



*2017-18 Water and Wastewater Rate Study*  
*March 9, 2018*



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

# Water Enterprise

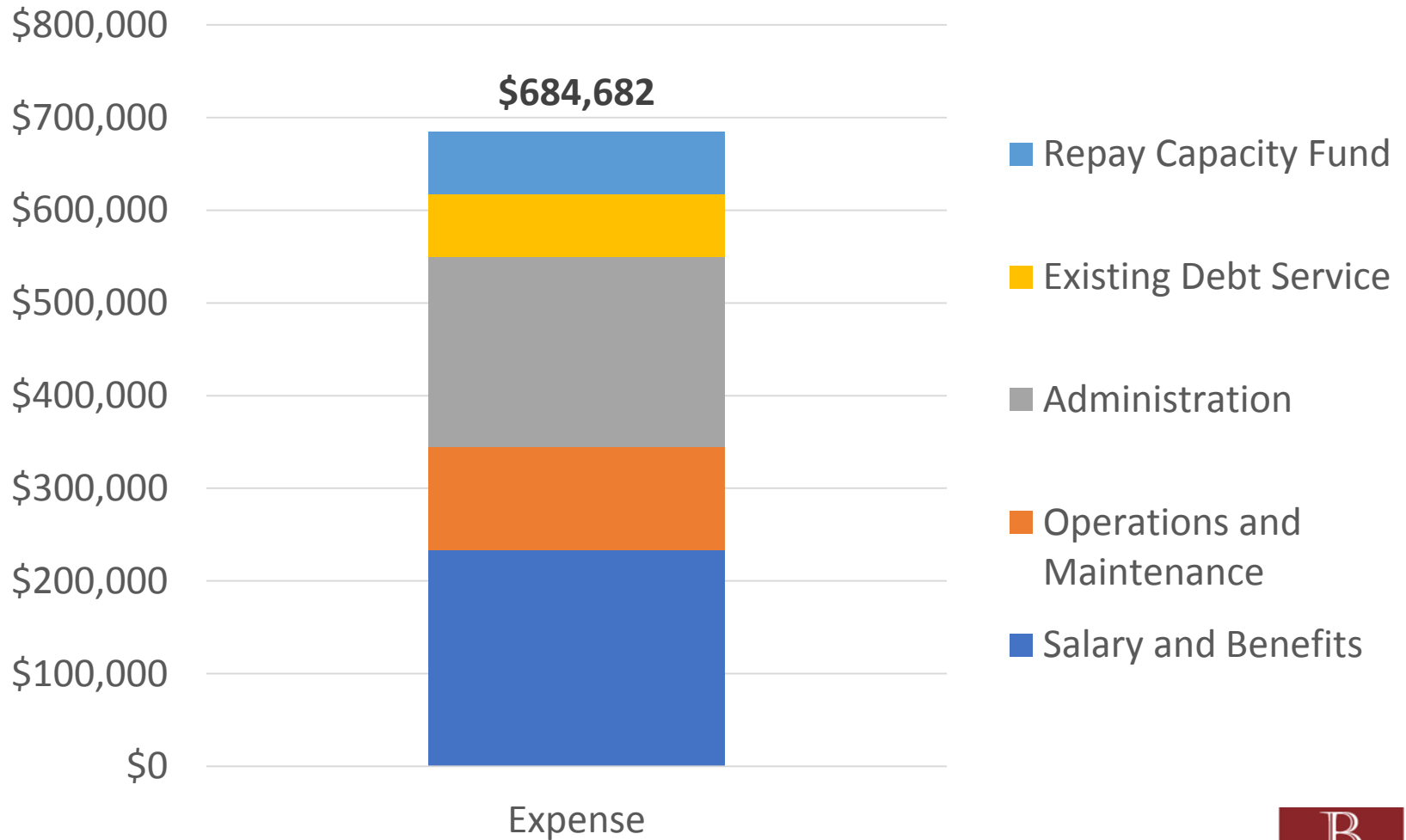


# Water Fund Key Issues

- **Operating fund deficit**
  - FY 18/19 projected operating deficit \$336,722
  - To only pay for existing operations (no capital or additional debt service), a 100% rate revenue increase is needed
  - With no rate increase, the District will have zero funds in FY 20-21
- **Projected reserves end of FY 17/18**
  - Operating: \$0
  - Capacity: \$445,261
- **Ten-year capital plan (adjusted for inflation)**
  - \$11.2 million



