



City of Ketchum

November 7, 2022

Mayor Bradshaw and City Councilors
City of Ketchum
Ketchum, Idaho

Mayor Bradshaw and City Councilors:

Recommendation to Hold Public Hearing and Approve Resolution 22-035 to Amend Multi-Family Water Rate Methodology

Recommendation and Summary

Staff is recommending the Council hold a public hearing and approve Resolution 22-035 using the following motion:

"I move to approve Resolution 22-035 to amend Multi-Family Water Rate Methodology."

The reason for the recommendation is as follows:

- Current methodology is not consistent and fair with single family methodology
- The new methodology will ensure rate payer consistency and awareness of total domestic water utilization during irrigation season.

Introduction and History

Staff recently discovered that the current formula for multi-family units was not consistent with the billing approach for single family. Currently, multi-family units' water utilization is divided by the number of units. The "base rate" is then applied to determine the cost of water per unit. The new proposed methodology is to be calculated by factoring the "usage rate" plus "base rates" without dividing by the number of unit. This approach ensures rate payers are more likely to monitor their use of domestic water for irrigation purposes.

Sustainability Impact

The new approach will highlight to rate payers the true cost of irrigation water utilization.

Financial Impact

Changing this approach should increase water revenues but has not been specifically modeled.

Attachments

Resolution 22-035

CITY OF KETCHUM
RESOLUTION NO. 22-035

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KETCHUM, BLAINE COUNTY, STATE OF IDAHO, MAKING CERTAIN FINDINGS AND APPROVING AN UPDATE AND ADJUSTMENT TO THE RATE METHODOLOGY FOR MULTI-LIVING UNITS, DIRECTING THE WATER DEPARTMENT AND CITY CLERK; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by the City Council of the City of Ketchum, Blaine County, State of Idaho:

Section 1. Findings

- A. The City of Ketchum Water Department is proposing and recommending to alter the rate methodology for multi-living units.
- B. Currently multi-living units' water usage is divided by the number of units. The "base rate" structure is then applied to determine the cost of water per unit.
- C. The new proposed methodology is to be calculated by factoring the "usage rate" plus "base charge" without dividing by the number of units. This proposal will align with the current, single-family residential rate structure. This approach ensures rate payers are more likely to monitor their use of domestic water for irrigation purposes.

Section 2. Authorizing/Adopting

- 1. The City Council does hereby approve and adopt the staff recommended update and amendment to multi-unit rate methodology and calculation as set forth in Finding C above.
- 2. The Water Department is authorized and directed to administratively update rate charts, user communications, and department policy documents as may be needed to reflect this adjustment to methodology and calculation.

Section 3. Directing the City Clerk

The City Clerk is hereby directed to file this Resolution forthwith in the official records of this City.

Section 4. Effective Date

This resolution shall be in full force and effect upon its passage.

APPROVED by the Council of the City of Ketchum this ____ day of November, 2022.

Neil Bradshaw, Mayor

ATTEST

Trent Donat, City Clerk