

## **Sewer Billing Explanation and Customer Impact Detail**

Peoria City Council Meeting, December 10, 2019

### **Description of Sewer Billing Methodology**

- The fees for sewer service in Peoria are collected and billed by GPSD. Quarterly sewer bills are based on the amount of water consumed, using the water consumption records provided by Illinois American Water Company. The typical residential customer uses about 17.25 hundred cubic feet (CCF) of water per quarter (one CCF equals about 748 gallons).
- There are two main categories of customers and four common sewer rates. The GPSD adds a surcharge for capital improvements and replacement to the rates charged by GPSD. This GPSD surcharge is currently 71%.

The two categories of customers are Residential and Non-Residential. Non-residential customers that use a large amount of water, typically industrial or medical customers, may pay additional rates based on the pollutants generated in their sewage. Also included in this Non-Residential class of customers are Residential customers who have a separate meter for watering of lawns through their private irrigation systems.

Residential customers currently receive a 7% discount on their overall sewer bill to account for water used in watering lawns, because this water does not enter the sanitary sewer system.

### **Description of the Rates and Surcharge**

- **City Rehabilitation Rate:** A rate established by the City to fund capital sewer improvements and associated debt service. This rate is paid by customers connected to sewers in the City. This rate was last increased by 5% on May 1, 2019. This City Council communication proposes a 7% increase in this rate on May 1, 2020, and an additional 7% increase on May 1, 2021.
- **City Lateral Rate:** A rate established by the City to fund the operation and maintenance costs for the City collection (pipe) system. In general, customers in the City and connected to sewers located south of War Memorial Drive are connected to City sewers and pay this rate. This rate was last increased by 5% on May 1, 2019. This City Council communication proposes a 7% increase in this rate on May 1, 2020, and an additional 7% increase on May 1, 2021.
- **GPSD Lateral Rate:** A rate established by GPSD to fund the operation and maintenance costs for the GPSD collection (pipe) system. In general, customers in the City and connected to sewers located north of War Memorial Drive are connected to GPSD sewers and pay this rate.
- **GPSD Disposal Rate:** A rate established by GPSD to fund the costs of treating sewage at the Wastewater Treatment Plant. This rate is paid by all customers connected to sewers leading to the GPSD wastewater treatment plant. This includes all customers connected to sewer mains in the City.

- Capital Improvement Replacement surcharge: A surcharge established by GPSD and applied to all rates established by GPSD to fund the replacement of GPSD sewer infrastructure.

**Customer Impact of Proposed City Sewer Rate Increases:**

Calculation of City Sewer Rate Incremental Increases

Sewer Bill Increase Due to Proposed City Sewer **Lateral** Rate Adjustments

3 person household using 17.25 CCF of water/quarter (3 months)

Rate increases on May 1

Residential customers receive 7% credit for watering

	5/1/2019 Current	5/1/2020 Proposed	5/1/2021 Proposed
Lateral Rate:	1.1123	1.1902	1.2735
Amount paid to City:	\$19.19	\$20.53	\$21.97
Increase Amount:		\$1.34	\$1.44
7% credit amount		-\$0.09	-\$0.10
Net increase City sewer lateral rate:		\$1.25	\$1.34

Sewer Bill Increase Due to Proposed City Sewer **Rehabilitation** Rate Adjustments

3 person household using 17.25 CCF of water/quarter (3 months)

Rate increases on May 1

Residential customers receive 7% credit for watering

	5/1/2019 Current	5/1/2020 Proposed	5/1/2021 Proposed
Rehab Rate:	1.1931	1.2766	1.3660
Amount paid to City:	\$20.58	\$22.02	\$23.56
Increase Amount:		\$1.44	\$1.54
7% credit amount		-\$0.10	-\$0.11
Net increase City sewer rehabilitation rate:		\$1.34	\$1.43

Calculation of Rate Increases on Total Sewer Bills

Typical Residential\* **City** Lateral Customer Impact summary:

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(connected to a City sewer, generally south of War Memorial Drive)

	Dec-19	May-20	May-21
Proposed City Lateral increase:		\$1.25	\$1.34
Proposed City Rehab Increase:		\$1.34	\$1.43
Total proposed increase (City Sewer Lateral)		\$2.59	\$2.77
Typical Res. Quarterly Bill	\$60.50	\$63.09	\$65.86
Proposed percent increase:		4.2%	4.4%

Typical Residential\* **GPSD** Lateral Customer Impact summary:

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(connected to a GPSD sewer, generally north of War Memorial Drive)

	Dec-19	May-20	May-21
Proposed City Lateral increase:		N/A	N/A
Proposed City Rehab Increase:		\$1.34	\$1.43
Total proposed increase (GPSD Sewer Lateral)		\$1.34	\$1.43
Typical Res. Quarterly Bill	\$68.75	\$70.09	\$71.52
Proposed percent increase:		1.9%	2.0%