

Council to Consider Water Rate Increase

Los Alamos County Council will consider adopting a proposed water rate increase at the September 27 Public Hearing. Do you have any feedback for the Council?

All Registered Statements sorted chronologically

As of September 22, 2016, 11:35 AM



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Introduction

The Department of Public Utilities (DPU) and the Board of Public Utilities (BPU) recommend the County Council adopt a draft ordinance to increase retail and wholesale water rates by 10-percent at the September 27th Public Hearing. Open to the public, the hearing on the proposed rate is scheduled for:

Tuesday, September 27th at 6 PM
Municipal Building, Council Chambers
1000 Central Avenue, Los Alamos, NM.

If adopted, the new rates will become effective immediately.

LINK TO THE DRAFT ORDINANCE: https://pd-oth.s3.amazonaws.com/production/uploads/portals/119/forum/345/issue/3969/issue_asset/asset/5273/DPU_PO160817WaterOrd02-267.pdf

Recent water sales have not matched the forecasted volume, driving the need for a rate increase. Rates are designed to allow the DPU to recover its costs, as well as bring in reasonable revenue to maintain reliable water services to Los Alamos County.

COMMENTS

Please provide comments on this open forum page before 11:59PM on Wednesday, September 21st. All comments from this forum will be shared with the County Councilors prior to the hearing. Members of the public are also welcome to provide public comment in person to the September 27th hearing.

RETAIL RATES

The draft ordinance proposes a 10-percent rate increase across the board for retail customers' monthly service fee and the commodity rate. Retail customers include commercial, county/schools, residential, and multifamily.

MONTHLY SERVICE FEE

Water Meter Size	Existing Monthly Fee	Proposed Monthly Fee
1-1/4 inch & under	\$7.93	\$8.72
1-1/2 inch	\$25.12	\$27.63
2-inch	\$37.50	\$41.25
2-1/2-inch, 3-inch	\$74.00	\$81.40
4-inch	\$126.00	\$138.60
6-inch	\$266.00	\$292.60
8-inch	\$439.50	\$483.45

COMMODITY RATE:

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The commodity rate for all commercial, county and school customers is one rate per 1,000 gallons consumed all year.

Residential and multifamily customers are on a seasonal water rate. Off-peak season begins October 1 through April 30 and is one rate per 1,000 gallons consumed with no tiers (the same as commercial, county and school customers).

Customer Class	Existing Rate	Proposed Rate
Commercial (all year)	\$4.19/1,000 gallons	\$4.61/1,000 gallons
County/Schools (all year)	\$4.19/1,000 gallons	\$4.61/1,000 gallons
Residential (off-peak)	\$4.19/1,000 gallons	\$4.61/1,000 gallons
Multifamily (off-peak)	\$4.19/1,000 gallons	\$4.61/1,000 gallons

Peak Season - Tiered Water Rates

Peak season begins May 1 and continues through September 30. It applies a tiered water rate only to residential and multifamily customers and is designed to recover higher costs associated with higher consumption. Comprising three different rates per 1,000 gallons consumed, the tiers are based on the following: Tier 1) first 9,000 gallons; Tier 2) between 9,000 and 15,000 gallons, and Tier 3) above 15,000 gallons.

RESIDENTIAL (PEAK SEASON)	Existing Rate	Proposed Rate
Tier 1 Rate: <9,000 gallons	\$4.19/1,000 gallons	\$4.61/1,000 gallons
Tier 2 Rate: 9,000 - 15,000 gallons	\$4.45/1,000 gallons	\$4.90/1,000 gallons
Tier 3 Rate: >15,000 gallons	\$5.32/1,000 gallons	\$5.85/1,000 gallons

MULTIFAMILY (PEAK SEASON)	Existing Rate	Proposed Rate
Tier 1 Rate: <9,000 gallons	\$4.19/1,000 gallons	\$4.61/1,000 gallons
Tier 2 Rate: 9,000 - 15,000 gallons	\$4.40/1,000 gallons	\$4.84/1,000 gallons
Tier 3 Rate: >15,000 gallons	\$4.50/1,000 gallons	\$4.95/1,000 gallons

EXAMPLE WATER BILL

The following are examples of a monthly water bill for a typical RESIDENTIAL customer with a one inch meter.

January (Off-Peak Season) water bill for consumption of 6,000 gallons

January (Off-Peak Season) 6,000 gallons	Existing Rate	Proposed Rate
Monthly Service Fee	\$7.93	\$8.72
Commodity Rate/1,000 gallons	$\$4.19 \times 6 = \25.14	$\$4.61 \times 6 = \27.66
TOTAL BILL	\$33.07	\$36.38

July (Peak Season) water bill for consumption of 12,000 gallons.