# Water FY 18-19 Operating Budget



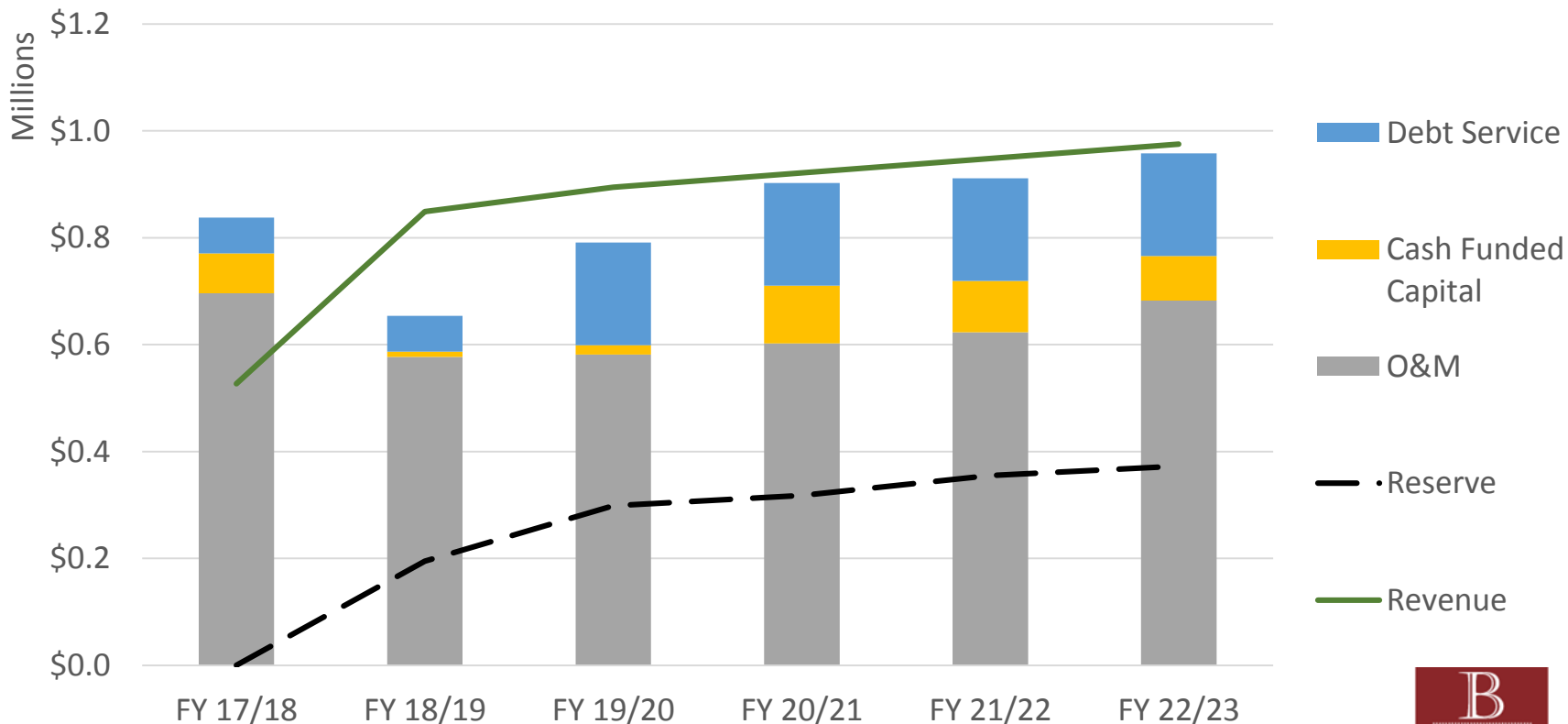
# Ten-Year Water Capital Plan

- Capital expenditures included in proposed rates
  - \$4.8 million (inflation included)
- Projects dependent on regulation (excluded from proposed rates)
  - Water treatment upgrade: \$5.2 million
    - Potential capital surcharge \$22.70 per month per EDU
      - 40 years
  - SLT pressure system: \$1.2 million
    - Potential capital surcharge \$13.60 per month per EDU
      - 15 years

# Five-Year Water Financial Plan

- Projected Rate Revenue Increases

FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
140.0%	3.0%	3.0%	3.0%	3.0%



# Water Rate Structure Recommendations

## Residential

- Three tiers based on layering supplies

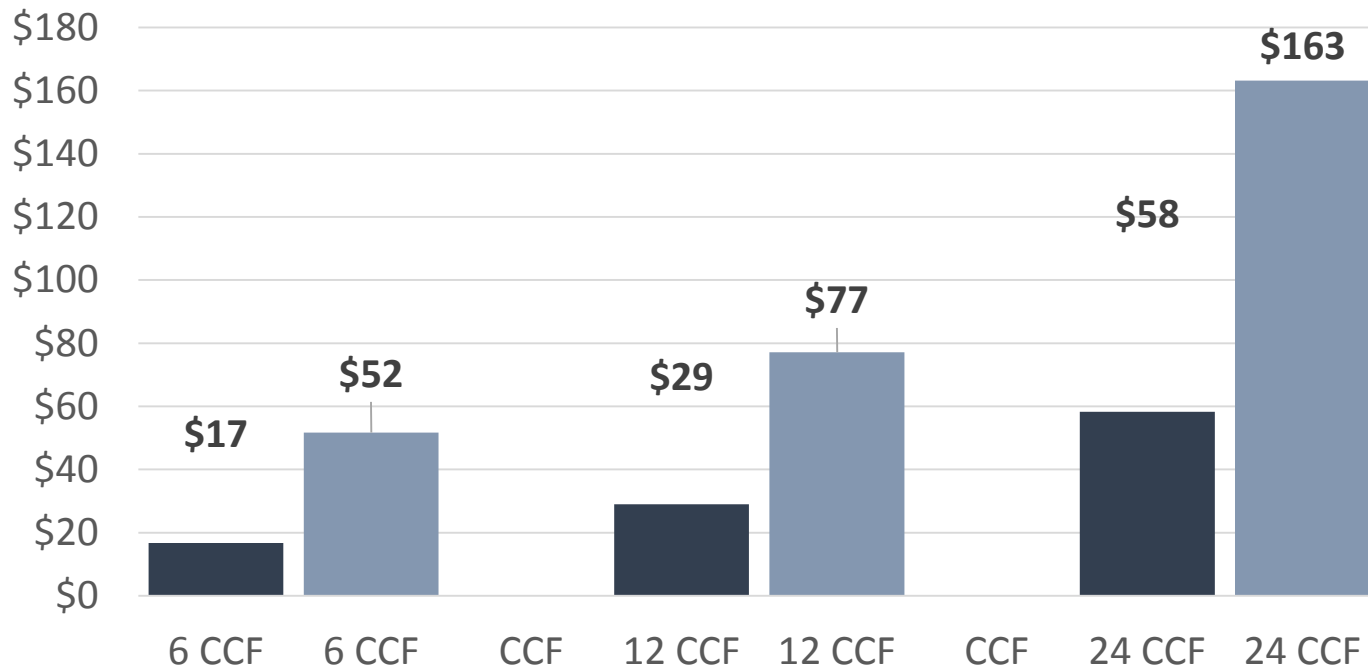
## Non-Residential

- Two tiers which do not prioritize any specific type of commercial use and reflect the cost of service



