



# CITY OF INGLEWOOD

## Proposed Water and Sewer Rate Increase



### Water

In providing adequate water services to its customers, every water utility must receive sufficient total revenue to ensure proper operation and maintenance, development and perpetuation of the system and preservation of the utility's financial integrity. Utility rate calculations are based on the operation and maintenance expenses (including purchased water, labor, utilities, supplies and materials), capital expenditures for infrastructure (including pipelines, water treatment plant, wells and reservoirs), debt service payments on bonds and other debt, and adequate reserves for meeting capital and operational needs. Despite the rising cost of maintaining, operating and upgrading the water system in previous years, **this rate increase is the first rate change since 2003.**

Table 1 shows the current water rates. Tables 2 through 4 show the first two proposed increases. Additional annual increases to address pass-through of purchased water costs and CPI adjustments are contemplated through FY 2016-17.

**Table 1. Current Water Charges**

Meter Size	\$/month
3/4"	\$9.00
1"	\$12.00
1.5"	\$18.00
2"	\$24.00
3"	\$36.00
4"	\$48.00
6"	\$72.00
8"	\$96.00
12"	\$144.00
<b>Fire Service</b>	\$12.00
<b>Usage Blocks</b>	<b>\$/hcf</b>
0 – 8 hcf	\$2.212
9 - 750 hcf	\$2.950
Over 750 hcf	\$3.392

**Table 3. Proposed Potable Water Commodity Rate, \$/hcf (hundred cubic feet)**

Single Family Customer Blocks	March 7, 2012	Oct. 1, 2012
0 – 15 hcf	\$3.20	\$3.50
16 – 39 hcf	\$4.30	\$4.75
Over 39 hcf	\$5.40	\$6.00
<b>All Other Customers</b>	<b>Mar.7, 2012</b>	<b>Oct. 1, 2012</b>
All water	\$4.10	\$4.50

**Table 2. Proposed Water Fixed Charge, \$/month**

Meter Size	March 7, 2012	Oct. 1, 2012
3/4"	\$12.00	\$13.50
1"	\$14.25	\$16.00
1.5"	\$20.00	\$22.50
2"	\$26.50	\$29.75
3"	\$44.75	\$50.00
4"	\$65.00	\$72.75
6"	\$121.50	\$136.00
8"	\$189.00	\$211.75
12"	\$283.50	\$317.50

**Table 4. Proposed Fire Service Charge, \$/month**

Meter Size	March 7, 2012	Oct. 1, 2012
4" and less	\$32.00	\$35.75
6"	\$75.00	\$84.00
8"	\$155.00	\$173.50

**Sewer**

The City’s existing sewer system is constructed before 1960. A comprehensive operation and maintenance program is the best tool in assuring reliable sewer system. Utility rate calculations are based on the cost of operation and maintenance expenses (including labor, utilities, supplies and materials), capital expenditures for infrastructure (including - pipelines, manholes and pavements), and adequate reserves for meeting capital and operational needs. This rate increase is needed to pay for the capital improvements that have been delayed due to lack of funds, annual sewer system upgrade, and to build up and maintain reserves. The City performed visual and CCTV inspection of the sewer system and manholes and assessed severity of the deficiencies. The City needs to upgrade and or replace most of the sewer pipelines. **This rate increase is the first rate change since 2003.**

Table 5 shows the current sewer rate schedule. Table 6 shows the proposed increases effective October 1, 2012. Additional annual increases to address pass-through costs and CPI adjustments are contemplated through FY 2016-17.

**Table 5. Current Sewer Service Charges, \$/month**

Residential Sewer Charges		Commercial and Industrial Sewer Charges	
Number of Units	Charge, \$/month	Street Frontage	Charge, \$/month
1 unit	\$6.25	0 – 25 feet	\$16.50
2 units	\$12.00	25 – 50 feet	\$19.10
3 units	\$17.45	50 – 100 feet	\$26.10
4 units	\$22.30	100 – 200 feet	\$34.05
Additional Units	\$3.50/unit	200 – 300 feet	\$42.15
		300 – 500 feet	\$55.20
		Over 500 feet	\$55.20 + \$2.00/ 25 foot
			segment or fraction thereof

**Table 6. Proposed FY 2013 Sewer Rate**

**(Effective October 1, 2012)**

Customer Class	Unit Charge
<b>Residential</b>	
1 unit	\$7.50/month
2 units	\$14.25/month
3 units	\$20.75/month
4 units	\$26.50/month
Each Additional Unit	\$4.15/month/unit
<b>Non-Residential</b>	
(applied to 90% of water usage)	\$0.75/hcf