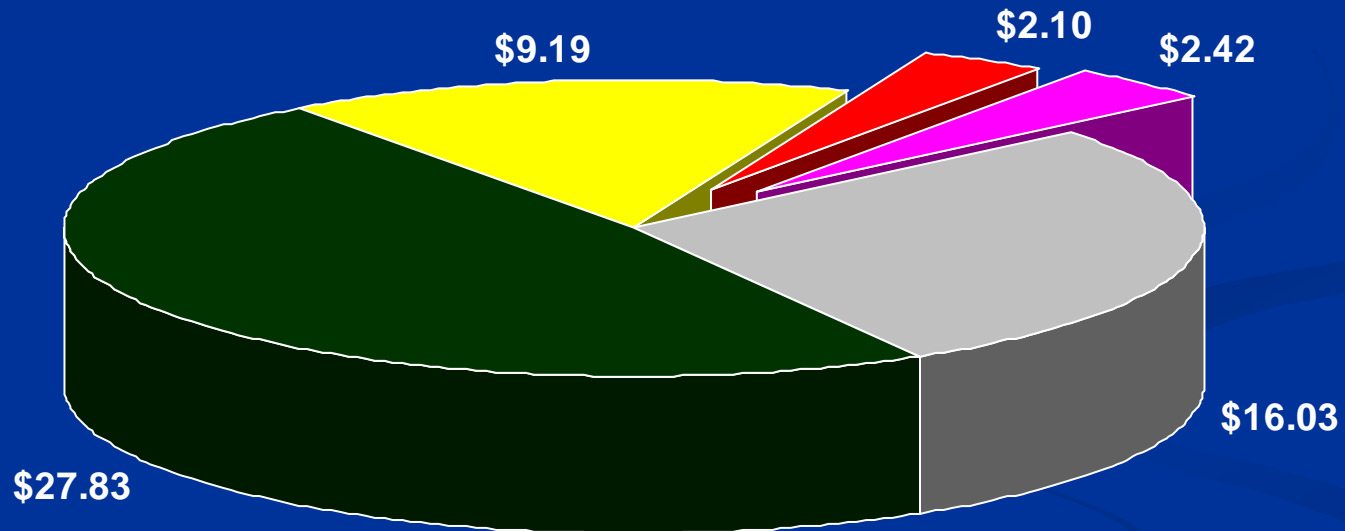
Industrial Examples – Monthly Billing

W&S Usage	Current Bill	Proposed Bill	Increase
1" Meter 9,000 cu.ft. (2,200 gpd)	\$ 360.35	\$ 370.65	\$ 10.30
2" Meter 50,000 cu.ft. (12,500 gpd)	\$ 1,846.79	\$ 1,900.83	\$ 54.04
4" Meter 200,000 cu.ft. (50,000 gpd)	\$ 7,181.65	\$ 7,396.64	\$ 214.99
6" Meter 400,000 cu.ft. (100,000 gpd)	\$ 14,095.75	\$ 14,511.91	\$ 416.16

Residential Utility Billing — 2018/2019

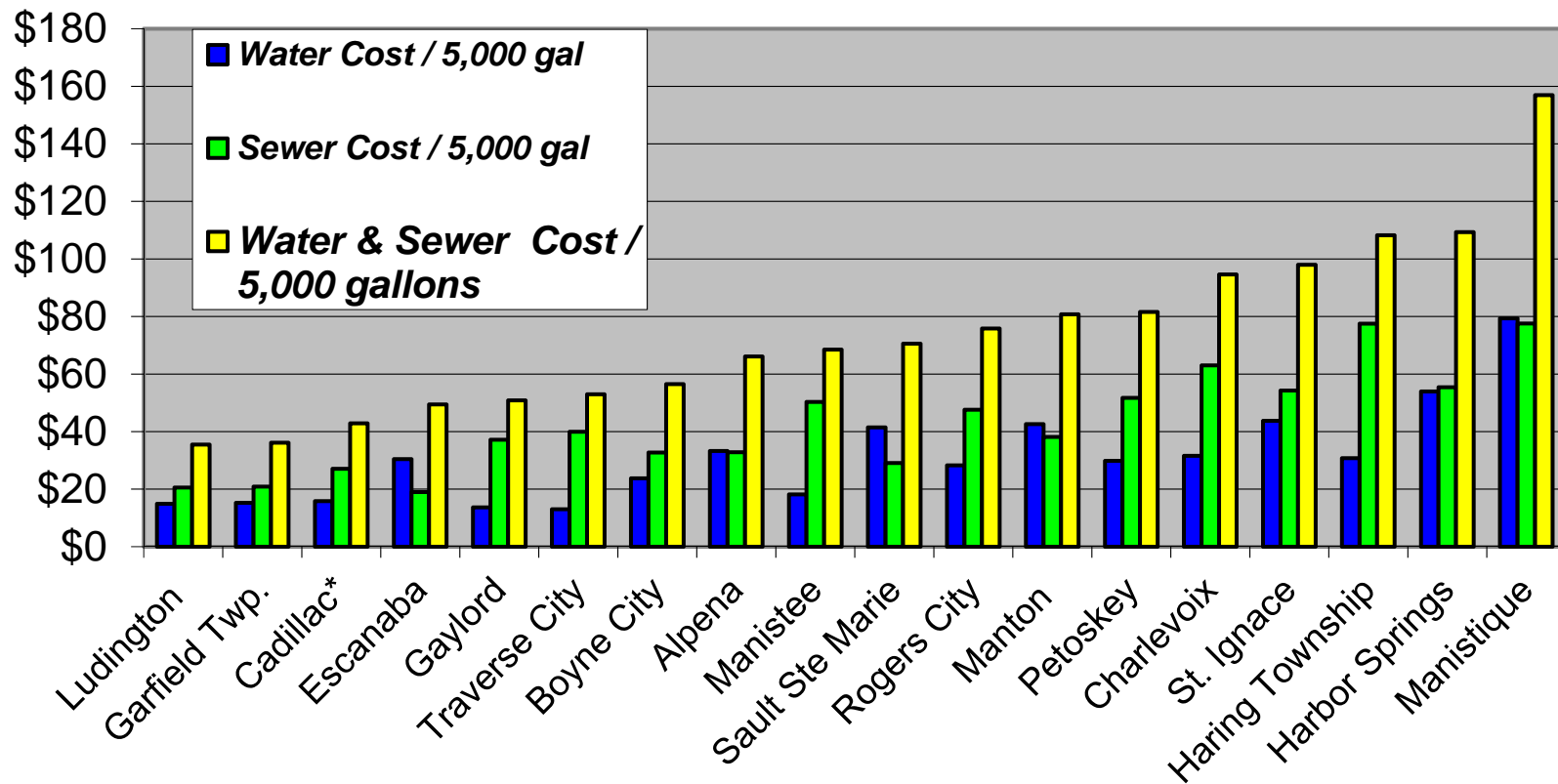
5/8" Meter, 700 Cu.Ft. Usage

\$ 55.47 w/o Tidy-Tote : \$ 57.57 with Tidy-Tote



■ Water ■ Sewer ■ Garbage (SW) ■ Tidy-Tote ■ Recycling

2017 Rate Study (Cost for 5,000 Gallons per Month) (*2018-2019 rates for Cadillac)



Effective Date for Proposed Rates

- Rates would become effective July 1, 2018
- Flat Rate Sewer and Fire Protection increase would be on July bill. (Mailed in August)
- Metered water and sewer increase would be on July bill. (Mailed in August)