# Residential Water Customer Bill Impacts

Residential Bill Comparison (5/8" Meter)



■ Existing ■ Proposed

Less than 40% of bills greater than 6 CCF

Bill Increase  
• \$34.97

Less than 75% of bills greater than 12 CCF

Bill Increase  
• \$48.11

Less than 95% of bills greater than 24 CCF

Bill Increase  
• \$104.84





# Proposed Water Impact Fees

Recommendation: Multi-Family as Non-Residential

<b>Fixed Rates (All Customers)</b>		<b>FY 18-19</b>
<i>Meter Size</i>	<i>Existing</i>	<i>Proposed</i>
<b><i>Residential</i></b>		
Single Family	\$9,490	\$12,540
<b><i>Non-Residential</i></b>		
5/8"	\$9,490	\$12,540
3/4"	\$14,235	\$18,810
1"	\$23,725	\$31,360
1 1/2"	\$47,450	\$62,710
2"	\$75,920	\$100,340
3"	\$142,350	\$200,680
4"	\$237,250	\$313,560
6"	\$569,400	\$627,120



# Proposed Monthly Rates

<b>Fixed Rates (All Customers)</b>		<b>FY 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>
<i>Meter Size</i>	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
5/8"	\$14.69	\$47.47	\$48.90	\$50.37	\$51.89	\$53.45
3/4"	\$14.69	\$47.47	\$48.90	\$50.37	\$51.89	\$53.45
1"	\$22.85	\$47.47	\$48.90	\$50.37	\$51.89	\$53.45
1 1/2"	\$39.17	\$79.06	\$81.44	\$83.89	\$86.41	\$89.01
2"	\$55.49	\$116.97	\$120.48	\$124.10	\$127.83	\$131.67
6"	\$300.29	\$647.71	\$667.15	\$687.17	\$707.79	\$729.03



