

Stormwater Rates

Citizen's Rate Review Committee Meeting

October 22, 2015

Agenda

- Background
 - Stormwater rates
 - Rate-setting process
- System Revenues and Requirements
- Preliminary Results
 - Rates
 - Bills

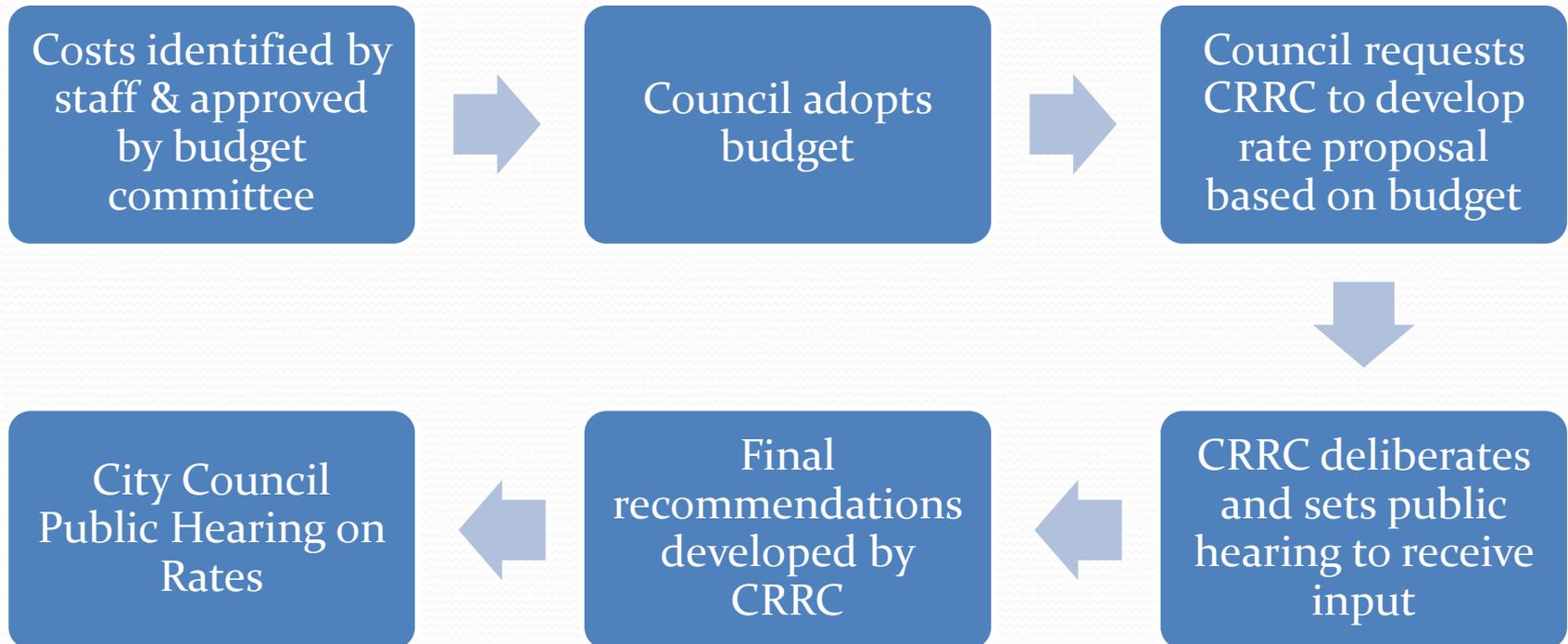
Stormwater Rates

- Adopted by the City in 2003
 - Initial rate = \$4.13 per Equivalent Dwelling Unit (generate approx. \$0.5 million)
 - 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

Citizen Rate Review Committee Process

2.15.200 Authority.

B. Fees shall be imposed upon all users of the stormwater system, both in and outside the city, and shall be just and equitable charges for service, maintenance, operation, debt service, and reconstruction of the stormwater system.



Financial Plan Development

- Annual cash flow projections over 5-10 year period

Sources of Funds

Fund Balances

User Charges

SDCs

Interest Income

Miscellaneous Fees

Operating Expenses

Personnel

Utilities & Fuel

Repair & Maint.

