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#15
MAY 28 2015

MEMORANDUM

Management Services Memo No. 15-072

DATE: MAY 28, 2015

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER RD

FROM: DAWN LANG, MANAGEMENT SERVICES DIRECTOR DL

SUBJECT: ADOPTION OF NOTICE OF INTENTION TO INCREASE CERTAIN WASTEWATER, RECLAIMED WATER, AND SOLID WASTE RATES, TO MODIFY CERTAIN WATER AND RECLAIMED WATER RATES FROM SEASONAL RATES TO YEAR-ROUND RATES, AND SET THE DATE FOR A PUBLIC HEARING

RECOMMENDATION

Staff recommends Council adopt by motion the Notice of Intention to Increase Wastewater rates by 9%, Reclaimed Water rates by 18%, and Solid Waste rates by 6%, to modify the Water and Reclaimed Water rates from seasonal rates to year-round rates, and set July 9, 2015 as the date for a Public Hearing to discuss the changes.

BACKGROUND/DISCUSSION

As required by the City's Financial Policies, a review of current utility rates was conducted as part of the Fiscal Year (FY) 2015-16 Budget process. A review was completed for the Water, Wastewater, and Solid Waste Enterprise Funds, as well as Reclaimed Water operations. In addition, the City engaged the consulting firm of Raftelis Financial Consultants, Inc. to provide a more extensive review of the City's current and future revenue requirements for the Water, Wastewater, and Reclaimed Water systems by performing a Cost of Service study. (The consultant did not participate in the review of the Solid Waste Enterprise.) The results of the review are as follows:

Water: The review of the Water Enterprise determined that no rate increase was required at this time. The review does recommend converting the Water rate structure from a seasonal rate to a year-round rate. The changes to year-round rates are proposed to go into effect on October 1, 2015 and are cost neutral.

Wastewater: The review of the Wastewater Enterprise determined that a rate increase of 9% (\$3.4 million) is required for Single Family Residential, Multi-Family, and all Non-Residential

customers in order to generate sufficient revenues for anticipated increases in operating costs and for additional debt service costs due to the anticipated sale of bonds for capital expansions and upgrades.

Reclaimed Water: As part of the FY 2015-16 reviews of utility rates, the consultant conducted a full financial evaluation of the City's Reclaimed Water operations. As part of this process, the consultant (with the City's assistance) identified operating and debt services costs in the Water and Wastewater Funds that can be directly attributable to the Reclaimed Water operations. This is the first step towards the creation of a separate Reclaimed Water Fund that will be incorporated into the FY 2016-17 budget. The review determined that a rate increase of 18% (\$216,000) is required for FY 2015-16. The review does recommend converting the rate structure from a seasonal rate to a year-round rate. Both changes are proposed to go into effect on October 1, 2015.

Solid Waste: The review of the Solid Waste Enterprise determined that a 6% rate increase is required for all covered residences. The increase is needed to keep pace with annual Consumer Price Index (CPI) increases that are part of the existing Solid Waste contract and is the first Solid Waste rate increase since 2005. The rate increase is proposed to go into effect on October 1, 2015.

Cost of Service Study Impact: The consulting firm completed a Cost of Service study to determine if each customer class (i.e. Single Family Residential, Multi-Family, Non-Residential, etc.) was paying into the Water and Wastewater systems appropriately based on each customer's demand on the overall system. It was determined that there are some customer classes that are overpaying and some that are underpaying. In order to realign each customer class rates to generate revenue to fund the demand they place on the systems, additional changes to the Water and Wastewater rates would be required.

This was discussed at the May 11, 2015 Mayor and Council Micro Retreat, and it was determined that no adjustments to the rates related to the realignment of customer classes will go into effect in FY 2015-16, but wait until FY 2017-18. This will allow staff time to meet with impacted stakeholders to ensure there is understanding for the needed cost of service realignment and its financial impacts to their utility bills.

Note: Outside City rates will continue to be calculated using the current differentials of 1.4 times the Inside City rates for Reclaimed Water, and 1.6 times the Inside City rates for Wastewater.