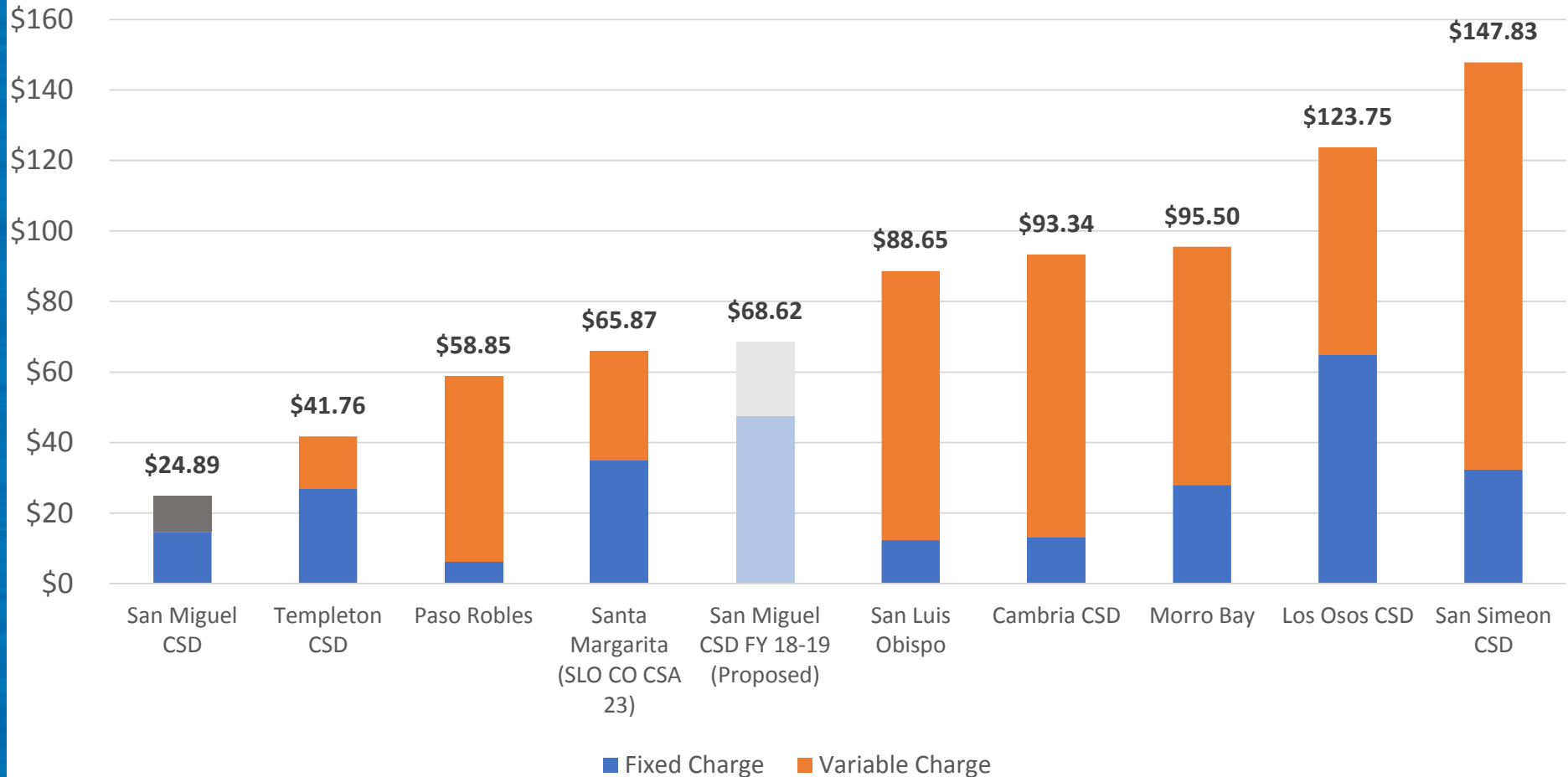
# Proposed Monthly Rates

Volumetric Rates	FY 17-18		FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
	<i>Existing</i>		<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
<b>Single-Family Residential</b>							
<b><i>Existing Structure</i></b>		<b><i>Proposed Structure</i></b>					
Tier 1 (0-5 CCF)	\$0.00	(0-5 CCF)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2 (6-12.5 CCF)	\$2.04	(6-12 CCF)	\$4.23	\$4.36	\$4.50	\$4.64	\$4.78
Tier 3 (12.5-25 CCF)	\$2.46	(>12 CCF)	\$7.17	\$7.39	\$7.62	\$7.85	\$8.09
Tier 4 (25+ CCF)	\$3.27						
<b>Non-Residential</b>							
<b><i>Existing Structure</i></b>		<b><i>Proposed Structure</i></b>					
Tier 1 (0-5 CCF)	\$0.00	(0-5 CCF)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2 (6-12.5 CCF)	\$2.04	(>6 CCF)	\$4.94	\$5.09	\$5.25	\$5.41	\$5.58
Tier 3 (12.5-25 CCF)	\$2.46						
Tier 4 (25+ CCF)	\$3.27						