Vehicle Replacement

Contract Services

Capital Improvement Plan Financing

Cash Funded

Debt Service

Other Requirements

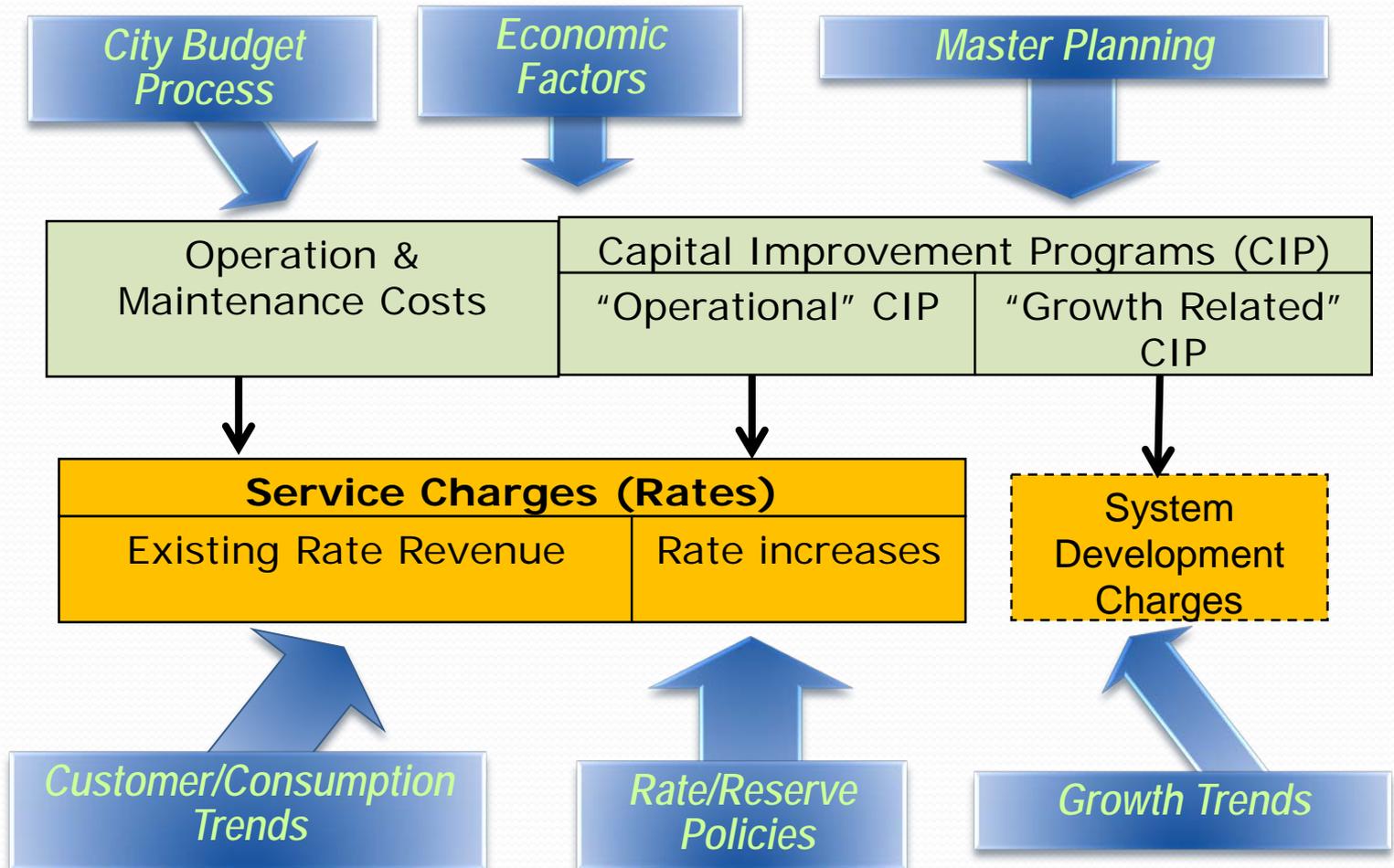
Internal Charges

Routine Capital

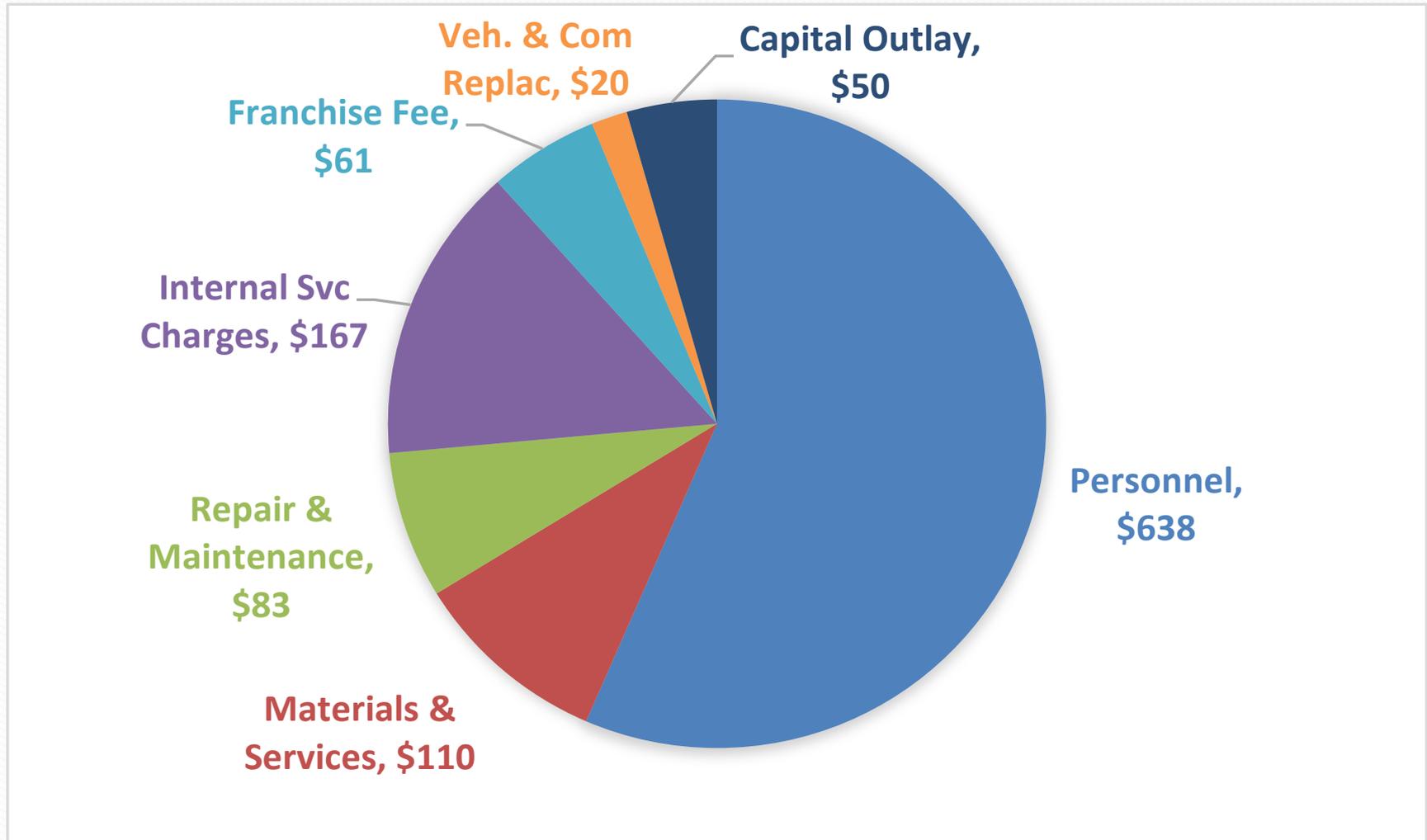
Franchise Fees

Establishes Annual Revenue Requirements

Financial Plan Drivers



FY2016 Budgeted Stormwater Operating Costs (\$1.1 million)*



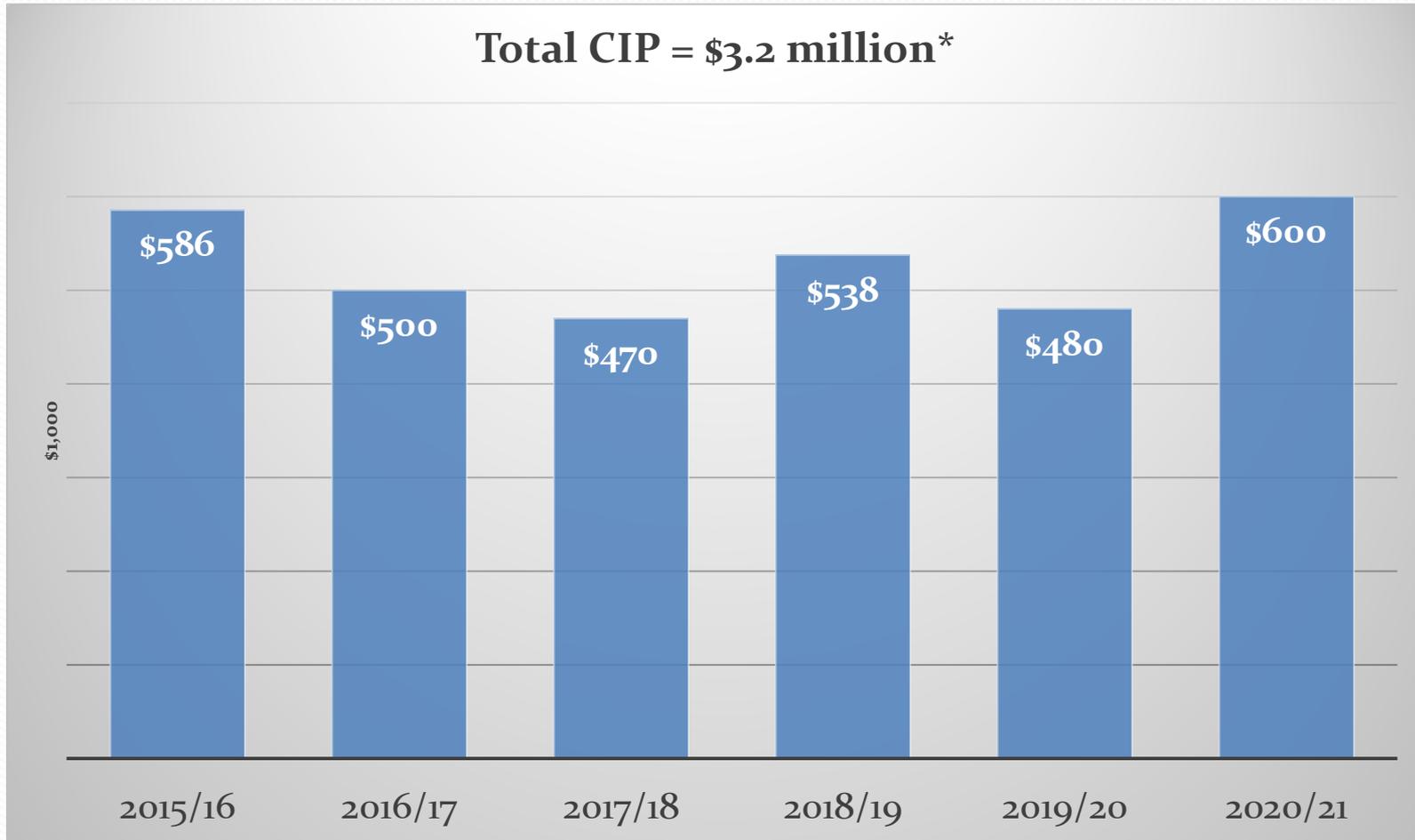
*Adjusted for more current information on Franchise Fees and Capital Outlay

Prior Plan Comparison: Operating Expenses