July (Peak Season) 12,000 gallons	Existing Rate	Proposed Rate
Monthly Service Fee	\$7.93	\$8.72

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Tier 1 Rate/1,000 gallons	$\$4.19 \times 9 = \37.71	$\$4.61 \times 9 = \41.49
Tier 2 Rate/1,000 gallons	$\$4.45 \times 3 = \13.35	$\$4.90 \times 3 = \14.70
TOTAL BILL	\$58.99	\$64.91
WHOLESALE RATES		

Wholesale or bulk water rates apply only to the Los Alamos National Laboratory and the Department of Public Utilities Water Distribution Division. These two entities purchase bulk water and then distribute the water to their respective customers. The draft ordinance proposes a 10-percent increase as follows:

Wholesale Rates	Existing Rate	Proposed Rate
Monthly Service Fee	\$542.00	\$596.20
Commodity Rate/1,000 gallons	\$2.88	\$3.17

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As of September 22, 2016, 11:35 AM, this forum had:

Attendees:	66
Registered Statements:	9
All Statements:	11
Minutes of Public Comment:	33

This topic started on September 6, 2016, 1:01 PM.

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Name not shown inside EASTERN AREA

September 21, 2016, 1:11 PM

Punishing people for conserving water. 10% is a large increase. What if we go through a dry period and water use goes up? Will the rate go back to what it was? There is no mention of this contingency. Don't like the idea of being made to pay for water conservation. No.

"Rates are designed to allow the DPU to recover its costs, as well as bring in reasonable revenue to maintain reliable water services to Los Alamos County." What are the details of these costs? Where exactly in detail is this money going to go? Too many unanswered questions, not enough transparency at this point.

Name not shown inside LA VISTA

September 21, 2016, 8:42 AM

The need to raise water rates to maintain the county water system is understandable. The increases to the monthly service rates seem appropriate. However, the proposed rates for consumption disproportionately penalize individual residential homeowners, particularly homeowners in White Rock which receives less rainfall than Los Alamos. Suggest that either (1) the residential rates match the multi-family rates or (2) the top tier residential rate (>15,000 gallons) remain unchanged at 5.325 as it is already significantly higher than the mid tier rate.

2 Supporters

Name not shown inside NORTH MESA

September 19, 2016, 3:38 PM

Perhaps, given the changes on how people use utilities (not just water) - the DPU should consider having a fee structure that more closely matches 1. flat rates for infrastructure and 2. actual cost of water for variable rates. This change (both with water rates and gas) is due to an outdated fee structure. And the DPU can stop giving out conflicting information - (Conserve water / gas/ electricity) and (your rates will go up when you actually conserve) - in effect, we make efforts to conserve but then pay the same total amount - there is no real incentive to conserve!!

3 Supporters

George Chandler inside EASTERN AREA

September 10, 2016, 11:07 AM

The proposed increase is not enough to catch up with projected expenses. The water system is required by the charter to be run at breakeven and to maintain reserves. That has not been done. By keeping rates low for many years the water distribution system has fallen into a deficit position and maintenance has been deferred to the point that homeowners in older parts of town are threatened with frequent catastrophic failures. It's a total misrepresentation that the reserves have been "healthy": the distribution system reserve is near zero and the distribution system budget for replacement this year was zeroed out. I suggest passing this increase and directing the Utility Board to come back with another increase in the near future to put the water system on a path to recovery ASAP.

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2 Supporters

Name not shown inside PAJARITO ACRES

September 9, 2016, 9:10 PM

Increasing water rates after one season of decreased use is premature. we do not need a water rate increase and I do not support this proposal.

1 Supporter

Justin Tokash inside NORTH MESA

September 9, 2016, 1:37 AM

This is insane. No, no, no. Do any of you at the DPU or at the County Council have even the slightest knowledge of basic economics? If prices go up, then usage goes down; so when usage goes down, revenue goes down too. It's really that simple. Use your brains for once and stop raking us over the coals for your inability to plan and spend properly.

2 Supporters

Peggy Pendergast inside EASTERN AREA

September 8, 2016, 10:40 PM

We, the citizens of Los Alamos County has been asked to reduce our water usage. We, the community complied. The county states now states that water usage has not been 'great enough' (paraphrased) and therefore a rate increase is being considered to off-set this situation!!!

This smacks' of a catch-22!

I put forth my statement towards this question by the County ...NO TO ANY INCREASE!

5 Supporters

Neale Pickett inside DENVER STEELS

September 8, 2016, 6:09 PM

I have read the proposal and would not mind if it were enacted.

1 Supporter

Richard Klamann inside WHITE ROCK

September 8, 2016, 9:41 AM

Oh what fun! This part of BPU's press release suggests the rates must go up because we are not using enough water:

"Continuing cool weather with consistent moderate rainfall has created a trend toward reduced water sales. Even with reduced sales, however, costs of operating and maintaining a complex water production and delivery

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system continue to increase. [...] To continue a prudent level of maintenance and replacement with current sales projections, rate increases are necessary."

This part of the press release suggests that rates for heavy users were increased because, as a whole, we are using too much water:

"Peak season begins May 1 and continues through September 30. It applies a tiered water rate only to residential and multifamily customers and is designed to recover higher costs associated with higher consumption."

1 Supporter