PUBLIC NOTIFICATION

In accordance with State Statutes, the "Official Notice of Intention to Increase Certain Wastewater, Reclaimed Water, and Solid Waste Rates and to Modify Certain Water and Reclaimed Water Rates from Seasonal Rates to Year-Round Rates" will be posted on the City's web site and published in the Arizona Republic newspaper showing the date, time and place of the Public Hearing. Also as required by State Statutes, a copy of the documents supporting the revised Wastewater and Reclaimed Water rate will be filed with the City Clerk for public review

for 30 days prior to the hearing. In addition, social media will be used to advertise the date of the Public Hearing.

FINANCIAL IMPLICATIONS

The financial plan reflects rate increases needed up to a maximum 9% for Wastewater, 18% for Reclaimed Water, and 6% for Solid Waste to generate needed revenues. These increases will cover additional debt service costs due to infrastructure needs and maintain the financial integrity of the Water, Wastewater, and Solid Waste Enterprise Funds, including debt service coverage and cash reserve policy requirements over the next fiscal year.

PROPOSED MOTION

Move to adopt the Notice of Intention to Increase Wastewater rates by 9%, Reclaimed Water rates by 18%, and Solid Waste rates by 6%, to modify Water and Reclaimed Water rates from seasonal rates to year-round rates, and set July 9, 2015 as the date for the Public Hearing to discuss the changes.

Attachments:

1. Notice of Intention to Increase Certain Wastewater, Reclaimed Water, and Solid Waste Rates and to Modify Certain Water and Reclaimed Water Rates from Seasonal Rates to Year-Round Rates, and Set the date for a Public Hearing
2. Summary of Proposed Rate Changes and Modifications
3. Powerpoint Presentation - 2015 Utility Rates and Cost of Service Study Update; Council Micro Retreat conducted May 11, 2015

cc: Marsha Reed, Assistant City Manager
Nachie Marquez, Assistant City Manager
Dave Siegel, Municipal Utilities Director

CITY OF CHANDLER
NOTICE OF INTENTION TO INCREASE CERTAIN WASTEWATER, RECLAIMED
WATER, AND SOLID WASTE RATES AND TO MODIFY CERTAIN WATER AND
RECLAIMED WATER RATES FROM SEASONAL RATES TO YEAR-ROUND RATES

NOTICE IS HEREBY GIVEN THAT at a Regular Meeting of the Chandler City Council to be held in the Council Chambers, 88 E. Chicago Street, on Monday, August 10, 2015 at 7:00 p.m., it is the Council's intention to Increase Wastewater rates by 9%, Reclaimed Water rates by 18%, and Solid Waste rates by 6%, and to modify certain Water and Reclaimed Water rates effective October 1, 2015. Proposed modifications include changing Water and Reclaimed Water seasonal rates to year-round rates. A Public Hearing will be held on Thursday, July 9, 2015 at a Regular Meeting of the Chandler City Council to be held in the Council Chambers, 88 E. Chicago Street at 7:00 p.m. to hear and receive written comments regarding the proposed rate increases and modifications.

A copy of the documents supporting the increases to Wastewater and Reclaimed Water rates, and the modification of certain Water and Reclaimed Water rates will be available in the office of the City Clerk commencing June 1, 2015.

SUMMARY OF PROPOSED RATE CHANGES AND MODIFICATIONS

Water Rates (1)	Existing (Winter)	Existing (Summer)	Proposed
Single Family			
First 10 Kgal	\$1.60	\$1.60	\$1.60
Next 10 Kgal	\$1.98	\$2.15	\$2.08
Next 40 Kgal	\$2.48	\$2.69	\$2.62
Next 60 Kgal	\$2.69	\$3.36	\$3.27
Multi-Family			
First 10 Kgal	\$0.87	\$0.87	\$0.87
Next 10 Kgal	\$1.07	\$1.07	\$1.07
Next 20 Kgal	\$1.35	\$1.61	\$1.47
Next 40 Kgal	\$1.69	\$2.81	\$2.21
Non-Residential	\$1.72	\$2.37	\$2.03
Landscape	\$1.81	\$2.88	\$2.42
Industrial	\$1.85	\$2.37	\$2.02

Wastewater Rates (2)	Existing	Proposed
Single Family Residential	\$24.17	\$26.35
Multi-Family (per dwelling unit)	\$7.40	\$8.07
Non-Residential		
Per 1,000 gallons	\$2.90	\$3.17
Base Charge	\$6.37	\$6.95

Reclaimed Water Rates (3)	Existing (Winter)	Existing (Summer)	Proposed
All Classes	\$0.481	\$0.522	\$0.596

Solid Waste Rates (4)	Existing	Proposed
Covered Residences	\$15.07	\$15.97

- (1) Changes winter/summer rate structure to a year-round rate.
- (2) Incorporates a 9% rate increase for all categories.
- (3) Changes winter/summer rate structure to a year-round rate and incorporates an 18% rate increase for all categories.
- (4) Incorporates a 6% rate increase for all covered residences.

