

Town Hall Meeting

Citizen Rate Review Committee

March 1, 2018

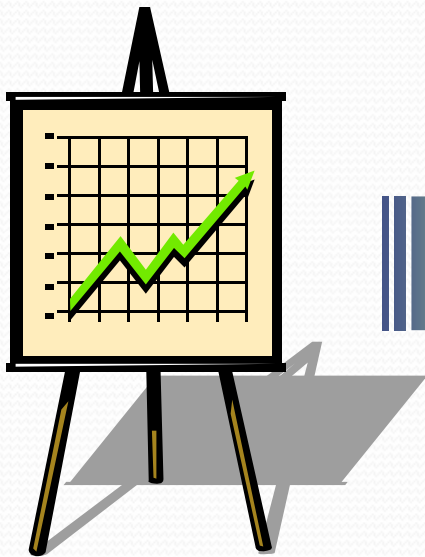
Agenda

- Overview of Rate Setting Process
- Capital Requirements
- Recommended Revenues and Rates
- Bill Comparisons
- Next Steps

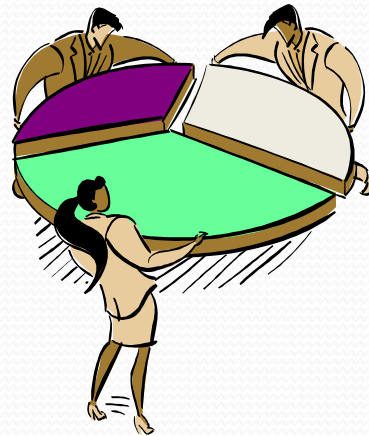
Overview of Rate-Setting Process

3-Step Rate-Setting Process

Financial Plan



Cost of Service Analysis



Rate Design