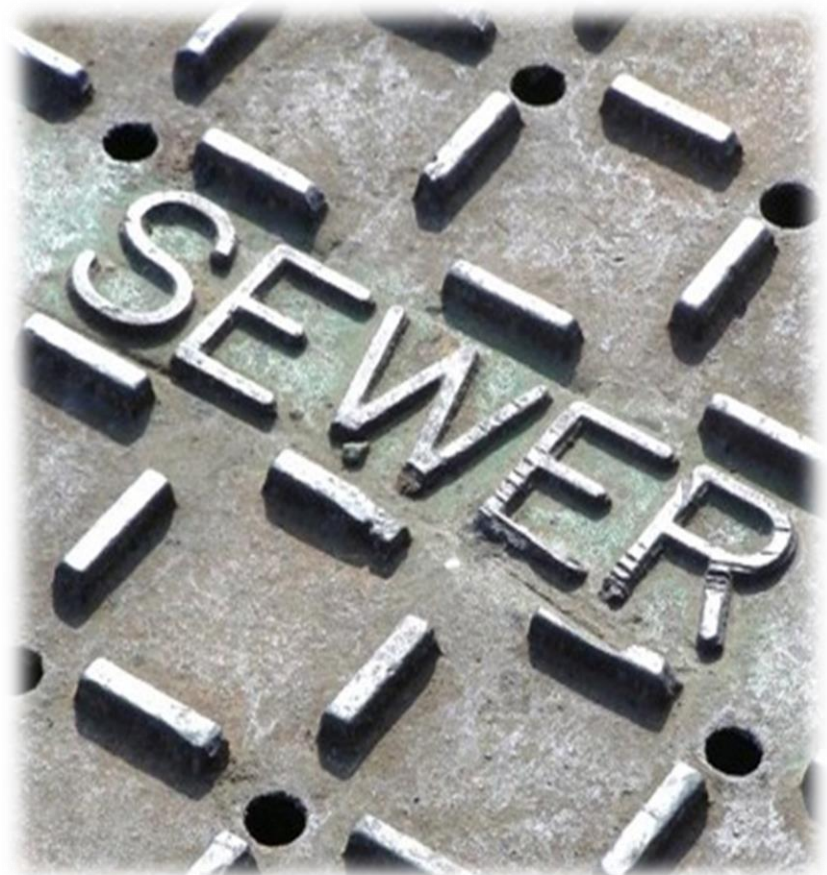


# Monthly Residential Water Rate Survey

Average use of 10 ccf



# Wastewater Enterprise



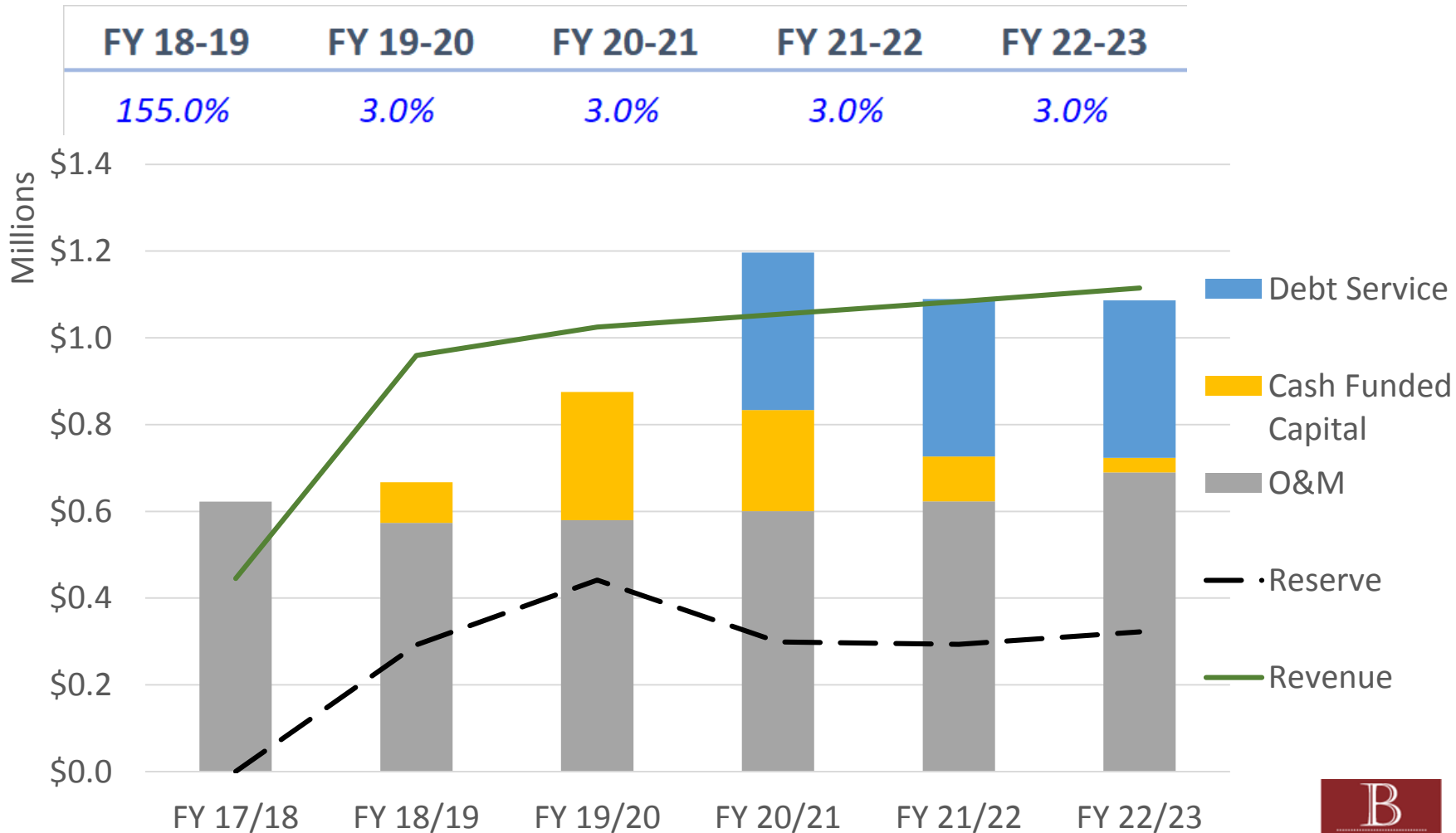
# Wastewater Fund- Key Issues

- **Operating fund deficit**
  - FY 17/18 projected operating deficit \$177,221
  - To only pay for existing operations (no capital or additional debt service), a 50% rate increase is needed
  - With no rate increase, the District will have zero funds in FY 21-22
- **Projected reserves end of FY 17/18**
  - Operating: \$0
  - Capacity: \$372,194
- **Ten-Year Capital Plan (Adjusted for Inflation)**
  - \$12.7 million