Operating Expenses			
	2013/14	2014/15	2015/16
Prior (2014) Plan	\$892,203	\$1,021,206	\$1,064,681
Actual/Budget	\$865,398	\$859,873	\$1,112,679
Difference \$	-\$26,805	-\$161,332	\$47,998
Difference %	-3.0%	-15.8%	4.5%

*2015/16 expenses adjusted based on 98% expenditure rate

Projected Stormwater Capital Improvement Plan (CIP)



*2015\$ (not adjusted for inflation)

Prior Plan Comparison: Capital Improvement Plan

Capital Project Expenses	2013/14	2014/15	2015/16	2016/17	2017/18
Prior (2014) Plan	\$220,000	\$403,650	\$374,929	\$388,051	\$459,009
Actual/Budget	\$228,026	\$239,272	\$585,636	\$517,500	\$503,478
Difference \$	\$8,026	-\$164,378	\$210,707	\$129,449	\$44,469
Difference %	3.6%	-40.7%	56.2%	33.4%	9.7%

*Adjusted for projected inflation

Prior Plan Comparison: Revenue

Stormwater Sales Revenue			
	2013/14	2014/15	2015/16
Prior (2014) Plan	\$983,499	\$1,107,628	\$1,210,096
Actual/Budget	\$1,052,959	\$1,124,095	\$1,223,447
Difference \$	\$69,460	\$16,467	\$13,350
Difference %	7.1%	1.5%	1.1%

*2015/16 revenue projection higher than adopted budgeted based on actual FY2014/15 revenues

