



Utility Rate Analysis

Water, Sewer & Reclaimed Water Rates

Presentation by Burton & Associates (5/5/15)

Summary of Results

“Typical” Retail Customer Account

Based on 5,000 Gallons per Month

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Water Bill	\$30.25	\$30.76	\$31.32	\$31.88	\$32.45
Sewer Bill	<u>\$37.46</u>	<u>\$37.46</u>	<u>\$37.84</u>	<u>\$38.22</u>	<u>\$38.61</u>
Total Bill	\$67.71	\$68.22	\$69.16	\$70.10	\$71.06
\$ Change	N/A	\$0.51	\$0.94	\$0.94	\$0.96
% Change	N/A	0.75%	1.38%	1.36%	1.37%

More moderate than recent increases adopted in FY 2012 – FY 2015

Water System – Proposed Rate Plan

- ▶ Analysis resulted in the following plan of annual rate adjustments:

4-Year Projection of Water Rate Revenue Increase Requirements

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Retail	1.75%	1.75%	1.75%	1.75%
Wholesale	1.75%	1.75%	1.75%	1.75%

- ▶ Applied to existing base and volume charges for FY 2016
- ▶ Prior 4-year plan of revenue increases: 2.0% Retail / 4.0% Wholesale

Water System – Impact of Results

Retail Service Rates

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Base Charge	\$6.35	\$6.46	\$6.57	\$6.68	\$6.80
Usage Charge (\$ / TGAL)	\$4.78	\$4.86	\$4.95	\$5.04	\$5.13
Monthly Bill (5,000 gallons)	\$30.25	\$30.76	\$31.32	\$31.88	\$32.45

Wholesale Service Rate

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Wholesale Rate	\$3.8557	\$3.9232	\$3.9919	\$4.0618	\$4.1329

Note: TGAL = Thousand Gallons

Sewer System – Proposed Rate Plan

- ▶ Analysis resulted in the following plan of annual rate adjustments:

4-Year Projection of Sewer Rate Revenue Increase Requirements

	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Retail	0.0%	1.0%	1.0%	1.0%
Wholesale	0.0%	1.0%	1.0%	1.0%

- ▶ No adjustment to existing base and volume charges for FY 2016
- ▶ Prior 4-year plan of revenue increases: 6.0% Retail / 9.0% Wholesale

Sewer System – Impact of Results

Retail Service Rates

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Base Charge	\$13.26	\$13.26	\$13.39	\$13.52	\$13.66
Usage Charge (\$ / TGAL)	\$4.84	\$4.84	\$4.89	\$4.94	\$4.99
Monthly Bill (5,000 gallons)	\$37.46	\$37.46	\$37.84	\$38.22	\$38.61

Wholesale Service Rate

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Wholesale Rate	\$4.1783	\$4.1783	\$4.2201	\$4.2623	\$4.3049

Reclaimed Water Rate Analysis

► We recommend:

- Continue monthly user fee increases for unfunded and funded unmetered reclaimed water of \$1.00 per year through FY 2019
- Increase unfunded and funded metered user fee by the annual percentage increase in unfunded-unmetered monthly user fees
- Adjust service agreements with wholesale/large users by the same percentage as unfunded-unmetered, where possible
- Target level of future cost recovery is 50%, currently at 33%
- Residual costs not recovered by reclaimed rates stay within the sewer fund

Reclaimed Water Impact of Results – Unfunded Systems

Monthly Bill – Unmetered Service

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Availability Charge	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
User Fee	<u>\$12.00</u>	<u>\$13.00</u>	<u>\$14.00</u>	<u>\$15.00</u>	<u>\$16.00</u>
Total Bill	\$19.00	\$20.00	\$21.00	\$22.00	\$23.00

Monthly Bill – Metered Service

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Availability Charge	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
User Fee (20 TGAL)	<u>\$19.20</u>	<u>\$20.20</u>	<u>\$21.20</u>	<u>\$22.20</u>	<u>\$23.20</u>
Total Bill	\$26.20	\$27.20	\$28.20	\$29.20	\$30.20

Rate (\$ / TGAL)	\$0.96	\$1.01	\$1.06	\$1.11	\$1.16
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Reclaimed Water Impact of Results – Funded Systems

Monthly Bill – Unmetered Service

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
User Fee	<u>\$18.00</u>	<u>\$19.00</u>	<u>\$20.00</u>	<u>\$21.00</u>	<u>\$22.00</u>
Total Bill	\$18.00	\$19.00	\$20.00	\$21.00	\$22.00

Monthly Bill – Metered Service

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
User Fee (20 TGAL)	<u>\$19.20</u>	<u>\$20.20</u>	<u>\$21.20</u>	<u>\$22.20</u>	<u>\$23.20</u>
Total Bill	\$19.20	\$20.20	\$21.20	\$22.20	\$23.20

Rate (\$ / TGAL)	\$0.96	\$1.01	\$1.06	\$1.11	\$1.16
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