



Utility Rate Review

City Council Meeting

May 2, 2016

Agenda

- Background
- Capital Additions & Funding
- Recommended Revenue Increases
- Bill Impacts

Background

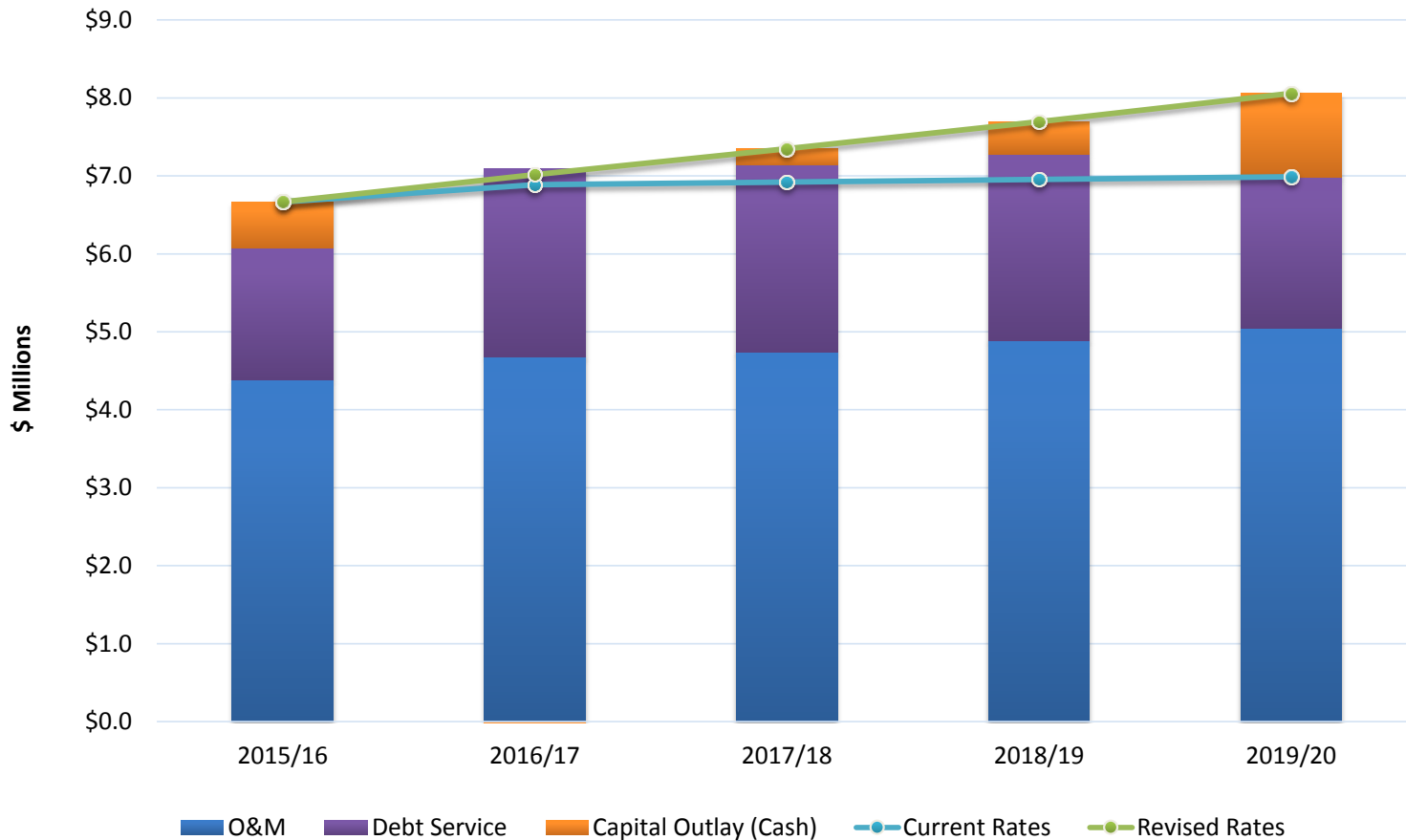
- Citizen Rate Review Committee (CRRC)
 - Considered annual revenue increases of 3.25% to 5.95% to fund varying levels of capital improvements
 - Recommended 4% increase
- City Council Public Hearing (3/7/2016)
 - Consider higher rate increase to fund I/I projects that had been deferred in CRRC-recommended plan
- CRRC Follow-up
 - Considered 4.2% revenue increase to fund additional I/I projects
 - Confirmed original recommendation of 4% revenue increase

Capital Additions & Funding

- Infiltration & Inflow projects:
 - \$450,000 FY2017/18
 - \$450,000 FY2018/19
- Funding
 - 50% SDC-eligible
 - \$100,000 existing reserves
 - \$350,000 rate increase (additional 0.2%/year for each year of 8-year plan)

Wastewater System Revenue Increases

**Recommended annual rate revenue increase = 4.2%*



Revised Wastewater Rates and Average Residential Bill

Component	Current 2015/16	Proposed 2016/17	Proposed 2017/18
Service Charge (\$/Month)	\$20.66	\$21.30	\$22.57
Multifamily Unit Charge	\$18.24	\$18.69	\$19.89
Volume Charge (\$/ccf)			
Single Family	\$8.19	\$8.58	\$8.86
Multifamily	\$8.19	\$8.58	\$8.86
Commercial - 1	\$8.19	\$8.58	\$8.86
Commercial - 2	\$10.02	\$10.52	\$10.86
Commercial - 3	\$16.37	\$17.23	\$17.78
Industrial	\$10.02	\$10.52	\$10.86
Outside City	\$8.19	\$8.58	\$8.86
<i>Avg Residential Bill (5.19 ccf)</i>	<i>\$63.17</i>	<i>\$65.82</i>	<i>\$68.56</i>
<i>Bill Increase</i>		<i>\$2.65</i>	<i>\$2.74</i>

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	\$65.82	\$68.56	4.2%	4.2%
Water (7.0 ccf)	\$40.67	\$41.69	\$43.16	2.5%	3.5%
Total	\$112.51	\$116.96	\$122.02	4.0%	4.3%
<i>Difference (\$)</i>		\$4.45	\$5.06		
<i>Difference (%)</i>		4.0%	4.3%		

*Stormwater and Water based on rates presented to Council 3/7/16

Sample Other Monthly Bills (Combined)

	Adopted	Proposed	Proposed	Annual Difference	
Customer/Utility	2015/16	2016/17	2017/18	2016/17	2017/18
Commercial (3/4" meter, 3 stormwater EDUs)					
Stormwater	\$26.01	\$28.35	\$30.90	9.0%	9.0%
Wastewater (10 ccf)	\$102.56	\$107.07	\$111.17	4.4%	3.8%
Water (15 ccf)	\$67.98	\$69.58	\$72.03	2.3%	3.5%
Total	\$196.55	\$205.00	\$214.10	4.3%	4.4%
<i>Difference (\$)</i>		\$8.45	\$9.10		
Industrial (3" meter, 10 stormwater EDUs)					
Stormwater	\$86.70	\$94.50	\$103.01	9.0%	9.0%
Wastewater (30 ccf)	\$321.26	\$336.97	\$348.49	4.9%	3.4%
Water (100 ccf)	\$177.00	\$184.95	\$191.74	4.5%	3.7%
Total	\$584.96	\$616.42	\$643.23	5.4%	4.3%
<i>Difference (\$)</i>		\$31.46	\$26.81		

*Stormwater and Water based on rates presented to Council 3/7/16