



Stormwater Rates

Citizen Rate Review Committee Meeting

November 5, 2015

Agenda

- Rate History (Correction)
- Recap
 - Revenue requirements
 - Rate recommendations
- Summary
- Discussion

Rate History (Corrected)

- Adopted by the City in 2003
 - Initial rate = **\$2.00** per Equivalent Dwelling Unit
 - EDU Definition
 - Flat for residential
 - 2,877 sq. ft. impervious area for multifamily and commercial
- Last review completed in 2014
 - 9% annual rate increases
 - Rates implemented
 - January 1, 2015 - \$7.96
 - January 1, 2016 - \$8.67

Projected Operation & Maintenance Costs

Operation & Maintenance (O&M) Costs			
	Fiscal Year		
	2015/16	2016/17	2017/18
Personnel	\$638,188	\$650,441	\$676,459
Materials & Services	\$27,220	\$27,476	\$28,300
Contractual Services	\$43,500	\$27,113	\$27,926
TMDL & Quality Outreach	\$16,500	\$16,655	\$17,155
Utilities & Fuel	\$22,525	\$22,957	\$23,876
Repair & Maintenance	\$82,700	\$88,724	\$90,798
Internal Svc Charges	\$167,486	\$173,875	\$180,518
Franchise Fee	\$61,255	\$66,789	\$73,163
Vehicle/Computer Replacement	\$20,000	\$91,000	\$91,000
Capital Outlay	\$50,000	\$0	\$37,500
	\$1,129,374	\$1,165,030	\$1,246,695
Adjusted % of budget spent	\$1,112,762		

*Assumed % of budget spent = 98%

Projected Stormwater Capital Improvement Plan (CIP)

PROJECT	Fiscal Year						TOTAL
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Inflation-Adjusted *	\$585,636	\$515,000	\$498,623	\$587,341	\$540,244	\$695,564	\$3,422,408
Stormwater Only Projects	\$585,636	\$515,000	\$392,533	\$382,455	\$540,244	\$405,745	\$2,821,613
Multifunded Projects	\$0	\$0	\$106,090	\$204,886	\$0	\$289,819	\$600,795
By Funding Source							
Rates	\$533,136	\$462,500	\$463,623	\$534,841	\$518,744	\$630,564	\$3,143,408
SDC	\$52,500	\$52,500	\$35,000	\$52,500	\$21,500	\$65,000	\$279,000
Total Inflation Adjusted	\$585,636	\$515,000	\$498,623	\$587,341	\$540,244	\$695,564	\$3,422,408
<i>*Revised slightly from page 12 of 10/22 presentation to reflect 3% capital inflation (instead of 3.5%)</i>							

Capital Funding (Total)

		Total
Existing Reserves		\$684,702
Current Rates		\$2,508,070
SDCs		\$229,636
Total Sources		\$3,422,408
Inflation-Adjusted CIP		\$3,422,408
Ending Reserves		\$0
Total Uses		\$3,422,408

Revenue Requirements from Rates

Item	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Revenue Requirements:						
O&M Costs	\$1,112,762	\$1,165,030	\$1,246,695	\$1,235,663	\$1,312,254	\$1,393,594
Rate & Reserve Supported Capital	\$582,500	\$462,500	\$463,623	\$534,841	\$518,744	\$630,564
Total Revenue Requirements	\$1,695,262	\$1,627,530	\$1,710,318	\$1,770,504	\$1,830,998	\$2,024,158
Less:						
Uses of Reserves	\$439,910	\$260,554	\$217,055	\$138,502	\$46,529	\$72,332
Nonrate Revenues	\$30,250	\$31,195	\$30,003	\$29,117	\$28,655	\$28,359
Revenue Requirements from Rate	\$1,225,102	\$1,335,781	\$1,463,259	\$1,602,885	\$1,755,814	\$1,923,467
Annual rate revenue for CIP	\$142,590	\$201,946	\$246,567	\$396,339	\$472,215	\$558,232

Recommended Rates

Item	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<i>Projected Rate Increase</i>		9.00%	9.00%	9.00%	9.00%	9.00%
<i>Typical Residential Bill</i>	\$8.67	\$9.45	\$10.30	\$11.23	\$12.24	\$13.34
<i>Bill Change</i>		\$0.78	\$0.85	\$0.93	\$1.01	\$1.10

Summary

- 9% Annual Rate Increase Needed for:
 - Continued operation of the utility at current staffing levels
 - Increase rate revenue for non-growth related CIP
 - Maintain operating contingency (16% of O&M) for emergency repairs, etc.
- Rate will be re-evaluated in 2 years

Discussion