CITY OF CHANDLER ARIZONA

2015 Utility Rates and
Cost of Service Study Update

Council Micro Retreat

Council Conference Room, 5 p.m.
May 11, 2015



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Utility Rate Study Update 3-Step Process

-  How much is needed? 1. Financial Plan

-  How should customers pay? 2. Review Rate Design

-  Is each customer class paying their share? 3. Cost of Service Analysis



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Utility Rate Study Update

1. City Prepared Financial Plan
 - a. Revenue Increases Needed
2. Raftelis Reviewed Rate Design
 - a. Winter/Summer Rates to Year-Round Rate
3. Raftelis Conducted a Cost of Service Analysis (COS)
 - a. Results of COS by Customer Class
 - b. Transition Option



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FINANCIAL PLAN Revenue Requirements Needed



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FINANCIAL PLAN RESULTS

Revenue Increases - %

Fiscal Year*	Water	Wastewater	Reclaimed Water	Solid Waste
2015-16	0%	9%	18%	6%
2016-17	-	-	-	-
2017-18	4%	9%	8%	6%
2018-19	-	-	-	-
2019-20	4%	9%	2%	7%

* Increases effective October 1st

Note: FY 2015-16 rate projections remain the same



FINANCIAL PLAN RESULTS

Revenue Increases - \$

Fiscal Year*	Water	Wastewater	Reclaimed Water	Solid Waste
2015-16	+\$0	+\$3.4M	+\$216K	+\$785.5K
2016-17	-	-	-	-
2017-18	+\$2.1M	+\$3.8M	+\$113.3K	+\$840.9K
2018-19	-	-	-	-
2019-20	+\$2.2M	+\$4.2M	+\$30.6K	+\$1.4M

* Increases effective October 1st; reflecting 12 months.



FINANCIAL PLAN RESULTS

Key Rate Increase Drivers

for FY 2015-16

- Debt Service Related to Growth
 - New Capital for Ocotillo Water Reclamation Facility (WRF)
- Debt Service Related for Non-Growth
 - Capital System Maintenance
 - Infrastructure Improvements
- Operations & Maintenance
 - Ocotillo and Airport WRFs
 - Solid Waste Contract CPI Increases



WATER

Rate Design & Customer Impacts



WATER

Rate Design Recommendation

- Keep Existing Volumetric Tiered Block Consumption Structure and Base Charges
 - Supports Conservation
- Change Winter/Summer Rates to Year-Round Rate
 - Impacts all Customer Classes
 - Reduces Confusion by Eliminating May/Oct. Rate Changes
 - Will not Dilute Conservation Efforts
 - Enables Customers to Better Forecast
 - Enhances Water Utility Revenue Stability



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WATER RATES

Single Family Residential (SFR)