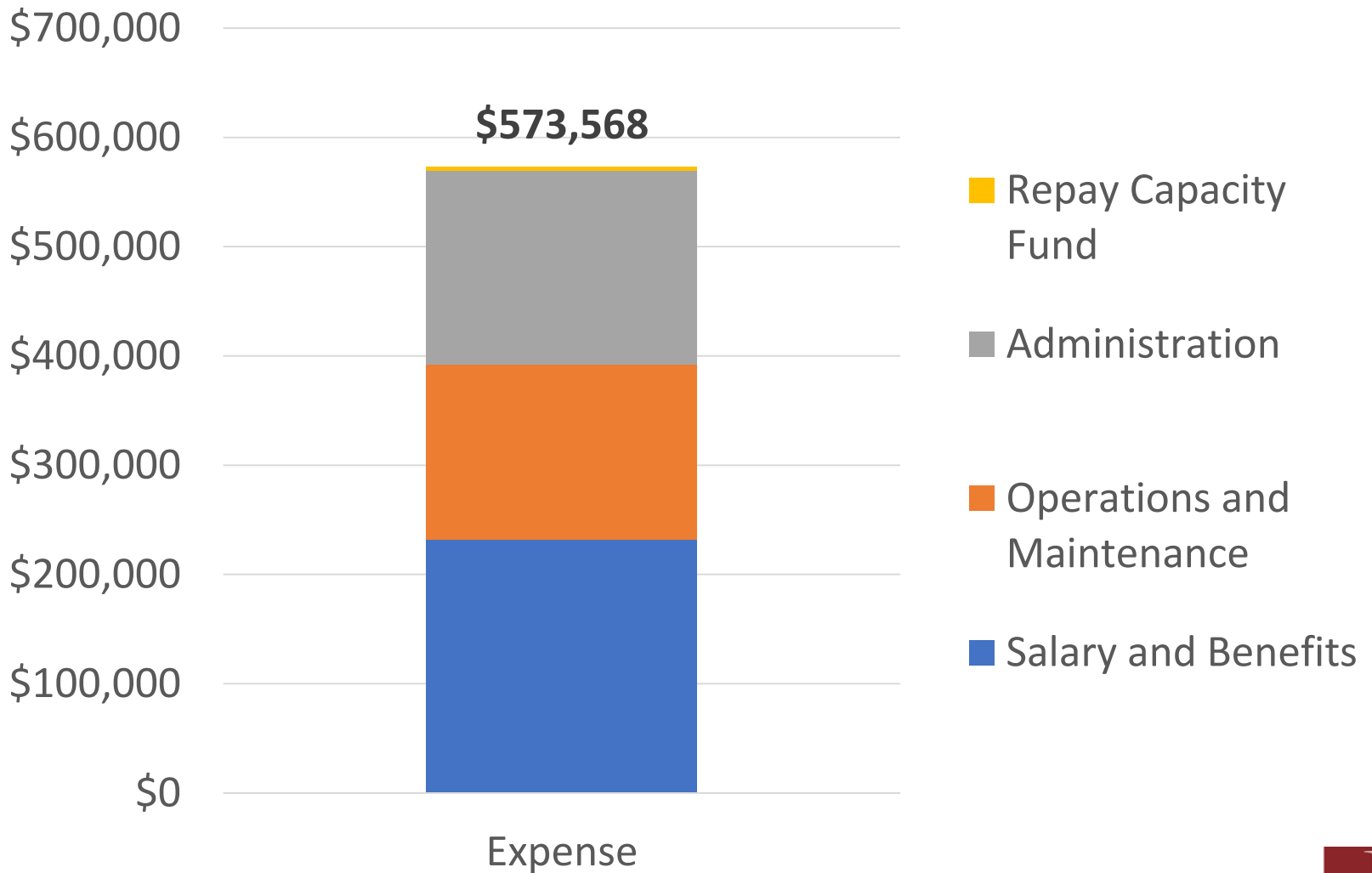
# Five-Year Wastewater Financial Plan

- Projected Rate Revenue Increases



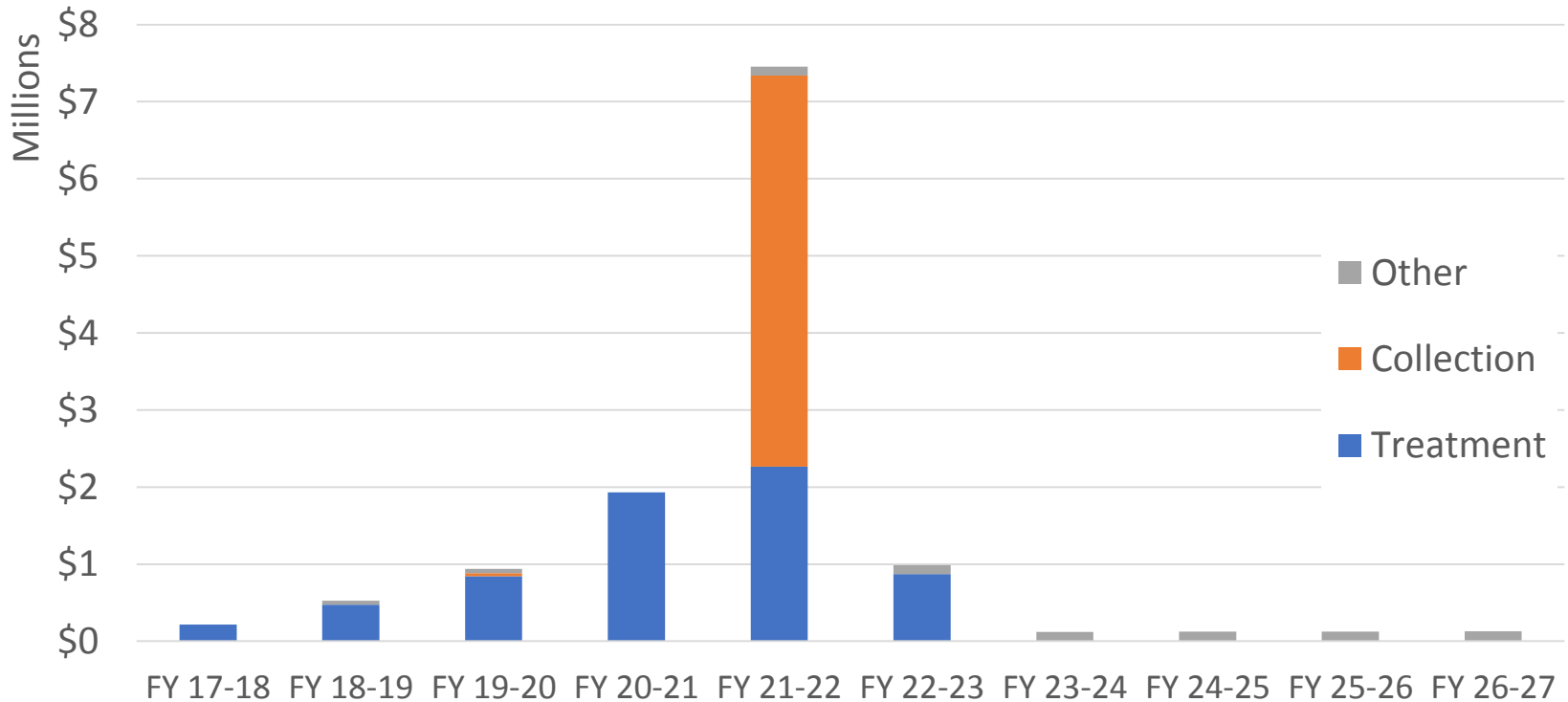


# Wastewater FY 18-19 Operating Budget



# Ten-Year Wastewater Capital Plan

- Total Capital Spending **\$12.7 Million**



# Wastewater Rate Structure

## Recommendations

### Non-Residential

- Set single-family charge as a base charge
- Keep a specific rate for the school to account for irrigation
- Move to volumetric rate based on strength
  - Medium Strength
  - High Strength