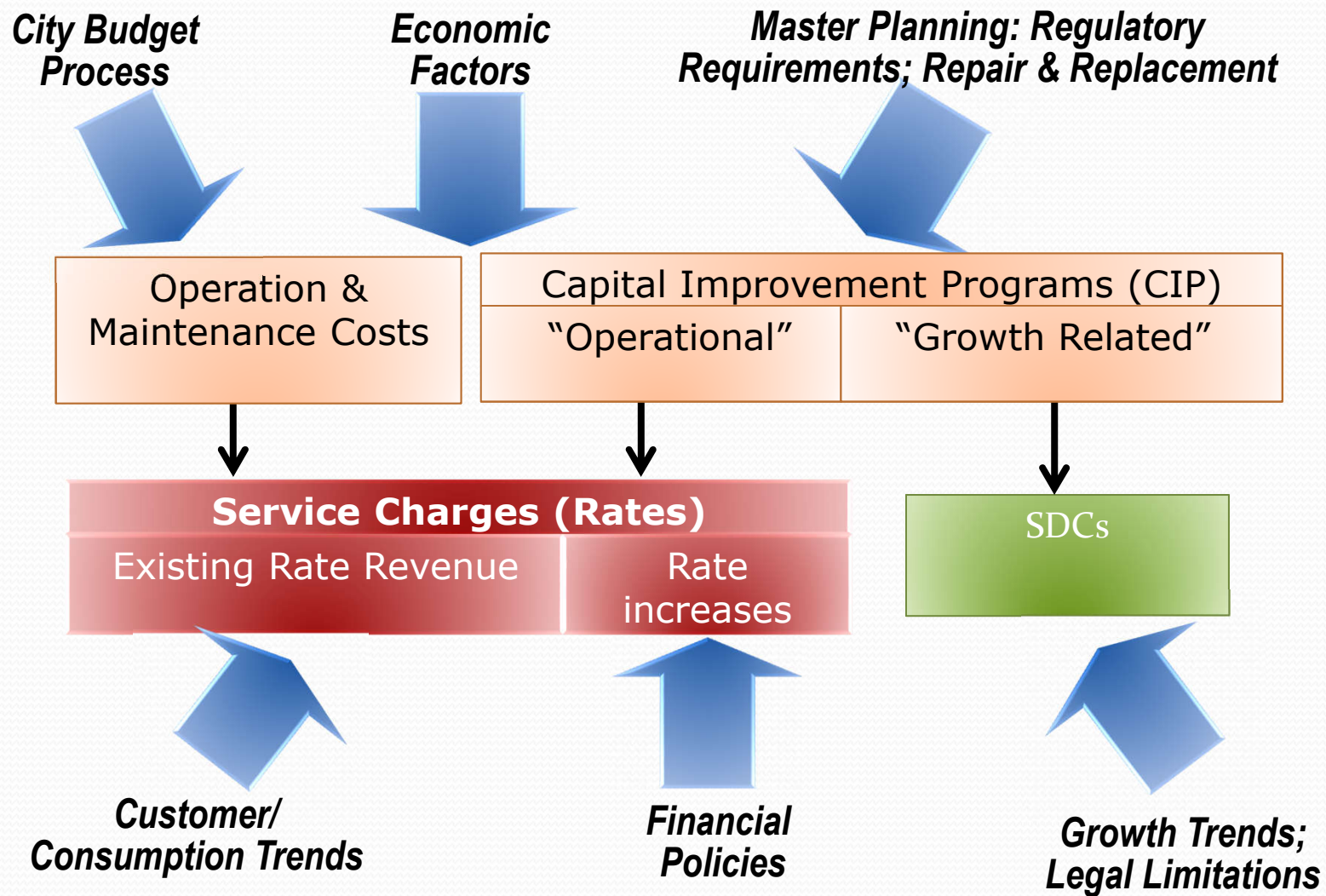
Financial Plan Development

- Annual cash flow projections over 5-10 year periods

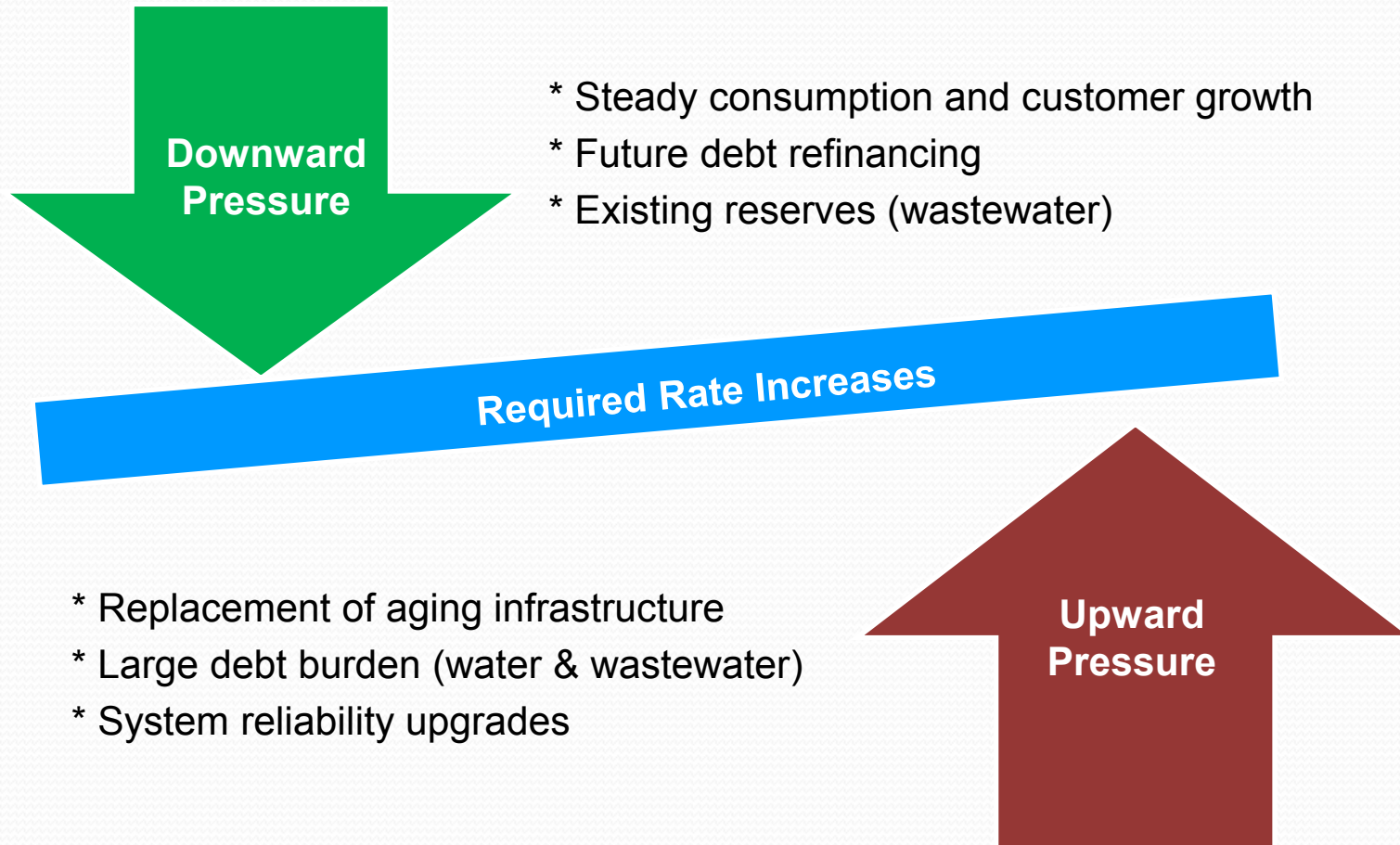
Sources of Funds	Operating Expenses	Capital Financing	Other Requirements
Reserves	Personnel	Cash Funded	Fund Transfers
Service Revenues	Materials	Debt Service	Future Capital Reserves
SDCs*	Services		
Miscellaneous Fees	Utilities		
Other (interest, grants, etc.)	Repair & Maint.		