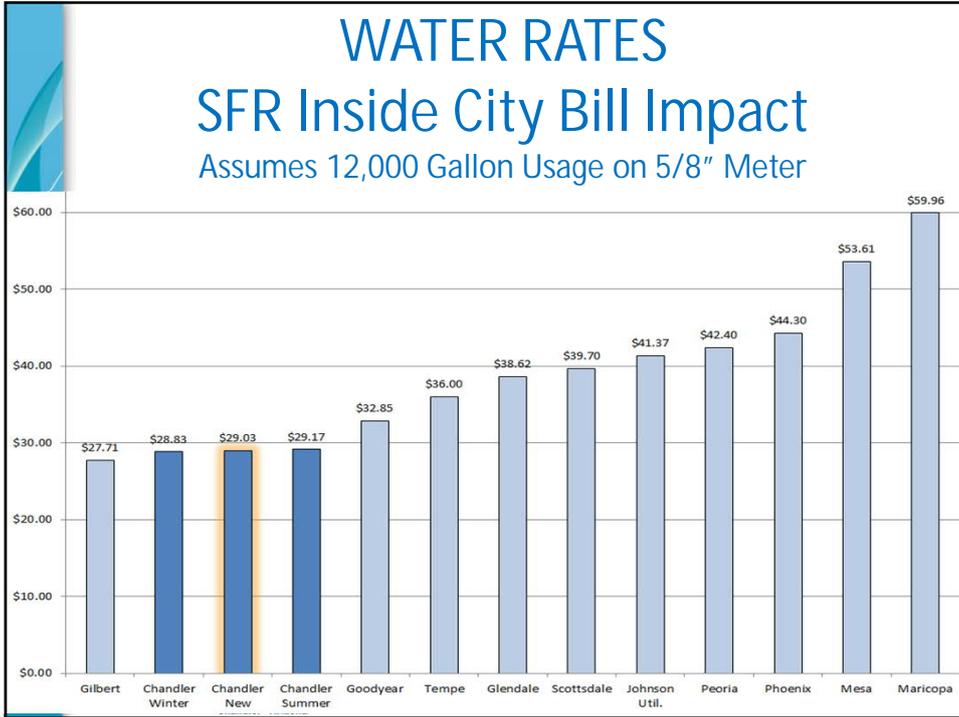
Block	Existing Inside City		Projected
	FY 2014-15 Rates		FY 2015-16
	Winter	Summer	Year-Round
First 10 Kgal	\$ 1.60	\$ 1.60	\$ 1.60
Next 10 Kgal	1.98	2.15	2.08
Next 40 Kgal	2.48	2.69	2.62
Over 60 Kgal	2.69	3.36	3.27
Typical Meter Size	Base Charge		Year-Round
5/8"	\$ 8.87		\$ 8.87

Projected Year-Round Rate Design Change is Cost Neutral Over Entire Year

Note: 40% outside City differential for volumetric rates; unchanged.



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WATER RATES

Multi-Family

Block	Existing Inside City		Projected
	FY 2014-15 Rates		FY 2015-16
	Winter	Summer	Year-Round
First 10 Kgal	\$ 0.87	\$ 0.87	\$ 0.87
Next 10 Kgal	1.07	1.07	1.07
Next 20 Kgal	1.35	1.61	1.47
Over 40 Kgal	1.69	2.81	2.21

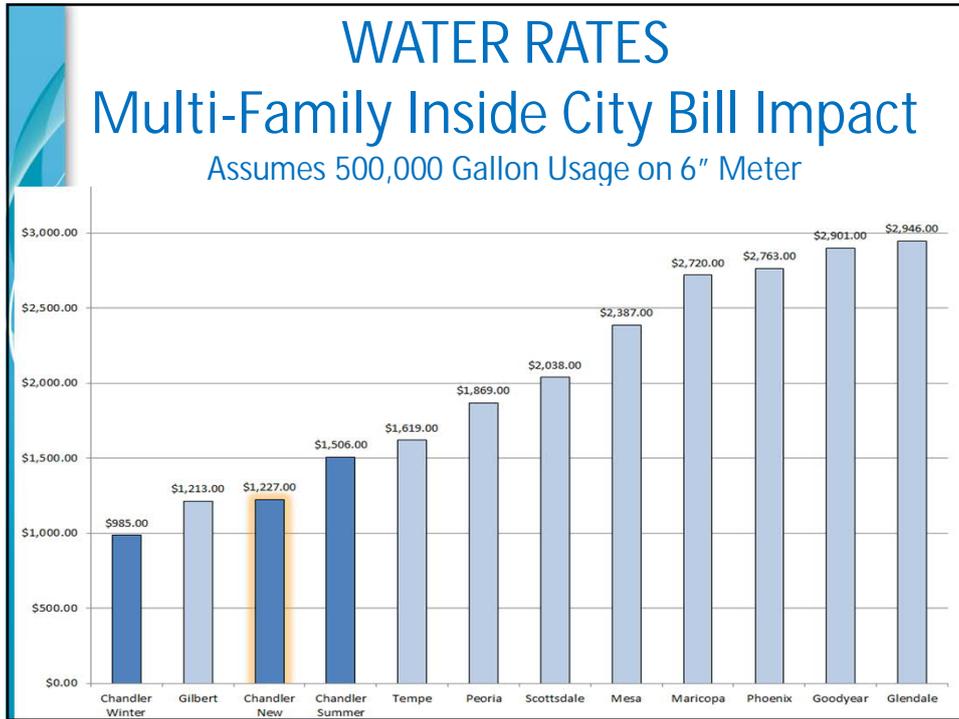
Typical Meter Size	Base Charge	Year-Round
6"	\$ 161.57	\$ 161.57

Projected Year-Round Rate Design Change is Cost Neutral Over Entire Year

Note: 40% outside City differential for volumetric rates; unchanged.