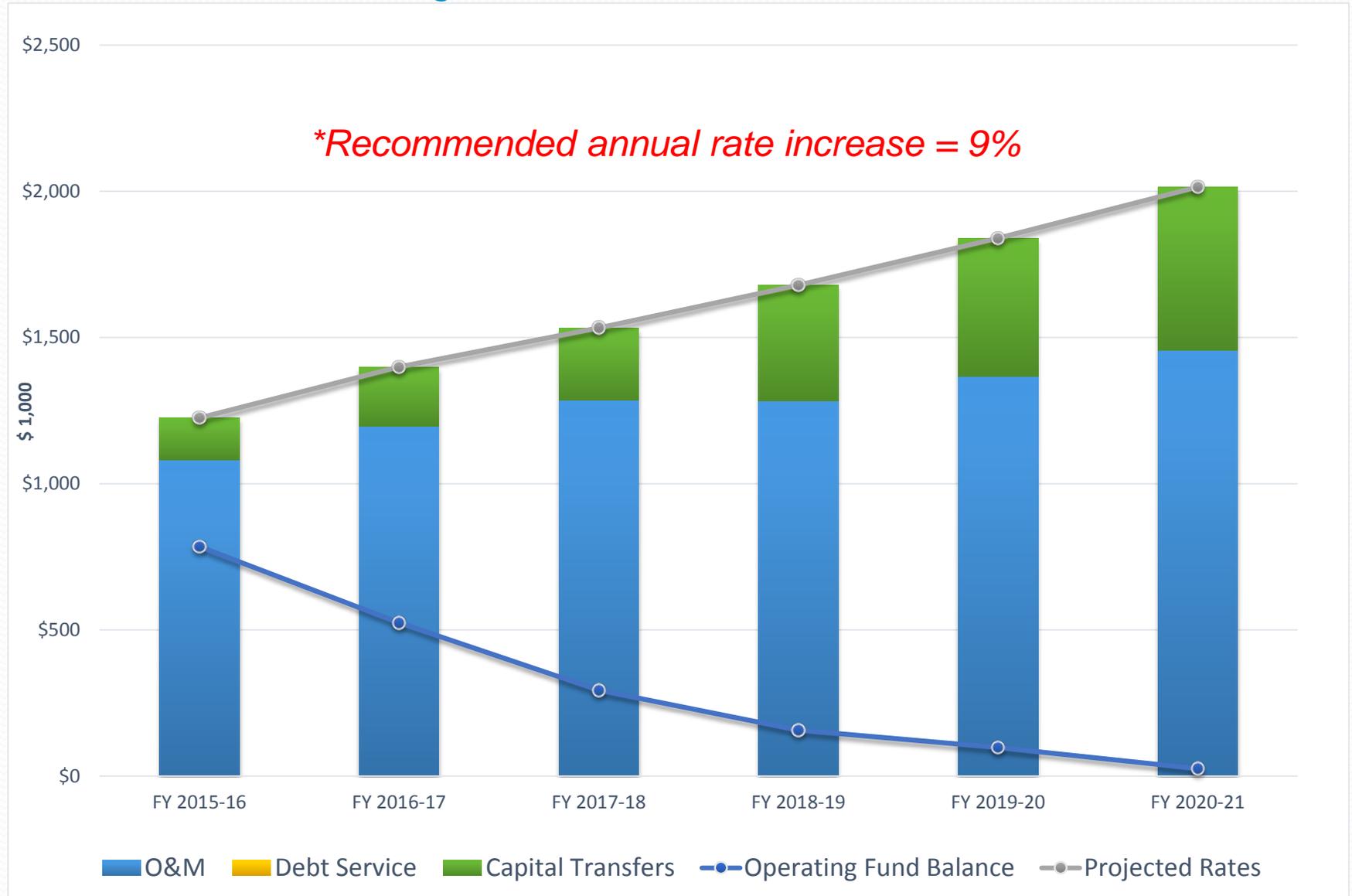
Capital Funding (Total)

Capital Funding Sources	Total
Existing Reserves	\$684,702
Rates	\$2,551,636
SDCs	\$229,636
Total Sources	\$3,465,974
Inflation-Adjusted CIP	\$3,465,974
Ending Reserves	\$0
Total Uses	\$3,465,974

Key Financial Plan Assumptions

- Customer growth average 0.5% annually
- Operating cost escalation
 - Personnel = 4%
 - No additional staff within planning window
 - Materials & Services = 3%
- Percent of budget spent = 98%
- No debt funding

Stormwater System Revenue Increases



Stormwater Bill Impacts

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

Discussion