*SDCs = System Development Charges

Financial Plan Drivers



Current Rate Pressures



Capital Requirements

Capital Improvement Plan (Water)

Inflation- Adj Capital	Fiscal Year						Total
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	
Current Plan	2,030,000	2,038,370	2,278,813	4,145,888	2,565,738	2,320,693	15,379,502
Prior Plan	\$758,544	\$1,319,469	\$1,260,570	\$457,913	\$770,163	\$793,268	5,359,927
Difference	\$1,271,456	\$718,901	\$1,018,243	\$3,687,975	\$1,795,575	\$1,527,425	\$10,019,575

Key Projects:

- *Redundant Water Supply (\$4 m)*
- *Chehalem Drive Extension (\$1 m)*
- *Bell Pump stations (\$2.5 m)*
- *Pipe upsizing and replacement (\$2 m)*

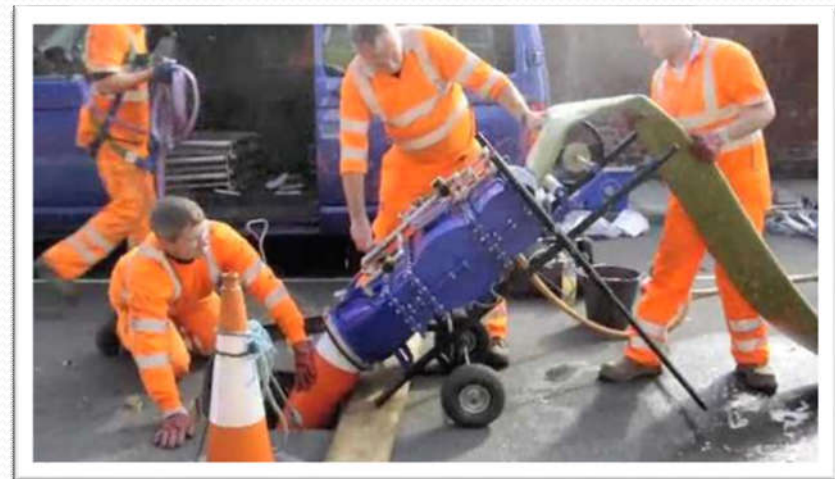


Capital Improvement Plan - Wastewater

Inflation- Adj Capital	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Current Plan	\$4,395,000	\$1,503,800	\$2,790,167	\$4,021,235	\$2,172,232	\$1,565,020	\$16,447,454
Prior Plan	\$3,400,185	\$805,886	\$2,757,497	\$1,854,838	\$2,757,066	\$3,289,913	\$14,865,385
Difference	\$994,815	\$697,914	\$32,670	\$2,166,397	-\$584,834	-\$1,724,893	\$1,582,069

Key Projects:

- *Hess Creek (\$3.5 m)
- *Infiltration & Inflow (\$5 m)
- *Dayton Ave Pump station (\$2 m)
- *Oxidation ditch structural (\$2 m)
- *Chehalem Extension (\$1 m)



Capital Improvement Plan (Stormwater)