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WATER RATES

Other Customer Classes

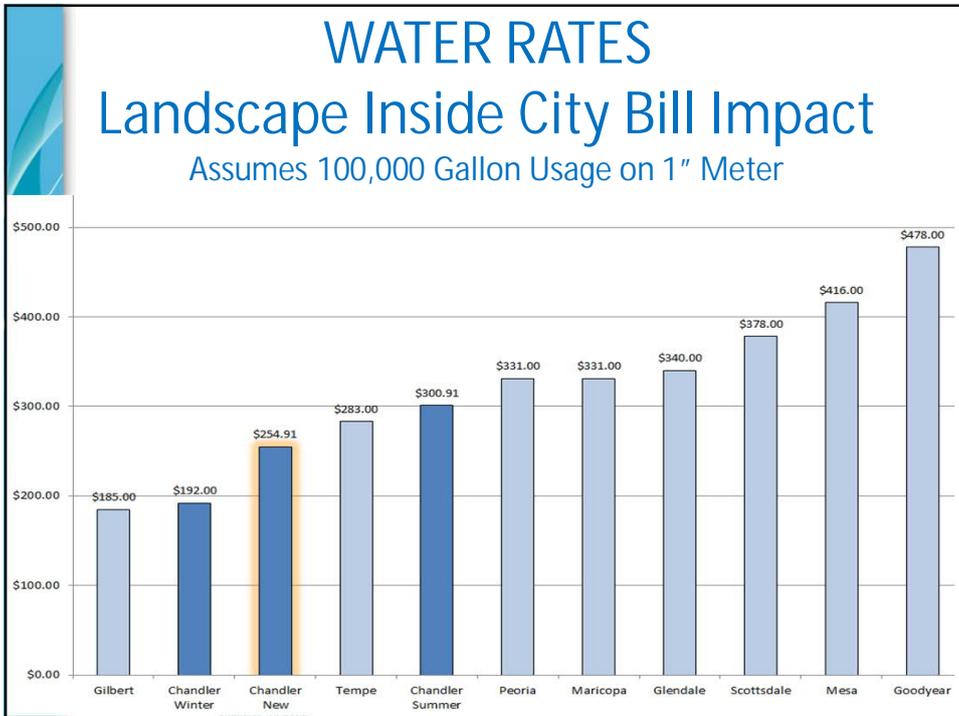
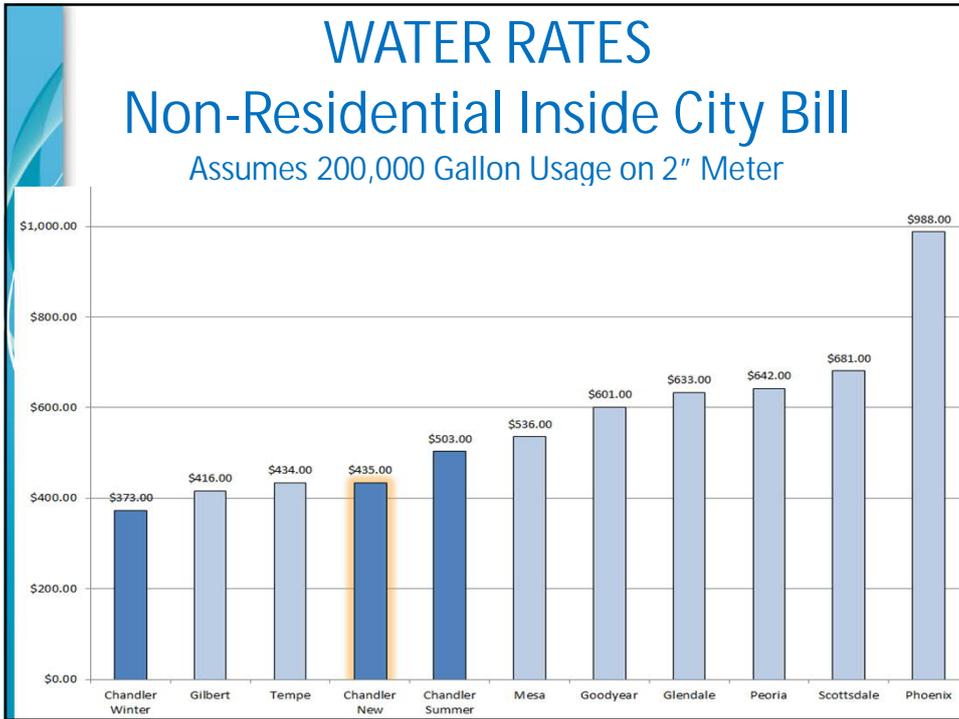
Customer Class	Existing Inside City		Projected
	FY 2014-15 Rates		FY 2015-16
	Winter	Summer	Year-Round
Non-Residential	\$ 1.72	\$ 2.37	\$ 2.03
Landscape	1.81	2.88	2.42
Industrial	1.85	2.37	2.02

