



# RESOURCE MANAGEMENT AGENCY

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**DATE: JULY 3, 2019**

**TO: ALL INTERESTED PARTIES**

**FROM: *RM* ROSS MILLER, P.E. – CHIEF ENGINEER**

**SUBJECT: COMMERCIAL BASE RATE – ADDENDUM TO *THE SEVILLE WATER COMPANY AND YETTEM COMBINED CSD WATER RATE ANALYSIS***

This serves as an addendum to *The Seville Water Company and Yettem Combined CSD Water Rate Analysis* for 2” commercial base rate for metered rates. At the time of the rate study, the only rates analyzed were for single family dwelling, school, vacancy, and standby and did not include a rate for commercial customers. At the present time, there are no commercial connections but staff has received inquiries for a commercial connection in the near future in the community of Seville. Commercial water meters are typically larger than the single family dwelling and their flow capacity is greater, therefore agencies typically establish a higher base rate for these customers.

Rates for 2” meters were reviewed for communities in Tulare County. 2” meters rates were found to be between 3.19 and 4.23 times the rate of a 1” meter. Based on these findings and industries standards, this review found a 2” commercial meter rate should be three times the 1” single family dwelling meter rate for the communities. A flat rate for commercial connections has not been analyzed and future commercial connection will require a metered connection. The usage charge will remain the same as Rate Adjustment Option #2 from Seville Water Company and Yettem Combined CSD Water Rate Analysis.

## **2” COMMERCIAL METER BASE RATE FOR FIVE YEARS**

<b>Incremental Base Fee Increase in Future Years</b>					
	<b>FY 2019</b>	<b>FY 2020 3.5% Increase</b>	<b>FY 2021 3.5% Increase</b>	<b>FY 2022 3.5% Increase</b>	<b>FY 2023 3.5% Increase</b>
<b>2" Commercial meter</b>	<b>\$ 145.50</b>	<b>\$ 150.60</b>	<b>\$ 155.85</b>	<b>\$ 161.30</b>	<b>\$ 166.95</b>

The incremental base fee in future years are to adjust for inflation factors discussed in the rate study.

RM:rs