



# PUBLIC OPEN HOUSE

regarding city-wide rate changes

August 9, 2018  
5:30 - 8:00 pm

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## WHY CHANGE THE RATE STRUCTURE?

### **Water and Sewer Rate Committee:**

In the summer of 2017, there was public concern about the rates and structure of the water and sewer bills. In August of that year, the City formed a task force consisting of residents and business owners to discuss the concerns and provide recommendations to the City Council.

Previously, single family homeowners were billed for sewer based on their monthly water use. But, not all water goes down the sewer. A general concern of the task force was that this method of billing was an unfair practice, because households were billed for water that did not enter the sewer.



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## PROPOSED RATE STRUCTURE

Currently, the city bills each customer for water and sewer with a minimum monthly fee plus a volume fee based on the amount of water used each month. The changes divide user base into three customer classes with different billing structures. The fees in each class structure were modified so each class pays the same proportionate amount of the overall revenues.

### SINGLE FAMILY RESIDENTIAL

**Water - Tiered Rate Structure:** Increasing block rates for additional water use. The price per 1,000 gallons increases with the amount of water used.

**Sewer - Winter Usage:** Sewer is billed based on the average amount of water used during the months of December, January and February.



→ A winter use approach has been adopted because most water used during the winter goes down the sewer system. Homeowners will have their water usage averaged during the winter months and sewer will be billed each month based on that average use.

### MULTI-FAMILY RESIDENTIAL

**Water** - No changes.

**Sewer** - Sewer is billed based on 80% of the housing units plus a volume fee for water used each month.

### COMMERCIAL & INDUSTRIAL

**Water** - No changes.

**Sewer** - No changes.



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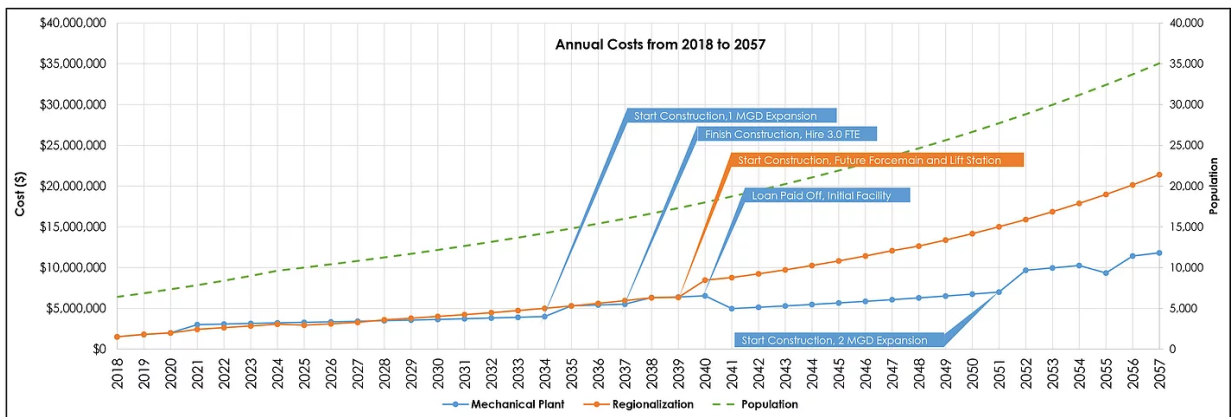
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## WHY INCREASE THE RATES?

### City Seeks a Wastewater Treatment Solution:

The City has long outgrown the capacity of its sewer lagoons. Since 2009, it has been temporarily pumping excess sewage to the City of Sioux Falls. A more long-term, economically responsible solution is needed to meet the needs of Harrisburg’s growing population, and rates need to increase to support wastewater treatment improvements.

The City adopted a resolution to apply for funding through the DENR SRF program to build a wastewater treatment facility on June 18, 2018.



Sewer Fund Estimated Debt Service and Operational Costs (40 Year Projection)



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## PROPOSED RATE INCREASES

GALLONS OF WATER USED PER MONTH	CURRENT RATES			NEW RATES			% CHANGE		
	Water	Sewer	Total	Water	Sewer	Total	Water	Sewer	Total
0	\$ 11.64	\$ 20.96	\$ 32.60	\$ 11.64	\$ 31.32	\$ 42.96	0%	49%	32%
1,000	\$ 17.40	\$ 30.04	\$ 47.44	\$ 14.79	\$ 44.99	\$ 59.78	-15%	50%	26%
2,000	\$ 23.16	\$ 39.12	\$ 62.28	\$ 17.94	\$ 58.66	\$ 76.60	-23%	50%	23%
3,000	\$ 28.92	\$ 48.20	\$ 77.12	\$ 21.09	\$ 72.33	\$ 93.42	-27%	50%	21%
4,000	\$ 34.68	\$ 57.28	\$ 91.96	\$ 27.48	\$ 86.00	\$ 113.48	-21%	50%	23%
5,000	\$ 40.44	\$ 66.36	\$ 106.80	\$ 33.87	\$ 99.67	\$ 133.54	-16%	50%	25%
6,000	\$ 46.20	\$ 75.44	\$ 121.64	\$ 40.26	\$ 113.34	\$ 153.60	-13%	50%	26%
7,000	\$ 51.96	\$ 84.52	\$ 136.48	\$ 54.92	\$ 127.01	\$ 181.93	6%	50%	33%
8,000	\$ 57.72	\$ 93.60	\$ 151.32	\$ 69.58	\$ 140.68	\$ 210.26	21%	50%	39%
9,000	\$ 63.48	\$ 102.68	\$ 166.16	\$ 84.24	\$ 154.35	\$ 238.59	33%	50%	44%
10,000	\$ 69.24	\$ 111.76	\$ 181.00	\$ 112.08	\$ 168.02	\$ 280.10	62%	50%	55%
25,000	\$ 155.64	\$ 247.96	\$ 403.60	\$ 529.68	\$ 373.07	\$ 902.75	240%	50%	124%
50,000	\$ 299.64	\$ 474.96	\$ 774.60	\$ 1,225.68	\$ 714.82	\$ 1,940.50	309%	51%	151%

