

Memorandum



CITY OF DALLAS

DATE June 1, 2018

TO Honorable Mayor and Members of the City Council

SUBJECT **Water Utilities – Upcoming Changes to Water Bills - Rates and Late Fee Assessment**

On February 5, 2018, the Government Performance and Financial Management Committee was briefed on changes to be included in the FY19 Proposed Budget for Dallas Water Utilities. As mentioned in the recent Taking Care of Business update, these will include a revised residential water and wastewater rate structure with a change in rate tiers and the addition of a new 5th tier. The current and proposed rate structure for residential and commercial customers is shown below.

| | | Water Rates (User Rate per 1,000 gallons) | | | |
|---|--------|---|--------------------------|-----------------------------|--|
| Residential | | <i>Existing</i> | <i>Proposed</i> | Proposed Residential | |
| Up to 4,000 gallons | \$1.92 | \$1.86 | Up to 4,000 gallons | | |
| 4,001 to 10,000 gallons | \$4.34 | \$4.00 | 4,001 to 10,000 gallons | | |
| 10,001 to 15,000 gallons | \$6.20 | \$6.50 | 10,001 to 20,000 gallons | | |
| Above 15,000 gallons | \$8.75 | \$9.30 | 20,001 to 30,000 gallons | | |
| | | \$10.70 | Above 30,000 gallons | | |
| General Services | | | | | |
| Up to 10,000 gallons | \$3.76 | \$3.73 | | | |
| Above 10,000 gallons | \$4.08 | \$4.05 | | | |
| Above 10,000 gallons & 1.4x annual average monthly usage | \$6.20 | \$6.16 | | | |

Over 96.5% of residential customers and all commercial customers will see a reduction in their monthly water and wastewater bills due to the reallocation of costs to reflect current usage patterns. Only residential customers using more than 30,000 gallons will see an increase to their volume charges. There will be no change to the customer charge.

Additionally, effective October 1st, the application of a late fee to an account will be extended by five days from the 16th day after invoice to the 21st day after invoice. This change is being initiated based on customer feedback and the results of benchmarking with other utilities. This will provide enhanced customer service to both residential and commercial customers. It is estimated this change could potentially reduce annual late fee revenues by approximately \$1.5 million.

DATE June 1, 2018
SUBJECT Water Utilities – Upcoming Changes to Water Bills - Rates and Late Fee Assessment

If you have any questions, please contact me or Terry S. Lowery, Interim Director of Dallas Water Utilities.



Majed A. Al-Ghafry
Assistant City Manager

c: T.C. Broadnax, City Manager
Larry Casto, City Attorney
Craig D. Kinton, City Auditor
Biliera Johnson, City Secretary
Daniel F. Solis, Administrative Judge
Kimberly Bizer Tolbert, Chief of Staff to the City Manager
Jo M. (Jody) Puckett, Assistant City Manager (Interim)

Jon Fortune, Assistant City Manager
Joey Zapata, Assistant City Manager
M. Elizabeth Reich, Chief Financial Officer
Nadia Chandler Hardy, Chief of Community Services
Raquel Favela, Chief of Economic Development & Neighborhood Services
Theresa O'Donnell, Chief of Resilience
Directors and Assistant Directors