



Agenda

City Council Worksession

Monday, April 22, 2024 at 4:00 PM

City Hall Cowles Council Chambers In-Person & Via Zoom Webinar

Homer City Hall

491 E. Pioneer Avenue
Homer, Alaska 99603
www.cityofhomer-ak.gov

Zoom Webinar ID: 965 8631 4135 Password: 792566

<https://cityofhomer.zoom.us>
Dial: 346-248-7799 or 669-900-6833;
(Toll Free) 888-788-0099 or 877-853-5247

CALL TO ORDER, 4:00 P.M.

AGENDA APPROVAL (Only those matters on the noticed agenda may be considered, pursuant to City Council's Operating Manual, pg. 6)

DISCUSSION TOPIC(S)

- [a.](#) Water & Sewer Rate Model

COMMENTS OF THE AUDIENCE (3 minutes)

ADJOURNMENT NO LATER THAN 4:50 P.M.

A Special Meeting is scheduled for Thursday, April 25, 2024 at 6:00 p.m. The next Regular Meeting is Monday, May 13, 2024 at 6:00 p.m. and Committee of the Whole at 5:00 p.m. Work Session at 4:00 p.m. All meetings scheduled to be held in the City Hall Cowles Council Chambers located at 491 E. Pioneer Avenue, Homer, Alaska.

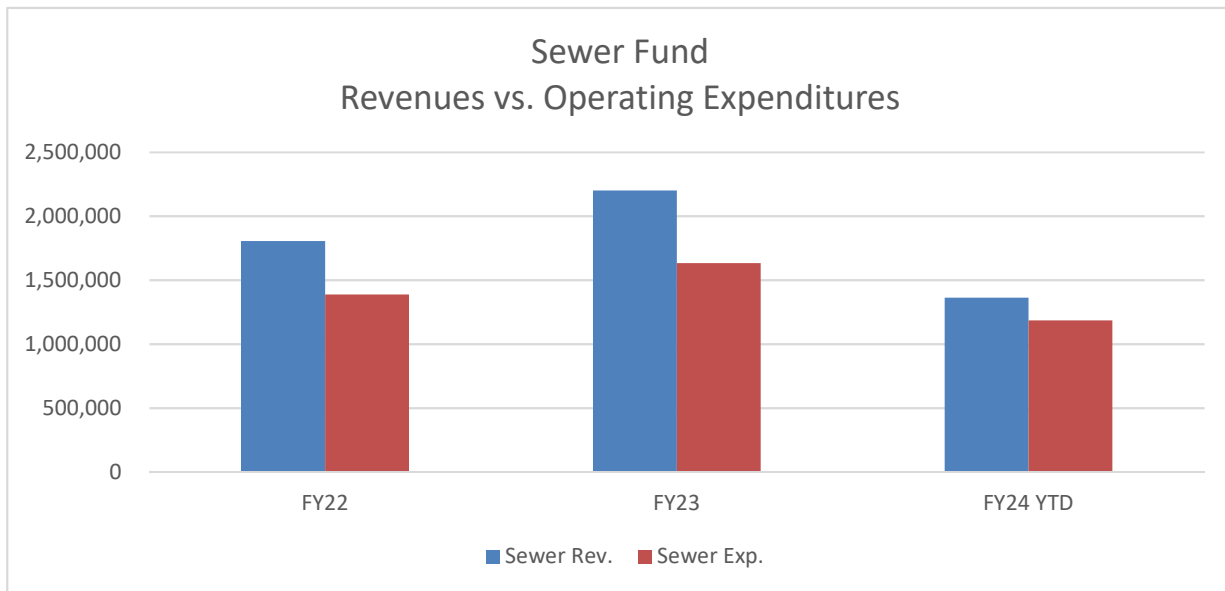
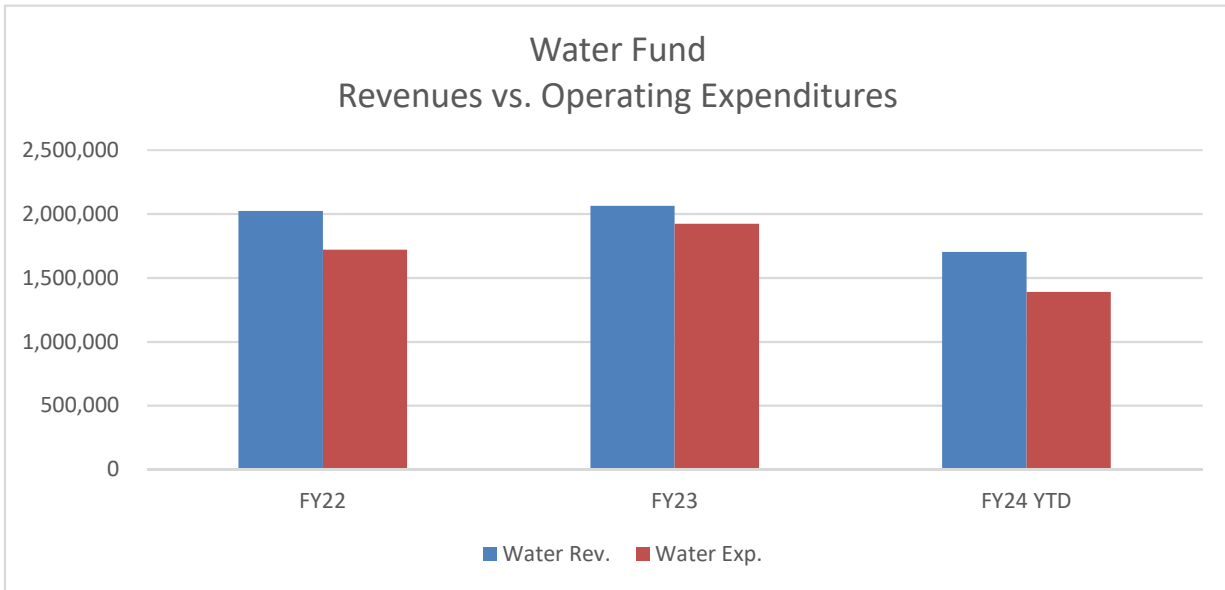
Revenues & Expenses - Utility Operations Fund

