



# ***Final Meeting***

Citizen Rate Review Committee

February 18, 2016

# *Agenda*

- Additional Nonpotable Option
- Rate schedules
- Sample Bills

# *Nonpotable Rate Option*

# Nonpotable Water Rate Analysis: Revised Operation & Maintenance

	FY2009	FY2016
<b>O&amp;M Costs</b>		
<b>Direct Costs</b>		
<b>Actual Costs</b>		
Labor		\$16,570
Materials & Equipment		\$61,720
<b>Prior Estimate</b>		
Filtration Equipment	\$52,899	
Pump Station & Filtration Bl	\$4,502	
Conveyance Piping	\$4,502	
Subtotal	\$61,903	\$78,290
<b>Indirect Costs</b>		
PW Administration	\$24,857	\$12,570
Franchise Fee	\$2,987	\$6,497
<b>Total Annual O&amp;M</b>	<b>\$89,747</b>	<b>\$97,357</b>
Projected annual use (100 cf)	47,032	54,382
O&M Rate (\$/100 cf)	\$1.91	\$1.79

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

# Nonpotable Water Rate Analysis: Revised Capital Costs

	FY2009	FY2016
<b>Debt Service</b>		
Water share (1)	\$340,000	\$175,360
Facility Capacity (mgd)	1.0	1.0
Facility Capacity (100 cf) (2)	243,984	243,984
Capital Rate (\$/100 cf)	\$1.39	\$0.72
<b>Capital Cost Recovery</b>		
Projected annual use (100 cf)	47,032	54,382
Annual capital cost recovery	\$65,540	\$39,086
% of Total Debt		6%
% of Water Debt		22%
(1) Reflects current budget allocation of debt (27.4% water)		
(2) Assumes system is operated for 6 mos. Of year		

# Revised Nonpotable Rate Comparison

	Nonpotable		Potable (1)	% Nonpotable
	Current	Revised		
<b>Volume Rates</b>				
Operation & Maintenance		\$1.79		
Capital		\$0.72		
<b>Total</b>	<b>\$3.52</b>	<b>\$2.51</b>		
Potable Irrigation Customer			\$6.96	36%
Public Agency Customer			\$3.97	63%
<b>Monthly Base Charge</b>				
4" Meter		\$56.34	\$208.42	27%
8" Meter		\$177.30	\$665.18	27%

# ***Recommended Rates***

# Recommended Potable Water Rates & Average Residential Bill

*\*Recommendation to increase revenue from fixed charges to 27% (from 23%)*

	Adopted	Proposed	Proposed
Customer Class	2015/16	2016/17	2017/18
<b>Service Charge (\$/Month)</b>	\$1.93	\$2.18	\$2.18
<b>Meter Charge (\$/Month)</b>			
3/4"	\$11.78	\$12.48	\$12.95
8"	\$627.87	\$665.18	\$690.24
<b>Volume Charge (\$/ccf)</b>			
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
<b>Avg. Residential Bill (7 ccf)</b>	<b>\$40.67</b>	<b>\$41.69</b>	<b>\$43.16</b>
		<b>\$1.02</b>	<b>\$1.47</b>

# Recommended Wastewater Rates and Average Residential Bill

*\*Recommendation to increase revenue from fixed charges to about 33% (from 32%)*

<b>Component</b>	<b>Current 2015/16</b>	<b>Proposed 2016/17</b>	<b>Proposed 2017/18</b>
<b>Service Charge (\$/Month)</b>	\$20.66	\$21.20	\$22.41
Multifamily Unit Charge	\$18.24	\$18.59	\$19.73
<b>Volume Charge (\$/ccf)</b>			
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
<i>Avg Residential Bill (5.19 ccf)</i>	<i>\$63.17</i>	<i>\$65.69</i>	<i>\$68.30</i>
<i>Bill Increase</i>		<i>\$2.52</i>	<i>\$2.61</i>

# Recommended Stormwater Rates & Average Residential Bill

Item	Current 2015/16	Proposed 2016/17	Proposed 2017/18
<i>Rate per Equivalent Dwelling Unit</i>	\$8.67	\$9.45	\$10.30
<i>Residential Bill Change</i>		\$0.78	\$0.85

*\*Equivalent Dwelling Units are determined based on square footage impervious area for nonresidential customers*

# Sample Residential Monthly Bill (Combined)

	Adopted	Revised	Revised	Annual % Change	
Utility	2015/16	2016/17	2017/18	2016/17	2017/18
Stormwater	\$8.67	\$9.45	\$10.30	9.0%	9.0%
Wastewater (5.19 ccf)	\$63.17	\$65.70	\$68.30	4.0%	4.0%
Water (7.0 ccf)	\$40.67	\$41.69	\$43.16	2.5%	3.5%
<b>Total</b>	<b>\$112.51</b>	<b>\$116.84</b>	<b>\$121.76</b>	<b>3.8%</b>	<b>4.2%</b>
<i>Difference (\$)</i>		\$4.33	\$4.92		
<i>Difference (%)</i>		3.8%	4.2%		

# Sample Other Monthly Bills (Combined)

	Adopted	Proposed	Proposed	Annual Difference	
Customer/Utility	2015/16	2016/17	2017/18	2016/17	2017/18
<b>Commercial (3/4" meter, 3 stormwater EDUs)</b>					
Stormwater	\$26.01	\$28.35	\$30.90	9.0%	9.0%
Wastewater (10 ccf)	\$102.56	\$106.92	\$110.82	4.2%	3.6%
Water (15 ccf)	\$67.98	\$69.58	\$72.03	2.3%	3.5%
<b>Total</b>	<b>\$196.55</b>	<b>\$204.85</b>	<b>\$213.75</b>	4.2%	4.3%
<i>Difference (\$)</i>		\$8.30	\$8.90		
<b>Industrial (3" meter, 10 stormwater EDUs)</b>					
Stormwater	\$86.70	\$94.50	\$103.01	9.0%	9.0%
Wastewater (30 ccf)	\$321.26	\$336.89	\$347.95	4.9%	3.3%
Water (100 ccf)	\$177.00	\$184.95	\$191.74	4.5%	3.7%
<b>Total</b>	<b>\$584.96</b>	<b>\$616.34</b>	<b>\$642.70</b>	5.4%	4.3%
<i>Difference (\$)</i>		\$31.38	\$26.35		

## *Next Step*

- City Council Public Hearing: Mar. 7