



Oelwein Utility Rates

1/25/2021

Water

- Goal
 - \$779,500 loan for Water Infrastructure Project
 - Already awarded \$600,000 in CDBG funds
 - 1,300,000 for an additional project/projects
 - Loan payment would be used on a future potential project
 - \$100,000 annual revenue for capital improvement projects in water
 - Upcoming copper and lead regulations



Rates

- The City needs to generate \$240,000 annually to make the requested obligations
- The City should be able to pay off two loans by 2027 opening \$240,000 annually
 - 2010 SRF \$100,000
 - 2106D SRF \$80,000
- This puts Oelwein in a five-year plan
- Continuing a two percent increase is a good practice



Increase

- Five-year plan

- 6% 2021
- 6% 2022
- 6% 2023
- 2% 2024
- 2% 2025

- Infrastructure Fee

- \$7.00 2021
- \$8.00 2022
- \$8.00 2023
- \$8.00 2024
- \$8.00 2025



Impact

- The increase leans 70 percent toward rates and 30 toward fees
 - Rate increases effect higher users the most versus a fee increase
- Industry and higher users see a larger increase
- The City is removing the higher user categories that offered discounts
 - Only two businesses qualified for this



Impact

2021-2022 Rates				FY 2022 6% Increase		
	Usage	1st 75 cf included in base	Water \$9.08 min \$3.62/100		Water \$9.43 min \$3.76/100	Increase
0 usage-Minimum billing	0-75		\$ 9.08		\$ 9.43	\$ 0.35
2 person household	368	293	\$ 19.69		\$ 20.45	\$ 0.76
3 person household	700	625	\$ 31.71		\$ 32.93	\$ 1.22
4 person household	767	692	\$ 34.13		\$ 35.45	\$ 1.32
5 person household	1,089	1,014	\$ 45.79		\$ 47.56	\$ 1.77
6 person household	1,587	1,512	\$ 63.81		\$ 66.28	\$ 2.47



Wastewater/Sewer

- Goal
 - \$1,000,000 Reed Bed Expansion
 - \$300,000 Nutrient Reduction
 - \$200,000 Clean Out Equalization Basin Replace Liner
 - \$200,000 Sewer Main Replacement
 - \$135,000 UV Disinfection
 - Infiltration/Inflow (INI Study)
 - Improvements to 4th and 5th NE
 - \$100,000 annual revenue for capital improvement projects in sewer/wastewater
 - \$70,000 in operating loss needs to be reconciled



Rates

- The City needs to generate \$320,000 to make the requested obligations
- The City should be able to pay off three loans by 2027 opening \$650,000 annually
 - 2005 SRF \$580,000
 - 2012 SRF \$50,000
 - 2017 SRF \$20,000
- Once the city enters 2027, cash can be used for projects to help reduce cost of loans



Increase

- Five-year plan

- 6% 2021
- 5% 2022
- 5% 2023
- 2% 2024
- 2% 2025

- Infrastructure Fee

- \$3.00 2021
- \$4.00 2022
- \$4.00 2023
- \$4.00 2024
- \$4.00 2025



Impact

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 - Rate increases effect higher users the most versus a fee increase
- Industry and higher users see a larger increase
- The City is removing the higher user categories that offered discounts
 - Only two businesses qualified for this



Impact

2021-2022 Rates					FY 2022 6% Increase	
	Usage	1st 75 cf included in base	Sewer \$14.89 min \$6.19/100		Sewer \$15.48 min\$6.43/100	Increase
0 usage-Minimum billing	0-75		\$ 14.89		\$ 15.48	\$ 0.59
2 person household	368	293	\$ 33.03		\$ 34.32	\$ 1.29
3 person household	700	625	\$ 53.58		\$ 55.67	\$ 2.09
4 person household	767	692	\$ 57.72		\$ 59.98	\$ 2.25
5 person household	1,089	1,014	\$ 77.66		\$ 80.68	\$ 3.02
6 person household	1,587	1,512	\$ 108.48		\$ 112.70	\$ 4.22



Discussion

- Questions and Comments from City Council
- Will start ordinance changes March 8
 - Council will put the five-year plan in place
 - Rates will still be reviewed annually to determine funding