Inflation- Adj Capital	FY 2018	FY 2019	FY 2020	FY 2021	Total
Current Plan	\$950,000	\$154,500	\$596,756	\$601,000	\$2,302,256
Prior Plan	\$498,623	\$587,341	\$540,244	\$695,564	\$2,321,772
Difference	\$451,377	-\$432,841	\$56,512	-\$94,564	-\$19,516

Key Projects (through 2023):

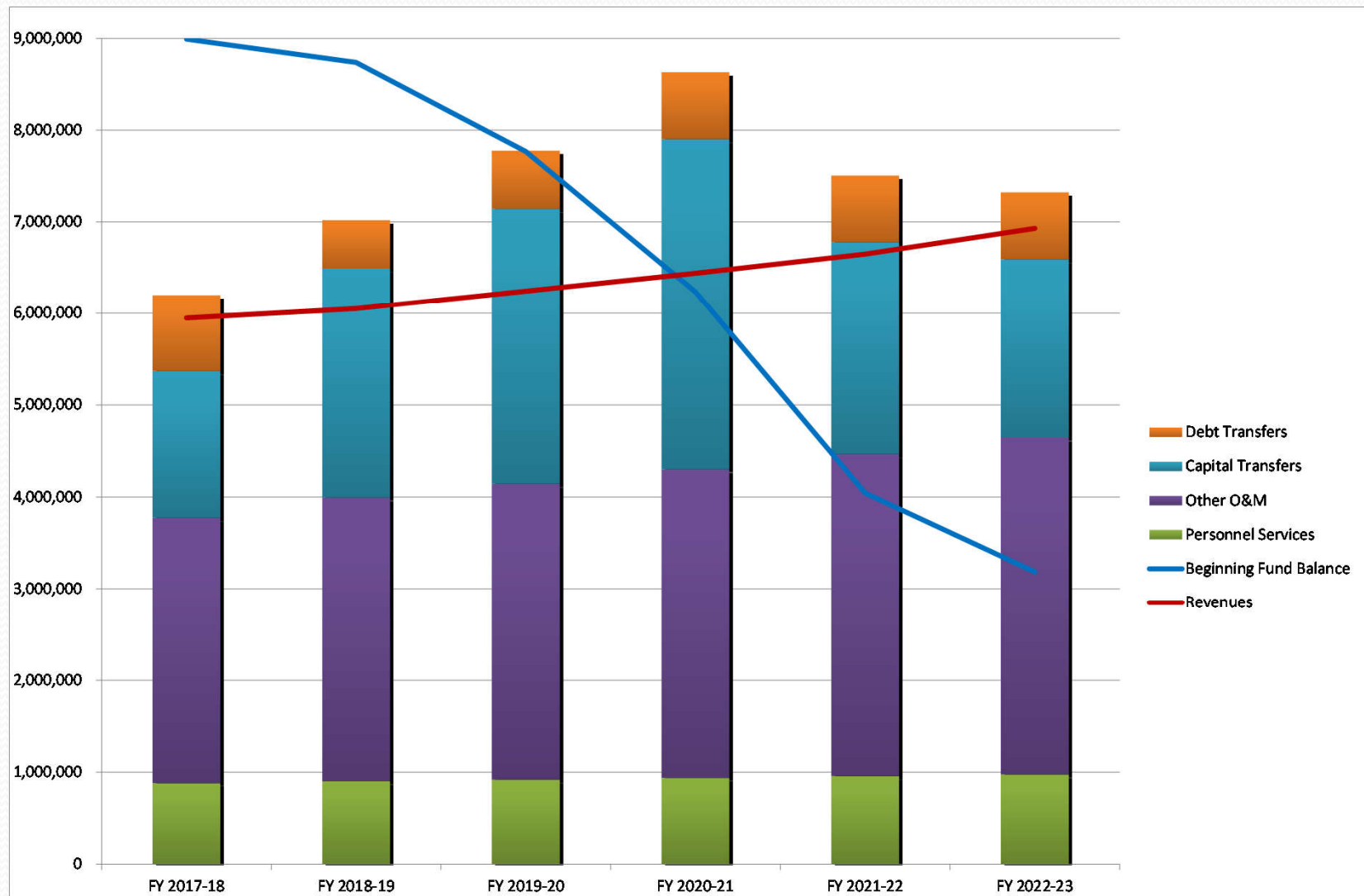
- **Drainage upgrades (\$2.0 m)*
- **Water Quality/regulatory (\$0.3 m)*
- **Maintenance facility (\$0.5 m)*