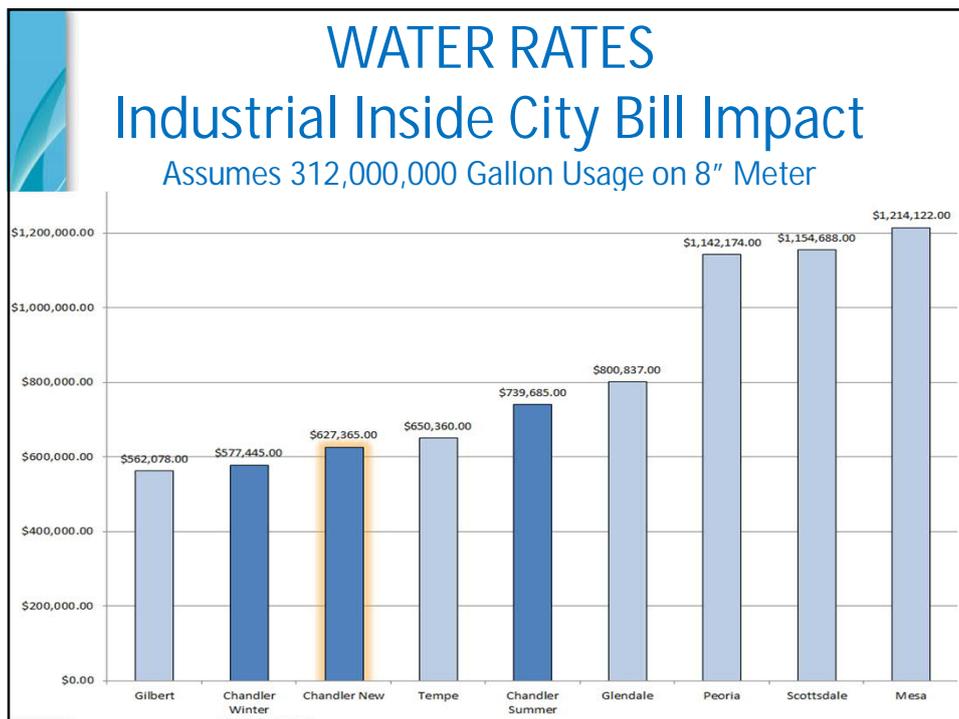
Customer Class	Typical Meter Size	FY 2014-15 Base Charge	FY 2015-16 Year-Round
Non-Residential	2"	\$ 28.61	\$ 28.61
Landscape	1"	12.91	12.91
Industrial	8"	244.79	244.79

Projected Year-Round Rate Design Change is Cost Neutral Over Entire Year

Note: 40% outside City differential for volumetric rates; unchanged.





WATER

FY 2015-16 Financial Plan and Rate Design Support?

- No Rate Increase Proposed for FY 2015-16
- Change Winter/Summer Rates to Year-Round Rate
 - Impacts all Customer Classes
 - Reduces Confusion by Eliminating May/Oct. Rate Changes
 - Will not Dilute Conservation Efforts
 - Enables Customers to Better Forecast
 - Enhances Water Utility Revenue Stability





RAFTELIS
WATER UTILITIES, INC.