	<u>FY24 Budget</u>	<u>FY24</u> <u>YTD Actual</u>	<u>FY25 Budget</u>
Water			
Meter Sales	2,211,899	1,642,336	2,266,535
Other Revenue	54,105	59,178	55,904
Hydrant Transfer	103,000	-	105,565
Draw on Fund Balance	1,461	-	4,470
Water Operations Fund - Total Revenue	<u>2,370,466</u>	<u>1,701,513</u>	<u>2,432,473</u>
Salaries, Wages & Benefits ¹	1,156,003	883,442	1,191,201
Maintenance & Operations	887,552	504,960	914,216
Transfers to:			
Reserves	309,001		316,696
Other	17,910		10,360
Water Operations Fund - Total Expenses	<u>2,370,466</u>	<u>1,388,402</u>	<u>2,432,473</u>
<u>Revenues over Expenses</u>	<u>0</u>	<u>313,111</u>	<u>0</u>
Sewer			
Meter Sales	1,917,298	1,348,309	2,059,392
Other Revenue	31,090	15,540	24,533
Draw on Fund Balance	1,462		4,471
Sewer Operations Fund - Total Revenue	<u>1,949,850</u>	<u>1,363,849</u>	<u>2,088,396</u>
Salaries, Wages & Benefits ¹	967,559	731,765	997,266
Maintenance & Operations	723,118	453,641	814,108
Transfers to:			
Reserves	254,138		271,816
Other	5,035		5,205
Sewer Operations Fund - Total Expenses	<u>1,949,850</u>	<u>1,185,406</u>	<u>2,088,396</u>
<u>Revenues over Expenses</u>	<u>0</u>	<u>178,443</u>	<u>0</u>
<u>Utility Operations Fund Total</u>	<u>0</u>	<u>491,555</u>	<u>0</u>

¹ Includes leave cash out

Yearly Comparison: Revenues vs. Expenditures (Unaudited)

	<u>FY22</u>	<u>FY23</u>	<u>FY24 YTD</u>
Water Fund Revenues	2,022,064	2,063,011	1,701,513
Water Fund Expenditures (excluding transfer to reserves)	1,719,228	1,923,258	1,388,402
<u>Water: Revenues over (Under) Expenditures</u>	302,835	139,753	313,112
Sewer Fund Revenues	1,805,224	2,202,214	1,363,849
Sewer Fund Expenditures (excluding transfer to reserves)	1,389,773	1,633,776	1,185,406
<u>Sewer: Revenues over (Under) Expenditures</u>	415,451	568,438	178,443
<u>Water & Sewer: Total Revenues Over (Under) Expenditures</u>	<u>718,286</u>	<u>708,191</u>	<u>491,555</u>