Recommended Revenues & Rates

Financial Forecast - Water

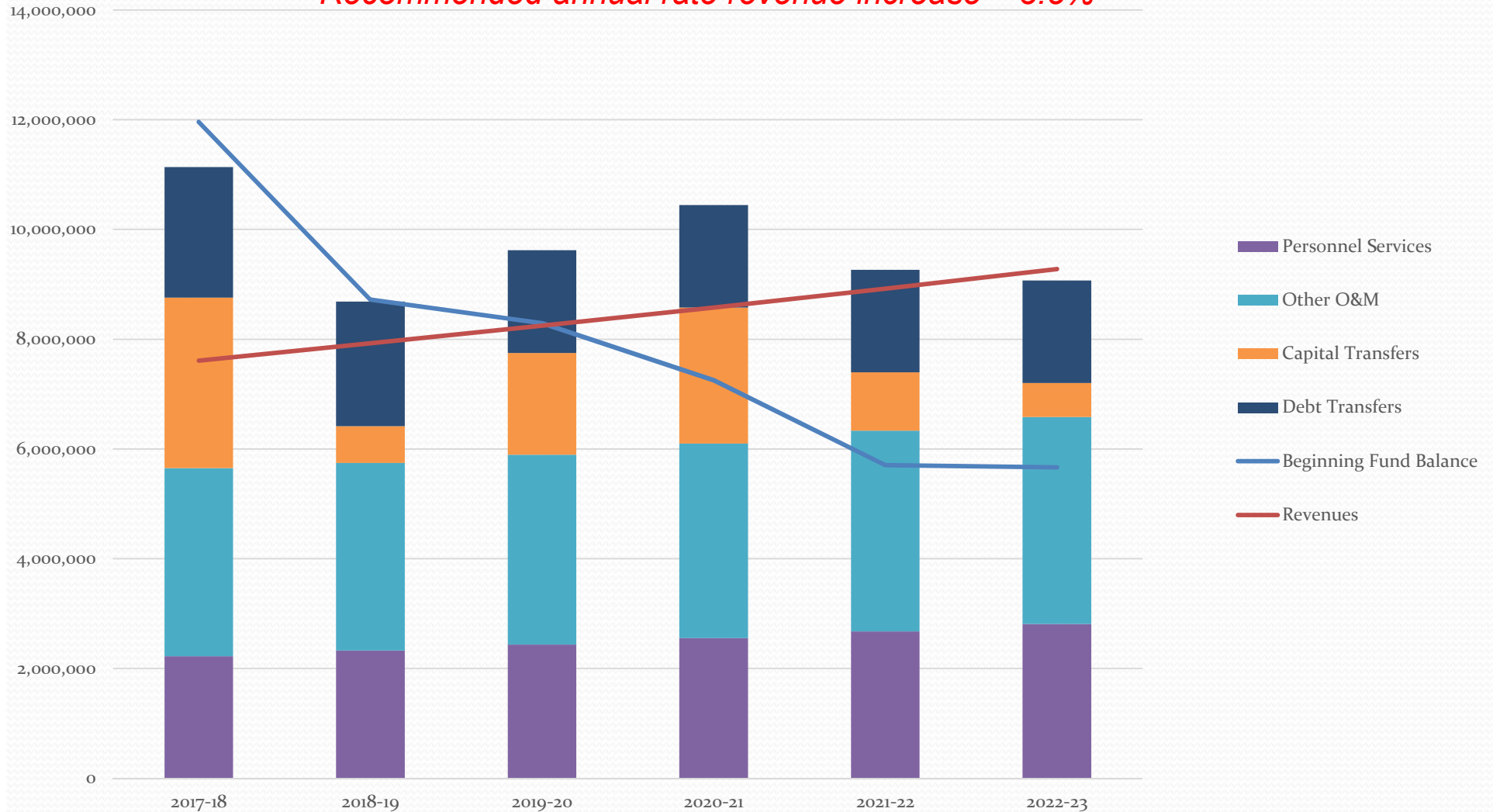
Recommended annual rate revenue increase = 4.0%