# Proposed Wastewater Impact Fees

<b>Fixed Rates (All Customers)</b>		<b>FY 18-19</b>
<i>Meter Size</i>	<i>Existing</i>	<i>Proposed</i>
<b><i>Residential</i></b>		
Single Family	\$8,332	\$12,330
Multi-Family	\$4,999	\$7,710
<b><i>Non-Residential</i></b>		
5/8"	\$8,332	\$12,330
3/4"	\$12,498	\$18,500
1"	\$20,830	\$30,830
1 1/2"	\$41,660	\$61,670
2"	\$66,656	\$98,670
3"	\$124,980	\$197,340
4"	\$208,300	\$308,340
6"	\$499,920	\$616,670

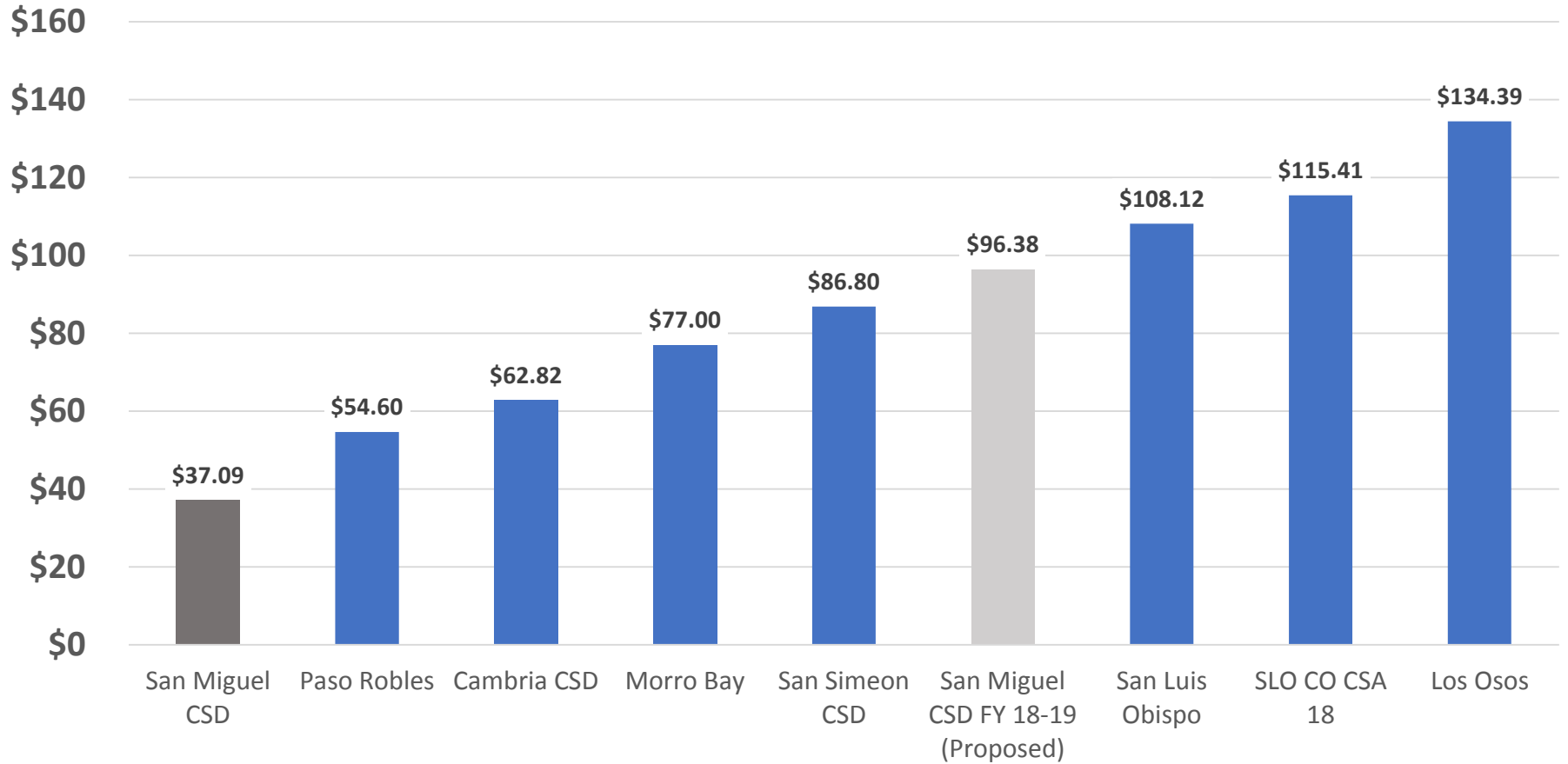


# Wastewater Proposed Rates

Volumetric Rates	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
<b>Single-Family Residential</b>						
Fixed	\$37.09	\$96.38	\$99.28	\$102.26	\$105.33	\$108.49
<b>Multi-Family Residential</b>						
Fixed (Per Unit)	\$22.77	\$60.24	\$62.05	\$63.92	\$65.84	\$67.82
<b>Commercial</b>						
Fixed Charge	37.09*	\$72.46	\$74.64	\$76.88	\$79.19	\$81.57
Volumetric (All Use)						
Medium Strength		\$6.50	\$6.70	\$6.91	\$7.12	\$7.34
High Strength		\$9.50	\$9.79	\$10.09	\$10.40	\$10.72
<b>Lift Station Charges</b>						
River Zone Charge		\$23.34	\$24.05	\$24.78	\$25.53	\$26.30
*Existing rates include various business category surcharges						



