



Utility Rates

Citizen Rate Review Committee Meeting

January 20, 2016

Agenda

- Wastewater follow-up information
- Water follow-up information
- Combined utility bill impacts

Wastewater Follow-up

Wastewater CIP (w/ 4% increase)

PROJECT	TOTAL	Reduction (Addition) From Original
2nd St. Parking Lot Rehab	\$50,000	
S. Springbrook (Bypass)	\$50,000	
Inflow & Infiltration Projects	\$3,450,000	\$750,000
Dayton Avenue PS	\$4,300,000	
WWTP Sawdust Bays	\$350,000	\$0
WWTP Hypochlorite Generation	\$720,000	
Operations Remodel	\$300,000	(\$300,000)
Compost Facility	\$155,000	
Roofing Replacement	\$320,000	\$130,000
WWTP Sewer Line (to and thru)	\$0	\$2,000,000
Coating for PS; Fernwood & Creekside	\$200,000	
Wastewater Master Plan	\$300,000	
Hess Creek	\$2,600,000	\$900,000
Structural Improvements to Ex. Oxidation Digester	\$2,200,000	
I & I Report	\$200,000	
520 W. 3rd Property Purchase	\$15,625	
N. Springbrook Trunkline	\$1,664,000	
MULTI FUNDED PROJECTS (Wastewater S	\$0	
Maintenance Facility - Fleet	\$187,500	
Maintenance Facility - Administration	\$250,000	
Maintenance Facility - Site Work	\$100,000	
Total CIP	\$17,412,125	\$3,480,000

Original was 5.95% scenario; Blue text shows changes are from 3.25% increase scenario

Wastewater Rates (w/ 4% increase)

	Current	Proposed	Proposed
Customer Class	2015/16	2016/17	2017/18
Service Charge (\$/Month)	\$20.66	\$21.20	\$22.41
Multifamily Unit Charge	\$18.24	\$18.59	\$19.73
Volume Charge (\$/ccf)			
Single Family	\$8.19	\$8.57	\$8.84
Multifamily	\$8.19	\$8.57	\$8.84
Commercial - 1	\$8.19	\$8.57	\$8.84
Commercial - 2	\$10.02	\$10.52	\$10.85
Commercial - 3	\$16.37	\$17.26	\$17.79
Industrial	\$10.02	\$10.52	\$10.85
Outside City	\$8.19	\$8.57	\$8.84
Average Residential Bill	\$63.17	\$65.69	\$68.30
Bill Increase		\$2.52	\$2.61

Other wastewater scenario bill increases for FY2016/17 = \$3.69 (@5.95%); \$2.05 (@3.25%)

Water Follow-up

Summary

- 3.5% Annual Rate Increase Needed for Potable Water Rates:
 - Continued operation of the utility at current staffing levels
 - Increase rate revenue for non-growth related CIP
 - Significant additional capital improvements forecast beyond planning period (maintain capital reserve)
- Nonpotable water rates calculated based on separate system costs

Nonpotable Water Rate Analysis: Operation & Maintenance

	FY2009	FY2016
O&M Costs		
Direct Costs		
Actual Costs		
Labor		\$16,570
Materials & Equipment		\$61,720
Prior Estimate		
Filtration Equipment	\$52,899	
Pump Station & Filtration Bldg	\$4,502	
Conveyance Piping	\$4,502	
Subtotal	\$61,903	\$78,290
Indirect Costs		
PW Administration	\$24,857	\$12,570
Franchise Fee	\$2,987	\$8,109
Total Annual O&M	\$89,747	\$98,969
Projected annual use (100 cf)	47,032	54,382
O&M Rate (\$/100 cf)	\$1.91	\$1.82

*Prior estimate based on 2009 Engineer's Predesign Report
Revised annual use based on 3-year average (2013-2015)*

Nonpotable Water Rate Analysis: Capital Costs

	FY2009	FY2016
Debt Service		
Water share	\$340,000	\$320,000
Facility Capacity (mgd)	1.0	1.0
Facility Capacity (100 cf) (1)	243,984	243,984
Capital Rate (\$/100 cf)	\$1.39	\$1.31
(1) Assumes system is operated for 6 mos. Of year		

Nonpotable Rate Comparison

	Nonpotable	Potable (1)	% Nonpotable
Volume Rates			
Operation & Maintenance	\$1.82		
Capital	\$1.31		
Total	\$3.13		
Potable Irrigation Customer		\$6.69	47%
Potable System Average		\$4.17	75%
Monthly Base Charge			
4" Meter	\$55.24	\$198.66	28%
8" Meter	\$173.82	\$629.80	28%
Sample Bill (2)			
4" Meter	\$1,620.97	\$2,282.83	71%
8" Meter	\$3,305.27	\$4,798.15	69%
(1) January 2016 adopted rates			
(2) Potable based on system avg rate and 500 ccf for 4", 1,000 ccf for 8"			

Comparison of Current & Revised (@3.5%) Potable Water Rates

	Adopted	Revised	Revised
Customer Class	2015/16	2016/17	2017/18
Service Charge (\$/Month)	\$1.93	\$2.18	\$2.18
Meter Charge (\$/Month)			
3/4"	\$11.78	\$12.48	\$12.95
8"	\$627.87	\$665.18	\$690.24
Volume Charge (\$/ccf)			
Residential	\$3.85	\$3.86	\$4.00
Multifamily	\$3.15	\$3.16	\$3.27
Commercial	\$3.75	\$3.81	\$3.94
Industrial	\$3.95	\$4.01	\$4.15
Irrigation	\$6.69	\$6.96	\$7.20
Outside City	\$5.78	\$5.79	\$6.01
Public Agency	\$3.88	\$3.97	\$4.11
Revenue from Fixed Charge	23%	27%	27%

Ccf = hundred cubic feet (748 gallons)

Sample Bill Impacts (Potable)

CUSTOMER CLASS	Monthly Use (ccf)	2015/16	2016/17	2017/18	Annual \$ Increase	
					2016/17	2017/18
		Monthly Bill				
Residential	1.0	\$17.56	\$18.52	\$19.13	\$0.96	\$0.61
Residential	7.0	\$40.67	\$41.69	\$43.16	\$1.02	\$1.47
Multifamily	48.1	\$173.73	\$175.29	\$181.35	\$1.56	\$6.06
Commercial	31.7	\$140.86	\$144.20	\$149.20	\$3.34	\$5.00
Industrial	97.4	\$425.30	\$433.99	\$449.11	\$8.69	\$15.12
Irrigation	51.0	\$405.61	\$423.29	\$437.93	\$17.68	\$14.64
Outside City	7.0	\$54.17	\$55.19	\$57.20	\$1.02	\$2.01
Public Agency	55.2	\$278.70	\$287.39	\$297.45	\$8.69	\$10.06

Ccf = hundred cubic feet (748 gallons)

Combined Bill Impacts

Sample Residential Monthly Bill (Combined)

	Adopted	Revised	Revised
Utility	2015/16	2016/17	2017/18
Stormwater	\$8.67	\$9.45	\$10.30
Wastewater	\$63.17	\$65.69	\$68.30
Water	\$40.67	\$41.69	\$43.16
Total	\$112.51	\$116.83	\$121.76
<i>Difference (\$)</i>		<i>\$4.32</i>	<i>\$4.93</i>
<i>Difference (%)</i>		<i>3.8%</i>	<i>4.2%</i>

Next Steps

- Committee Deliberations
- Town Hall
- City Council

Discussion