Chandler - Arizona

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WASTEWATER

Rate Design & Customer Impacts



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WASTEWATER

Rate Design & Customer Impacts

- Keep Existing Structure
 - Flat Monthly Rate for SFR and Multi-Family
 - Metered Volumetric Flow for All Other Classes
- Rate Increase Proposed for FY 2015-16
 - 9% Revenue Increase Across All Customer Classes



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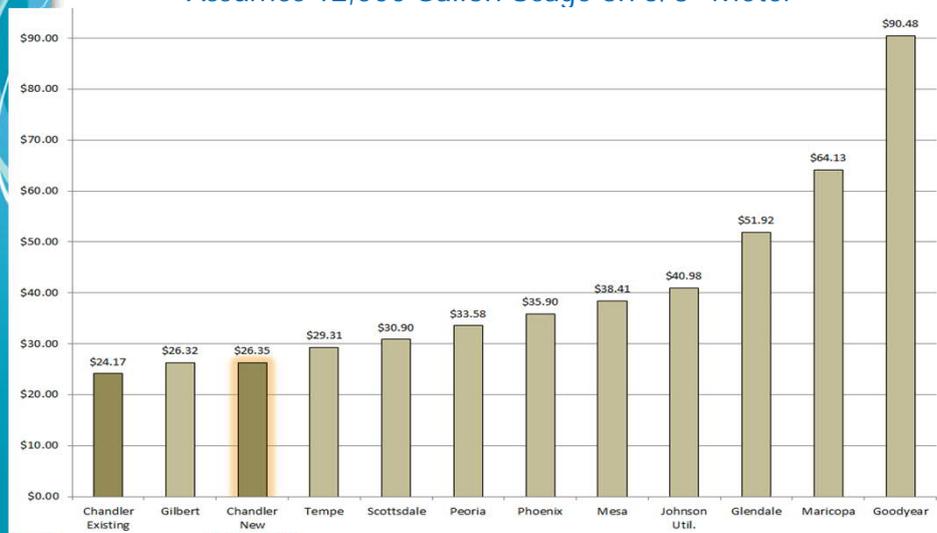
WASTEWATER RATES All Customer Classes

