

## Agenda Item: 8

**Date:** July 10, 2024

**Subject:** Water Rate Comparison Analysis

**Staff Contact:** Jeff Ott, Director of Finance and Administration

### **Recommended Board Action:**

No action. Information only.

### **Discussion:**

At the June 5, 2024, Joint Board Meeting, staff was directed to update the previous water rate comparison between Del Paso Manor Water District (DPMWD) and Sacramento Suburban Water District (SSWD) that was prepared in October of 2022. Staff have updated the analysis of the current water rates for DPMWD (as of the 11/1/2023) and SSWD.

DPMWD bills flat rate residential accounts bimonthly and non-residential accounts monthly. SSWD billing uses specific parcel sizes for flat rate billing and specific connection and meter sizes. As the two District's rates are dissimilar, several assumptions had to be made for comparison of SSWD rates against DPMWD accounts. Connection sizes are not available for most DPMWD accounts, therefore, assumptions will have to be made based on rate descriptions used and other related data. The assumptions are as follows:

#### Assumptions:

1. DPMWD's primary Capital Improvement Program (CIP) rate code is "MA". This rate code is for all connections up to 1" and is the primary rate charged against residential accounts. This analysis assumes that these flat rate accounts (1,602) will be charged at a ¾" SSWD connection rate.
2. DPMWD's duplex CIP rate code is "ME". This rate code is for all duplex accounts (78) and assumes a 1" service size and will be charged at a 1" SSWD connection rate. There is no parcel size description for duplex rates (codes FG, FH, FI and FW) as there is for single family residential. As indicated below, 9,000 square feet will be used for duplex lot size for usage calculations.
3. There are a few 1-1/4" connections at DPMWD and will be charged at a 1" SSWD connection rate as SSWD does not have a 1-1/4" rate.
4. DPMWD has 19 special residential rates that affect 20 accounts. Service line size will be inferred from the related CIP Rate assigned to the account.
5. Flat rate residential rates utilize lot size ranges (0 – 5,000; 5,001 – 8,000; 8,001 – 11,000, etc). SSWDS bills flat rate usage based on actual lot size. For the analysis, the midpoint of the range will be used for the calculation except for the 0 – 5,000 range which will utilize 4,500. Utilizing SSWD's GIS, the average duplex parcel size in DPMWD is approximately 9,000 square feet. The duplex usage charge will assume a 9,000 square foot parcel.

SSWD as of January 1, 2024, no longer has any flat rate accounts and will not have flat account rates going forward. The following tables break down the total rate charged for each customer category. The rates include all water charges for the customer category.

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Residential Flat Rates:

DPMWD Rate	DPMWD	SSWD	\$ Difference	% Difference
0 ft to 5000 ft RES	\$ 66.83	\$ 62.48	\$ -4.36	\$ -6.5%
5001 ft to 8000 ft RES	77.61	67.82	-9.80	-12.6%
8001 ft to 11,000 ft RES	87.22	75.83	-11.40	-13.1%
11,001 ft to 14,000 ft RES	96.83	83.84	-13.00	-13.4%
14,001 ft to 17,000 ft RES	106.44	91.85	-14.60	-13.7%
17,001 ft to 20,000 ft RES	116.13	99.86	-16.28	-14.0%

The residential flat SSWD amounts include the \$2.67 per 1000 square foot charge based on assumption 5 above.

Residential Flat Special Rates:

DPMWD Rate	DPMWD	SSWD	\$ Difference	% Difference
SA: spec. (1")	\$ 151.44	\$ 135.36	\$ -16.08	-10.6%
SB: spec. (1-1/2")	191.86	257.23	65.38	34.1%
SD: spec. (1")	157.86	141.18	-16.68	-10.6%
SE: spec. (1-1/2")	175.81	244.44	68.63	39.0%
SF: spec. (1")	161.07	142.34	-18.73	-11.6%
SG: spec. (1")	161.07	142.34	-18.73	-11.6%
SH: spec. (2")	203.38	340.57	137.19	67.5%
SI: spec. (1-1/2")	185.44	251.42	65.98	35.6%
SJ: spec. (1")	170.70	149.32	-21.38	-12.5%
SK: spec. (1")	180.33	159.79	-20.54	-11.4%
SL: spec. (2")	222.64	358.02	135.38	60.8%
SM: spec. (1" + 1-1/4")	257.95	224.43	-33.52	-13.0%
SN: spec. (1")	189.96	166.77	-23.19	-12.2%
SO: spec. (1-1/2")	326.68	368.89	42.21	12.9%
SP: spec. (2")	235.48	369.65	134.17	57.0%
SQ: spec. (1")	311.94	259.81	-52.13	-16.7%
SR: spec. (1")	331.20	283.07	-48.13	-14.5%
SS: spec. (2")	331.78	447.57	115.79	34.9%
SU: spec. (1")	170.70	150.48	-20.22	-11.8%

The residential flat special rate are large lots (32,000 – 87,000 Sq Ft) on Winding Creek Rd and Fox Hollow Ln.

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Duplex Flat Rates (9,000sf lot size):

DPMWD Rate	DPMWD	SSWD	\$ Difference	% Difference
duplex A	\$ 134.30	\$ 102.66	\$ -31.64	-23.6%
duplex B	143.98	102.66	-41.32	-28.7%
duplex C	153.59	102.66	-50.93	-33.2%
duplex B + 1" bootleg	238.90	217.32	-21.58	-9.0%
duplex B & 1 1/4" sprinkler	330.45	217.32	-113.13	-34.2%

The duplex flat SSWD amounts include the \$2.67 per 1000 square foot charge based on assumption 5 above.

Commercial Flat Rates:

DPMWD Rate	DPMWD	SSWD	\$ Difference	% Difference
commercial 3/4" x 5/8"	\$ 93.58	\$ 50.46	\$ -43.12	-46.1%
commercial 1"	120.47	78.63	-41.84	-34.7%
commercial 5" + 1 - 2" + 8" fire				

The commercial flat rate SSWD amounts do not include the \$2.67 per 1000 square foot charge as the lot sizes are unknown.

Metered Rates:

DPMWD Rate	DPMWD	SSWD	\$ Difference	% Difference
5/8" meter	\$ 46.46	\$ 36.38	\$ -10.08	-21.7%
3/4" meter	-	50.46	-	-
1" meter	81.64	78.63	-3.01	-3.7%
1 1/2" meter	163.28	149.07	-14.21	-8.7%
2" meter	261.22	233.57	-27.65	-10.6%
3" meter	489.84	458.95	-30.89	-6.3%
4" meter	816.40	712.49	-103.91	-12.7%
6" meter	1,632.80	1,416.77	-216.03	-13.2%
Meter Usage Rate	2.15	1.52	-0.63	-29.3%

Fire Services:

DPMWD Rate	DPMWD	SSWD	\$ Difference	% Difference
4" fire protection	\$ 123.04	\$ 48.45	\$ -74.59	-60.6%
6" fire protection	246.08	96.41	-149.67	-60.8%
8" fire protection	393.69	170.55	-223.14	-56.7%
10" fire protection	565.96	266.45	-299.51	-52.9%