WATER/SEWER

2014-2015 BUDGET REVIEW

The City of Timpson Water/Sewer Fund Budget has the following items that should be noted:

5046.25 Computer Equipment – The computer currently used by L. Burns needs to be replaced and he has asked for the City to purchase a “weather station”.

5950.25 Automotive Exp – Mr. Burns has requested the purchase of a backup camera to be added to the utility truck

5150.25 Portable Hand Tools – Tapping Tool

Payroll: 2 Full Time Employees / 2% COLA; Health Insurance is based on an 25% increase in premiums

Grant # DRS220187 will be in construction phase during the 2014/2015 FY

The City of Timpson Water Department has a Bank Loan with a $20084.00 payoff as of June 2014. Payments totaling $9036.72 will be paid toward this debt.

Revenue for the City of Timpson Water/Sewer Department has been assessed as below operating needs for the past several audit cycles (see review by Frank Campos). In order to bring the Water Sewer Department revenue in line with its operating costs the city would need to change the Minimum Water Charge for both residential and commercial customers. 305 cities with a population of 2000 or under reported their water rates to the Texas Municipal League for 2014. On average, the water rate for 5000 gallons in that category was $36.50. The City of Timpson charges $17.60 for 5000 gallons of water for a residential customer. In that same survey 276 cities with populations under 2000 had an average sewer rate of $23.12 for 5000 gallons. The City of Timpson currently charges $17.60 for 5000 gallons of sewer.

I propose the council consider the following change in our Water rates for the FY 2014-2015 forward:

Residential Rates: Minimum (0 – 1000 gallons) ……….$15.00 5000 gallons: $22.60

Each additional 1000 gallons would be billed at $1.90/M (no change)

This would increase the Water Revenue by an estimated $30,000 per year

Commercial Rates: Minimum (0 – 1000 gallons) ……….$22.50 5000 gallons: $30.10

Each additional 1000 gallons would be billed at $1.90/M (no change)

This would increase the Water Revenue by an estimated $7,500 per year

**Sewer Rates would be not be included in the increase for either residential or commercial accounts.**