**See handout for rate schedule*

Financial Forecast - Sewer

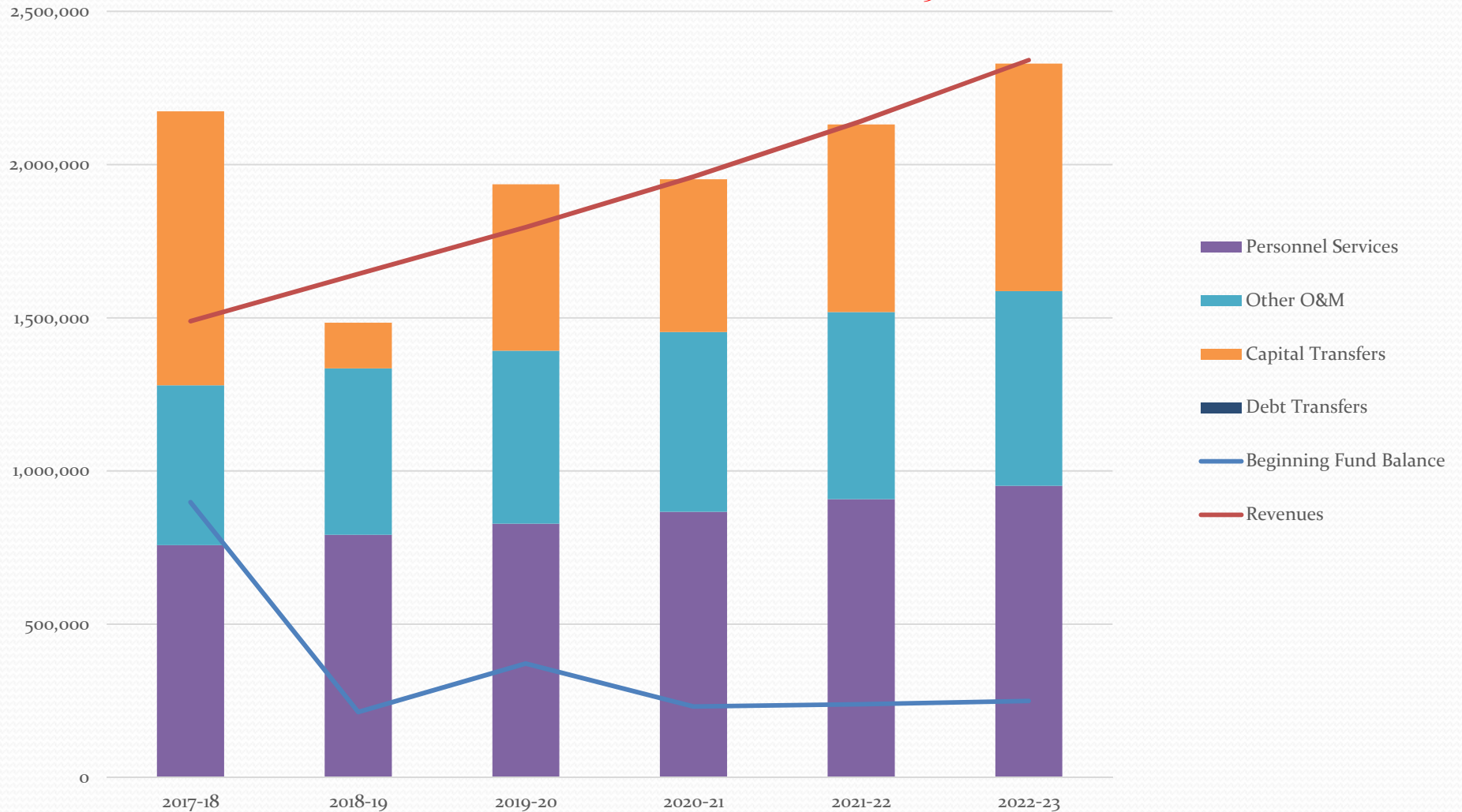
Recommended annual rate revenue increase = 3.5%