Rate Calculations - Scenario 1

No Monthly Fee

WATER Rate Model	
Revenues	
FY25 Operating Revenue Required - Water	\$ 2,115,777
CARMA Transfer Requirement	316,696
Deduct Operating Fund Balance - Rate Buydown	0
Deduct Portion Collected through Other Revenues	(55,904)
Deduct Portion Collected through Service Fee	
Hydrant Rents (10% of Total)	(105,565)
Surplus Water Sales (Bulk) surcharge only	(83,851)
Revenue Required for Commodity Rate Calculation	\$ 2,187,153
Water Consumption (Gallons)	
Gross Meters Water Sales	129,126,600
Total Estimated Water Sales	129,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0170
Bulk Rate (per gal)	\$ 0.0210
Monthly Fees	\$ -
Consumption Additional Information:	
CY23 Gross Meters Water Sales (Gallons)	129,126,600
SEWER Rate Model	
Revenues	
FY25 Operating Revenue Required - Sewer	\$ 1,816,580
CARMA Transfer Requirement	271,816
Deduct Operating Fund Balance - Rate Buydown	0
Deduct Portion Collected through Other Revenues	(18,509)
Lift Stations Costs	(222,860)
Pumping Fee	(9,720)
Dumping Station Fees	(6,024)
Multi-Units and K-city (\$5/unit/mo.)	(76,020)
Revenue Required for Commodity Rate Calculation	\$ 1,755,263
Sewer Usage (Gallons)	
Projected Billable Volume	89,000,000
Projected Billable Volume - Lift Zone Only	23,000,000
Total Projected Billable Volume	112,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0157
Lift Station Rate	\$ 0.0254
Lift Station Additional Information:	
CY23 Actually Billed Gallons (Lift-Station Zone Only)	22,687,300
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This rate model is preliminary and will update accordingly with the amended budget

Rate Calculations - Scenario 2

Monthly Fee

WATER Rate Model	
Revenues	
FY25 Operating Revenue Required - Water	\$ 2,115,777
CARMA Transfer Requirement	316,696
Deduct Operating Fund Balance - Rate Buydown	0
Deduct Portion Collected through Other Revenues	(55,904)
Deduct Portion Collected through Service Fee	(316,696)
Hydrant Rents (10% of Total)	(105,565)
Surplus Water Sales (Bulk) surcharge only	(83,851)
Revenue Required for Commodity Rate Calculation	\$ 1,870,457
Water Consumption (Gallons)	
Gross Meters Water Sales	129,126,600
Total Estimated Water Sales	129,000,000
Water Rates:	
Commodity Rate (per gal)	\$ 0.0145
Bulk Rate (per gal)	\$ 0.0185
Monthly Fees	\$ 13
Consumption Additional Information:	
CY23 Gross Meters Water Sales (Gallons)	129,126,600
SEWER Rate Model	
Revenues	
FY25 Operating Revenue Required - Sewer	\$ 1,816,580
CARMA Transfer Requirement	271,816
Deduct Operating Fund Balance - Rate Buydown	0
Deduct Portion Collected through Other Revenues	(18,509)
Deduct Portion Collected through Service Fee	(271,816)
Lift Stations Costs	(222,860)
Pumping Fee	(9,720)
Dumping Station Fees	(6,024)
Multi-Units and K-city (\$5/unit/mo.)	(76,020)
Revenue Required for Commodity Rate Calculation	\$ 1,483,447
Sewer Usage (Gallons)	
Projected Billable Volume	89,000,000
Projected Billable Volume - Lift Zone Only	23,000,000
Total Projected Billable Volume	112,000,000
Sewer Rate	
Non-Lift Station Rate	\$ 0.0132
Lift Station Rate	\$ 0.0229
Monthly Fees	\$ 11
Lift Station Additional Information:	
CY23 Actually Billed Gallons (Lift Zone Only)	22,687,300

This rate model is preliminary and will update accordingly with the amended budget

City of Homer
Water and Sewer Rates Comparison
Presented April 22, 2024

	Average Volume			High Volume			Lift-Station (Year-Round)		
	City Hall			Library			Port & Harbor - Maintenance		
	Existing	Scenario 1 No Fee	Scenario 2 Fee	Existing	Scenario 1 No Fee	Scenario 2 Fee	Existing	Scenario 1 No Fee	Scenario 2 Fee
Consumption	3800	3800	3800	6600	6600	6600	1800	1800	1800
Water Rate	0.0161	0.0170	0.0145	0.0161	0.0170	0.0145	0.0161	0.0170	0.0145
Sewer Rate	0.0167	0.0157	0.0132	0.0167	0.0157	0.0132	0.0275	0.0254	0.0229
Charges:									
Water	61.18	64.60	55.10	106.26	112.20	95.70	28.98	30.60	26.10
Sewer	63.46	59.66	50.16	110.22	103.62	87.12	49.50	45.72	41.22
Service	0	0	24	0	0	24	0	0	24
Total Bill	\$ 124.64	\$ 124.26	\$ 129.26	\$ 216.48	\$ 215.82	\$ 206.82	\$ 78.48	\$ 76.32	\$ 91.32
Impact		\$ (0.38)	\$ 4.62		\$ (0.66)	\$ (9.66)		\$ (2.16)	\$ 12.84

These rates are preliminary and will update accordingly with the amended budget