# Monthly Residential Sewer Rate Survey



# Next Steps

March 22,  
2018

- Present rates and seek Board permission to issue 218 Notice

May 25,  
2018

- Public hearing and ordinance adoption

June 1,  
2018

- Rates implemented



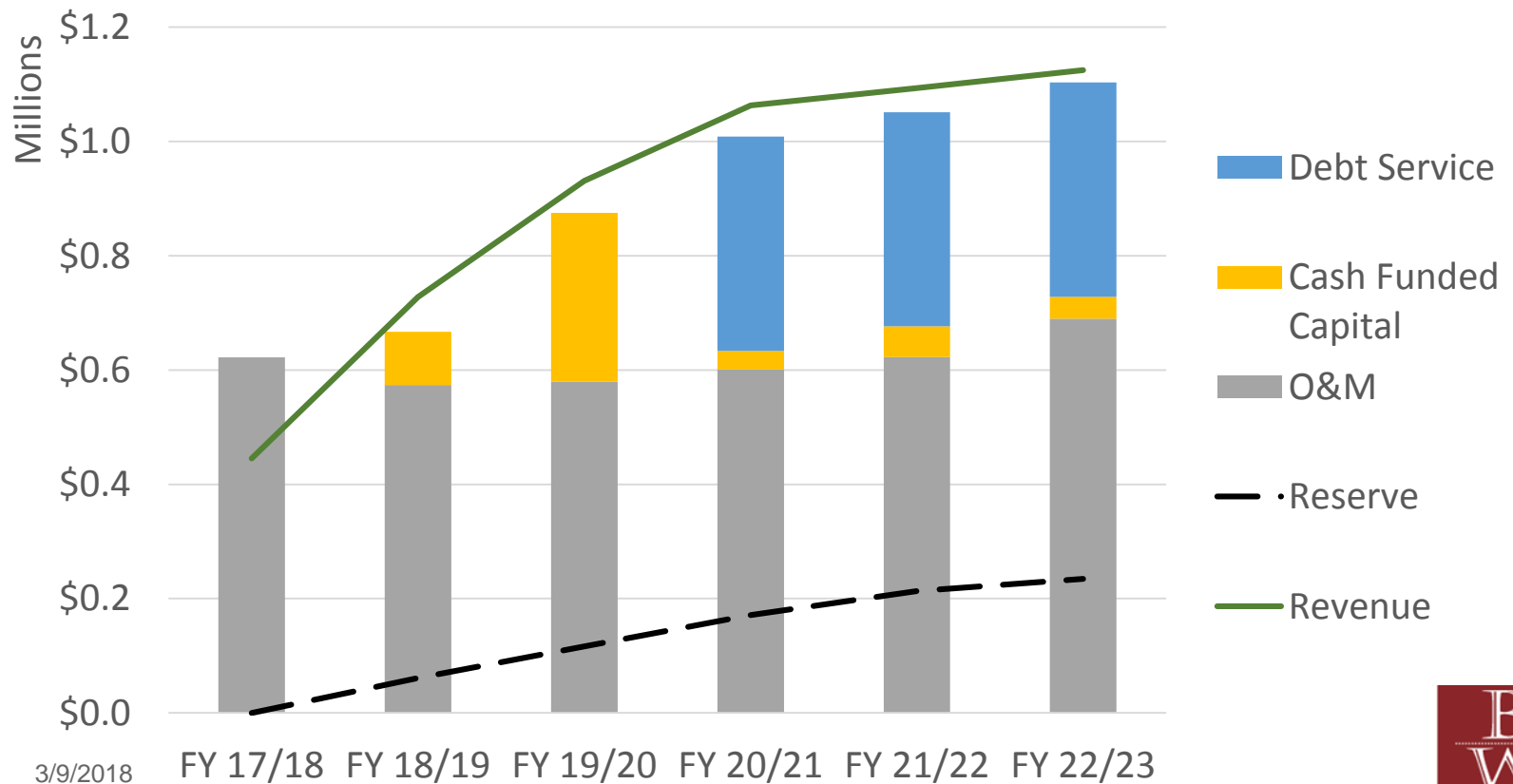
# Questions and Comments?



# Five-Year Wastewater Financial Plan Phase-In Option

- Projected Rate Revenue Increases

FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
90.0%	25.0%	15.0%	3.0%	3.0%



# Wastewater Proposed Rates Phase-In Option

<b>Volumetric Rates</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>FY 19-20</b>	<b>FY 20-21</b>	<b>FY 21-22</b>	<b>FY 22-23</b>
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
<b><i>Single-Family Residential</i></b>						
Fixed	\$37.09	\$71.82	\$89.78	\$103.25	\$106.35	\$109.55
<b><i>Multi-Family Residential</i></b>						
Fixed (Per Unit)	\$22.77	\$44.89	\$56.12	\$64.54	\$66.48	\$68.48
<b><i>Commercial</i></b>						
Fixed Charge	37.09*	\$62.93	\$78.67	\$90.48	\$93.20	\$96.00
Volumetric (All Use)						
Medium Strength		\$4.51	\$5.64	\$6.49	\$6.69	\$6.90
High Strength		\$6.43	\$8.04	\$9.25	\$9.53	\$9.82
<b><i>Lift Station Charges</i></b>						
River Zone Charge		\$23.34	\$29.18	\$33.56	\$34.57	\$35.61

\*Existing rates include various business category surcharges