**See handout for rate schedule*

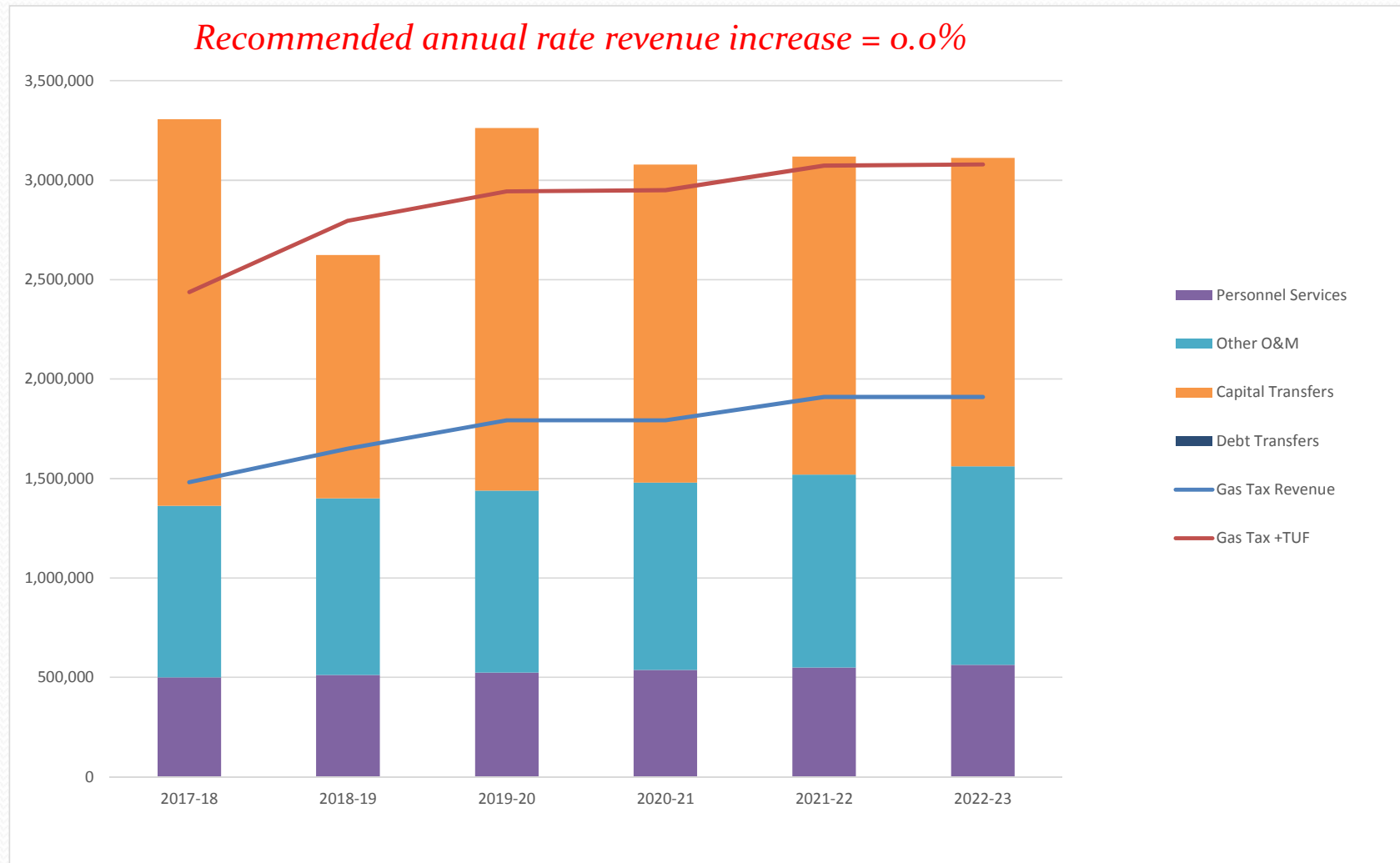
Financial Forecast - Stormwater

Recommended annual rate revenue increase = 9.0%



**See handout for rate schedule*

Financial Forecast – Transportation

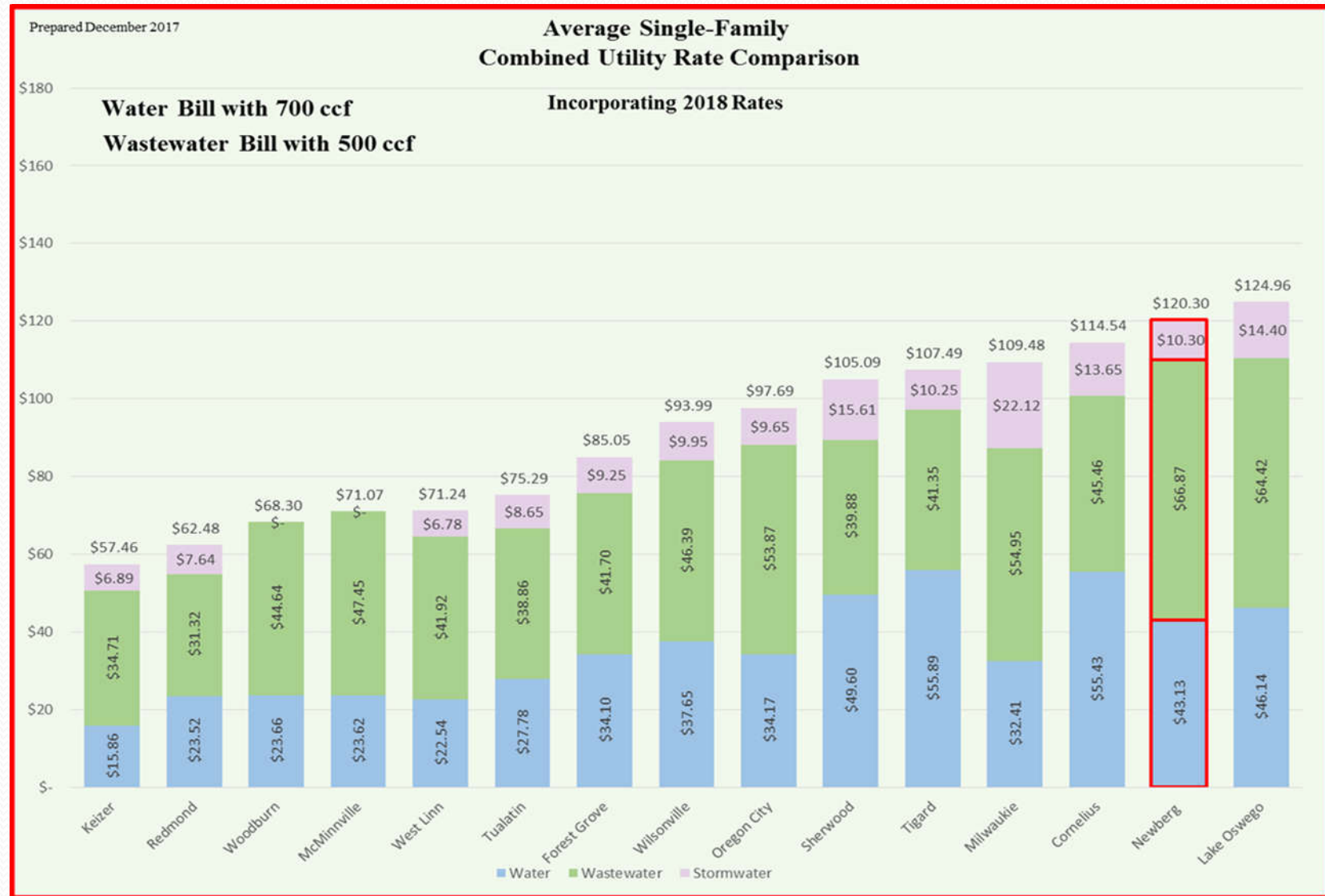


**See handout for rate schedule*

Typical Residential Bill – All Systems

Overall Increase					1-Jan	1-Jan
2019	2020	System	Units	Current	2019	2020
4.0%	4.0%	Water	7	\$43.16	\$44.83	\$46.84
3.5%	3.5%	Sewer	5	\$66.87	\$69.41	\$71.85
9.0%	9.0%	Storm	1	\$10.30	\$11.23	\$12.24
		TUF	1	\$4.99	\$4.99	\$4.99
		Public Safety	1	\$3.00	\$3.00	\$3.00
		Communication	1	\$2.04	\$2.04	\$2.04
		Total		\$130.36	\$135.50	\$140.96
		<i>Difference \$</i>			<i>\$5.14</i>	<i>\$5.46</i>
		<i>Difference %</i>			<i>3.9%</i>	<i>4.0%</i>

Residential Utility Bill Comparison (2018)



Factors Impacting Bill Comparison

- Regional systems vs. single system
- Infiltration & inflow investment
- Debt burden
- City policies (e.g. franchise fees)
- Public vs private

Next Steps

- CRRC Deliberation: March 15
- City Council Public Hearing: April 2