\*Water Rates shown assume a typical 5/8" residential meter.

← Typical User

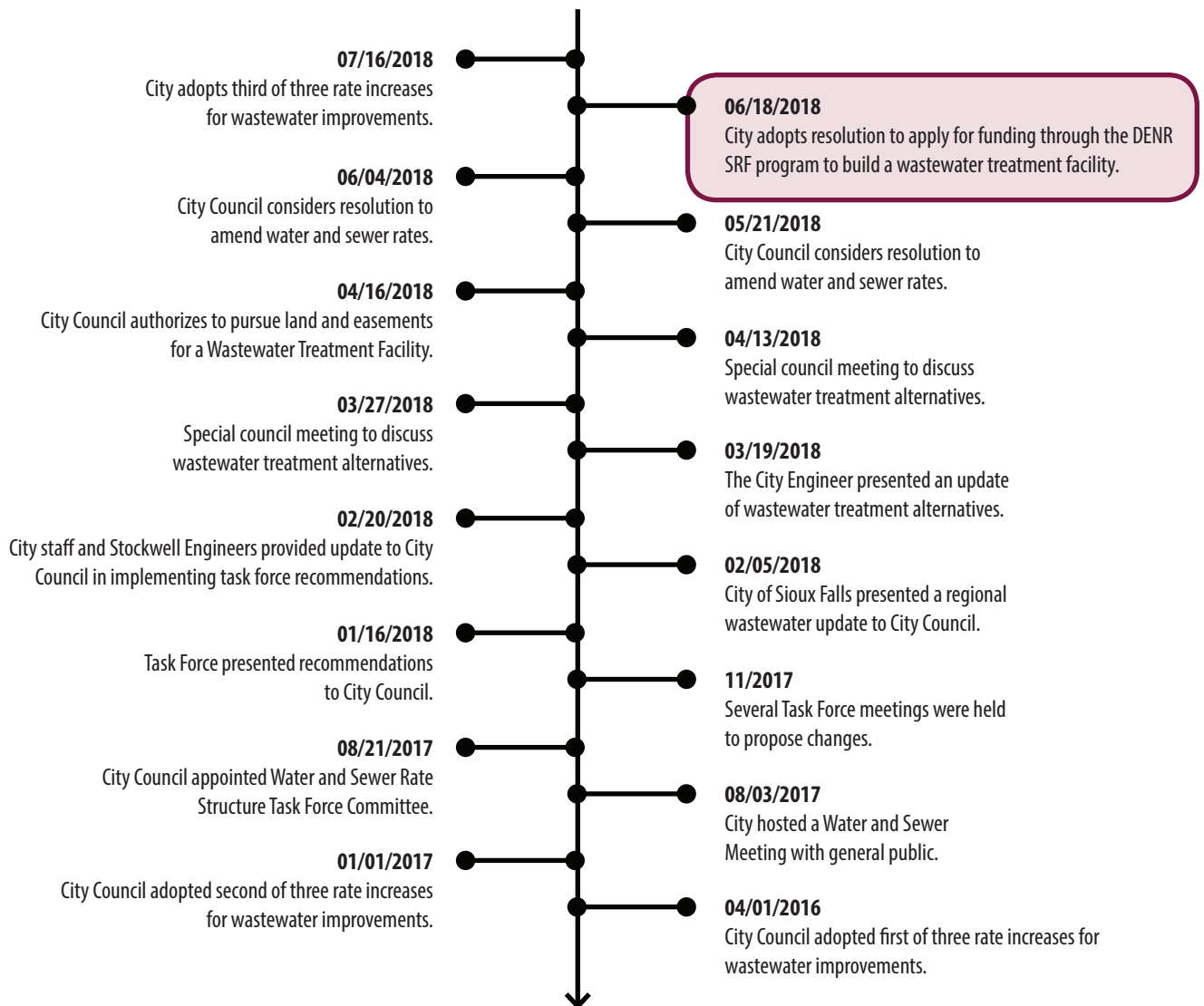


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## TIMELINE OF EVENTS





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## MEETING ROOM LAYOUT

Liberty Elementary Lunch Room

