



# City of Annapolis

## Water & Sewer Rates Meeting Agenda

1. Mayor Josh Cohen: Welcome
2. David Jarrell, Director, Public Works Department:  
Use of funds and mechanics of billing
3. DNEP and Suzanne Pogell, Chairman,  
Environment Commission: Tips on Conservation
4. Questions & Answers
5. Mayor Josh Cohen: Closing Remarks



# City of Annapolis Waterlines



Some Are Over 100 Years Old



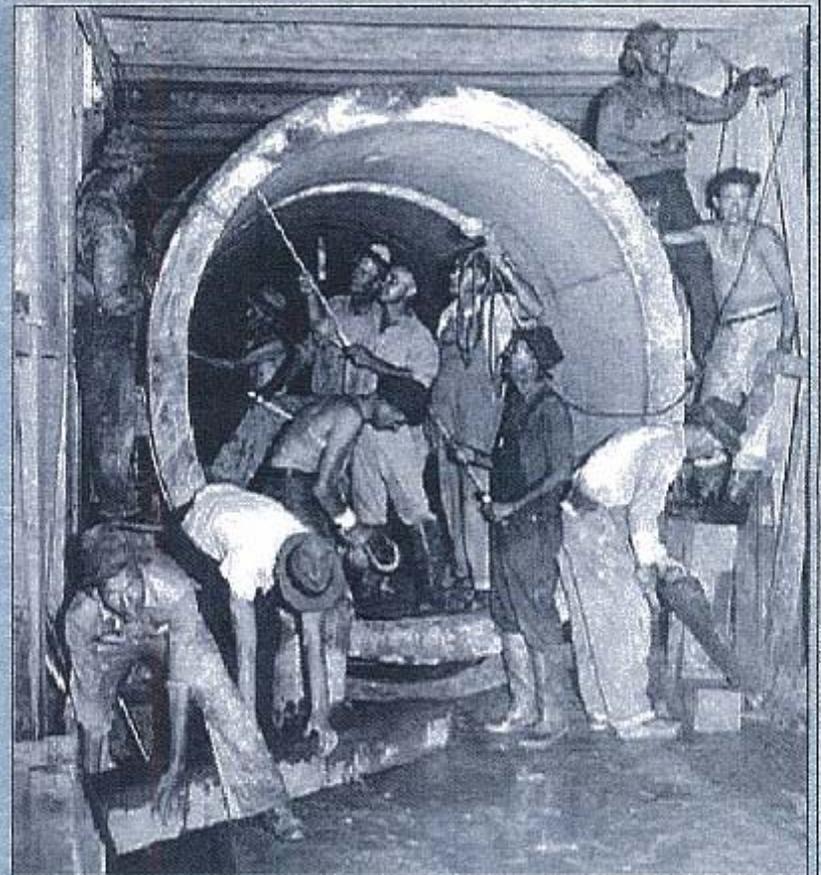
# Water System

100 YEARS AGO

TEDDY ROOSEVELT  
WAS PRESIDENT.

THE POPULATION OF  
LAS VEGAS, NEVADA WAS 30.

AND YOUR WATER SYSTEM  
WAS BRAND NEW.





# Background

## Water System:

- Water Treatment Plant – opened in 1927
- 138 miles of water mains, many dating to the early 1900s
- 5 elevated water storage tanks
- 45 major water main failures last year
- Over \$20,000 spent on overtime last year to repair water main failures



# Background

## Sewer System:

- Annapolis Water Reclamation Facility – co-owned by City and County
- 127 miles of sewer pipes, many over 50 years old
- 25 total and two major pump stations
- 33 sewer overflows caused by blockages last year
- Over \$14,000 spent on overtime last year to address sewer blockages



# Background

## Rate increases were overdue

- Last water rate increase: 2010, then 1999 prior to that increase
- Last sewer rate increase: 1999

## “Cheapest water in the area”

- Combined water and sewer bill in Annapolis was among lowest of any municipality in Washington DC and Baltimore regions

## General Fund Subsidies

- The City’s General Fund subsidized water and sewer enterprise funds by over \$4 million.



# New Water & Sewer Rates

- **Approved by City Council on June 20, 2011**
- **Effective on July 1, 2011**
- **Due to quarterly meter reading and billing, phase-in of new rates in bills will occur over 3 months.**
- **Usage beginning on July 1 will be billed at the higher rates.**



# Changes in Rates

## 1. Fixed Charge

- **Old:**

- **Water: \$15.60, Sewer: \$18.19**
- **Included first 5000 gallons of usage**

- **New:**

- **Based on size of water meter**
- **1" or less meter: Water: \$9.89, Sewer: \$11.05**
- **Ranges up to \$494.33 (water) and \$552.61 (sewer) for 6" or greater meter**



# Changes in Rates

## 2. Structure of Rates

- **Old:**

- **Same rate structure for all users**
- **Tiered rates for both water and sewage usage**

- **New:**

- **Two structures: single family residences and all others**
- **Tiered rate structure only for water for single family residences**
- **Single usage rate for all sewer and for multi-family and commercial water**



### 3. Water Usage Rates

- **Old:**

- **0-5000 gallons: \$15.60 (fixed)**
- **5001-35,000 gallons: \$2.42 per 1000 gallons**
- **Over 35,000 gallons: \$2.82 per 1000 gallons**

- **New - Single Family Residences:**

- **0-7000 gallons: \$3.12 per 1000 gallons**
- **7001-20,000 gallons: \$6.25 per 1000 gallons**
- **Over 20,000 gallons: \$9.37 per 1000 gallons**

- **New - Multi-Family and Commercial:**



# Changes in Rates

## 4. Sewer Usage Rates

- **Old - All customers:**
  - **0-5000 gallons: \$18.19 (fixed)**
  - **5001-35,000 gallons: \$2.82 per 1000 gallons**
  - **Over 35,000 gallons: \$3.29 per 1000 gallons**
- **New - All customers:**
  - **\$4.86 per 1000 gallons**



# Average Residential Bill

- Average residential usage is 167 gallons per day, or 15,000 gallons per quarter
- Water/Sewer Bill with old rates: \$86.19
- Water/Sewer Bill with new rates: \$165.68



# Water/Sewer Bills by Usage

Quarterly Water Use	Old Bill	New Bill
5,000 gallons	\$33.79	\$60.84
10,000 gallons	\$59.99	\$110.13
15,000 gallons	\$86.19	\$165.68
20,000 gallons	\$112.39	\$221.23
25,000 gallons	\$138.59	\$292.38
30,000 gallons	\$164.79	\$363.53



# Use of Funds - Water

## FY12 Water Revenue Requirements:

- Operating and Maintenance Expenses: \$4.6 million
- Debt Service: \$0.7 million
- General Fund Repayment: \$1.7 million
- Reserves: \$0.8 million

Total: \$7.8 million





# Use of Funds - Sewer

## FY12 Sewer Revenue Requirements:

- Operating and Maintenance Expenses: \$5.5 million
  - Debt Service: \$1.0 million
  - General Fund Repayment: \$0.45 million
  - Reserves: \$0.05 million
- Total: \$7.0 million

