

# NEWSLETTER

## WATER UTILITY RATE INCREASES

### PURPOSE AND OVERVIEW

We want to take this opportunity to inform you of a recent change to the City of Live Oak water utility rates, which were adopted at the November 24<sup>th</sup> City Council meeting and will become effective January 1, 2021. While there was no change to the stormwater or sewer utility rates, there will be a variable increase to the water rates based on consumption.

### RESULT OF APPROVED RATE INCREASES

To illustrate how the approved changes may affect your bill, here are some varying consumption totals and what the charge would be for those totals.

<u>Consumption</u>	<u>Current Water Charge</u>	<u>New Water Charge</u>	<u>% increase</u>	<u>\$ increase</u>		
5,000 gal			\$20.76	\$21.67	4.38%	\$0.91
7,000 gal			\$22.32	\$23.38	4.75%	\$1.06
12,000 gal			\$28.65	\$30.43	6.21%	\$1.78
20,000 gal			\$43.59	\$47.35	8.62%	\$3.76
30,000 gal			\$67.79	\$75.21	10.95%	\$7.42

For a reference, the average residential water consumption for May 2020 was 7,022 gallons. Based on this average, the system would see approximately an average increase of just under 5%.

### CIRCUMSTANCES BEHIND THE INCREASE

The last water rate increase went into effect on January 1, 2018. Since this last increase, the City had several projects either get completed or scheduled to be completed this year. Two of the biggest projects were the major upgrade of our metering system to a fixed base system and the last of the major tank painting and rehab projects. The City has also been able to hold its water utility rates relatively low despite enduring some small to moderate increases in expenses to operate the utility systems. This approved increase will help keep our water utility system financially sound and still allow Live Oak to have some of the lowest water utility rates around our area.

In general, utility rates are reviewed annually to ensure that they are set accordingly to provide adequate revenues to cover all system expenses and liabilities and to maintain proper cash reserves necessary to provide a high-level service to the customer.

### WHAT CAN BE DONE TO SAVE?

There are things that can be done to help lower your bills, the most impactful being water conservation programs. Examples include changing landscapes to include more drought tolerant plants, low flow toilets, efficient appliances and checking faucets, pipes and toilets for leaks. The City of Live Oak has been participating in a low-flow toilet program for several years that allow qualified residents to obtain

a low flow toilet free-of-charge from the City. For more information on this program, please contact our Public Works Department at (210) 653-9140 ext. 2234.

An important way to manage your wastewater bill is to remember to conserve your water consumption during the winter months of December, January and February. Your residential sewer charge is based on your winter average consumption. In other words, the billing system computes your winter average using the consumption records for the months of December, January and February. This winter average is then multiplied by the adopted rates and becomes your monthly sewer charge. Why do we use these winter months to determine our sewer contribution? Because outdoor water usage is typically lower during these three months due to colder weather and plants and lawns are usually in their dormant stages that require much less watering. The result is hopefully a lower sewer bill for our residents.

### **FUTURE FISCAL YEARS**

As mentioned above, utility rates are reviewed annually to determine if they are adequately set to sustain the system. Utility rates are set accordingly to provide adequate revenues to cover all system expenses and liabilities and to maintain proper cash reserves necessary to provide a high-level service to the customer.