



## Legislation Text

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**File #:** 19-379, **Version:** 1

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### **ACTION REQUESTED:**

Communication from the City Manager and Director of Public Works with a Request to APPROVE the Following for All Council Districts:

- A. A RESOLUTION Amending Resolution No. 18-073-A Setting Fees for the Peoria Combined and Sanitary Sewer District Increasing the CITY'S SANITARY SEWER LATERAL FEE from 1.1123/CCF to 1.1902/CCF Effective May 1, 2020, and from 1.1902/CCF to 1.2735/CCF Effective May 1, 2021, for Property Owners who are Directly Served by City Sewers; and
- B. A RESOLUTION Amending Resolution No. 18-073-B Setting Fees for the Peoria Sanitary Sewer Rehabilitation District Increasing the CITY SEWER REHABILITATION RATE from 1.1931/CCF to 1.2766/CCF Effective May 1, 2020, and from 1.2766/CCF to 1.3660/CCF Effective May 1, 2021, for All City Property Owners who are Directly Served by Greater Peoria Sanitary District (GPSD) or City Sewers.

**BACKGROUND:** The City of Peoria receives revenues from two sewer rates. The Greater Peoria Sanitary District (GPSD) currently bills sewer customers. Peoria Sewer rate increases are planned to occur on May 1 to coincide with GPSD's fiscal year and billing cycles.

Revenues from the City's lateral sewer rate is used for operation and maintenance of the City-owned sanitary and combined sewers. This rate is charged to all customers connected to a City sanitary or combined sewer. Maintenance includes cleaning the sewers, repairing broken pipes and manholes and responding to basement backup problems. The 2020/2021 City budget was approved assuming an increase in City lateral sewer rates of 7%, effective May 1, 2020 and an additional increase of 7%, effective May 1, 2021.

Revenues from the City's rehabilitation sewer rate is used to pay debt service on previous sewer bonds and to support capital sewer expenses. This rate is charged to all customers in the City limits, connected to either a City sewer or a GPSD sewer. The 2020/2021 City budget was approved assuming an increase in City lateral sewer rates of 7%, effective May 1, 2020 and an additional increase of 7%, effective May 1, 2021.

A large part of customers' sewer bill revenue goes to the Greater Peoria Sanitary District (GPSD) to operate and maintain the wastewater treatment plant, the GPSD-owned sewer mains, and to support current and future GPSD capital expenses. For a more detailed explanation on the rate components of a customer sewer bill, see the "Sewer Billing Explanation and Customer Impact Detail" attachment.

Two Resolutions and a map depicting the location of City-owned sewers are also attached to this Communication.

**FINANCIAL IMPACT:** The average 3-person household uses 17.25 CCF (100 cubic feet) of water every 3 months. This equates to about 12,900 gallons.

Currently, the average, quarterly, residential customer bill for a household connected to a City sewer is \$60.50, and the average, quarterly, residential customer bill for a household connected to a GPSD sewer is \$68.75.

The proposed sewer lateral rate changes will increase the average, quarterly, residential customer bill for a

household connected to a City sewer by \$1.25 beginning May 1, 2020 and an additional \$1.34 beginning May 1, 2021.

The City will receive additional, annual revenue in the estimated amounts of \$45,600 in 2020 and \$46,800 in 2021 as a result of the proposed sewer lateral rate changes.

The proposed sewer rehabilitation rate changes will increase the average, quarterly, residential customer bill for all City households connected to City or GPSD sewers by \$1.34 beginning May 1, 2020 and an additional \$1.43 beginning May 1, 2021.

The City will receive additional, annual revenue in the estimated amounts of \$274,400 in 2020 and \$287,700 in 2021 as a result of the proposed sewer rehabilitation rate changes.

**NEIGHBORHOOD CONCERNS:** Well-maintained sewers are a benefit to all neighborhoods.

**IMPACT IF APPROVED:** Sewer revenues will match the anticipated revenue in the 2020/2021 budget.

**IMPACT IF DENIED:** Sewer revenues will be less than the anticipated revenue in the 2020/2021 budget.

**ALTERNATIVES:**

**EEO CERTIFICATION NUMBER:** N/A

**WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2017 - 2032 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?**

1. Financially Sound City

**WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?**

1. Invest in our infrastructure and transportation.
2. Reinvest in neighborhoods.
3. Have an efficient government.

**DEPARTMENT:** Public Works