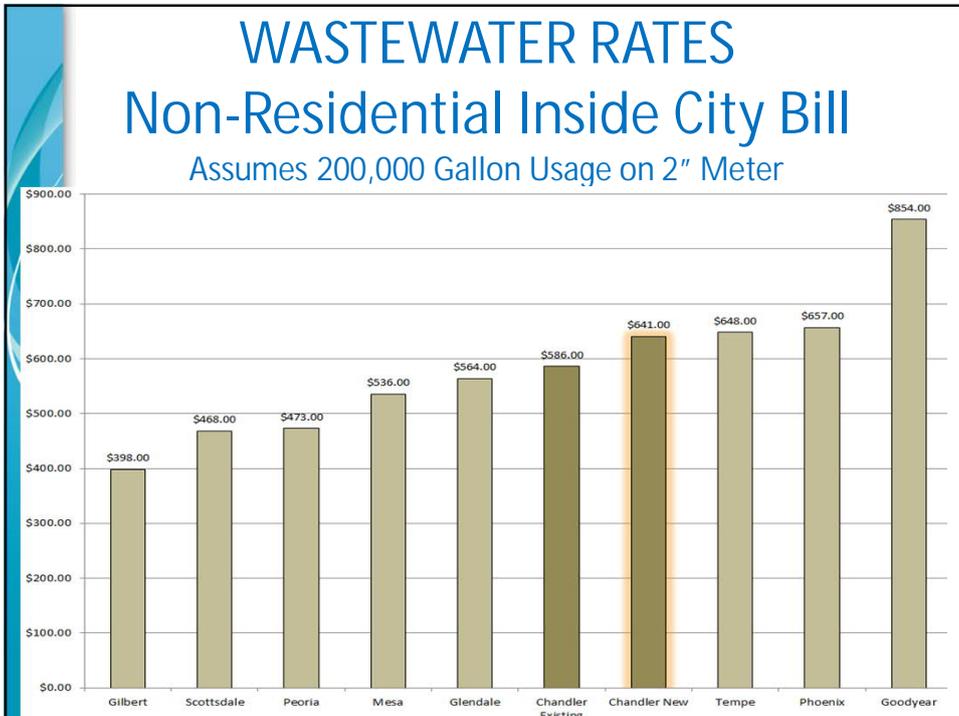
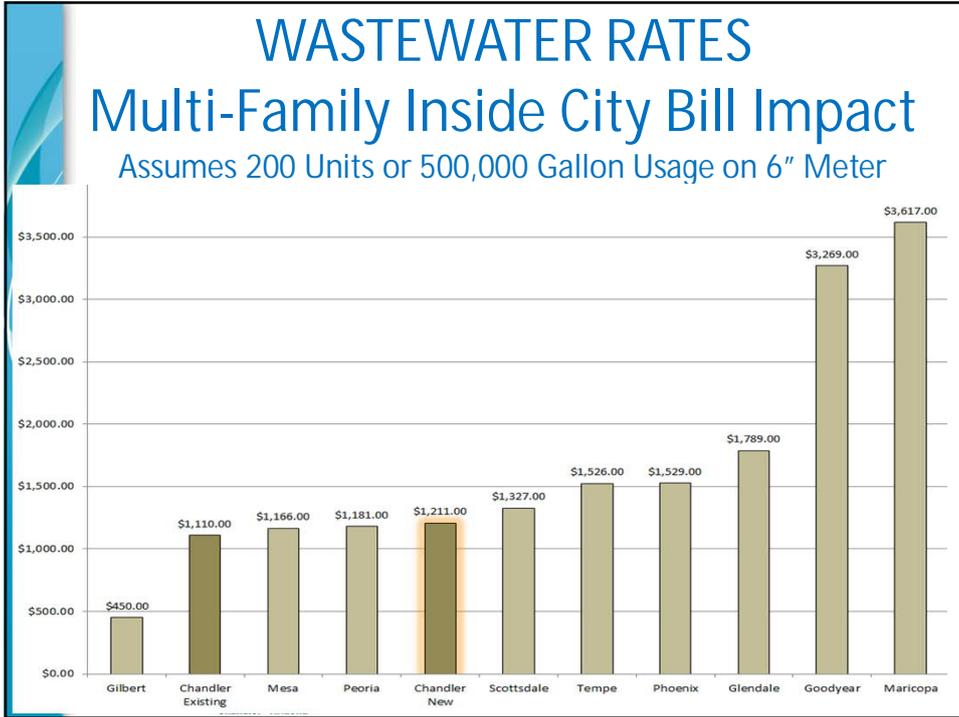
Customer Class	FY 2014-15	FY 2015-16	\$ Increase	% Increase
	Existing	Projected		
SFR*	\$ 24.17	\$ 26.35	\$ 2.18	9%
Multi-Family*	7.40	8.07	0.67	9%
Non-Residential				
<i>Per 1,000 Gallons</i>	2.90	3.17	0.27	9%
<i>Base Charge</i>	6.37	6.95	0.58	9%
* Per Dwelling Unit				

Note: 60% outside City differential for volumetric rates; unchanged.



WASTEWATER RATES SFR Inside City Bill Impact Assumes 12,000 Gallon Usage on 5/8" Meter





RECLAIMED WATER

Rate Design & Customer Impacts



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RECLAIMED WATER

Rate Design & Customer Impacts

- Change Winter/Summer Rates to Year-Round Rate
 - Impacts all Customer Classes
 - Reduces Confusion by Eliminating May/Oct. Rate Changes
 - Will not Dilute Conservation Efforts
 - Enables Customers to Better Forecast
 - Enhances Water Utility Revenue Stability
- Rate Increase Proposed for FY 2015-16
 - 18% Revenue Increase Across All Customer Classes
 - Remove Special Request Recovered Water Fee (not used)



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RECLAIMED WATER RATES All Customer Classes

Customer Class	Existing Inside City		Projected
	FY 2014-15 Rates		FY 2015-16
	Winter	Summer	Year-Round
All Classes	\$ 0.481	\$ 0.522	\$ 0.596

Projected Year-Round Rate Includes 18% Increase Which Equates to +\$0.074 over Summer Rate and +\$0.115 over Winter Rate

Note: 40% outside City differential for volumetric rates; unchanged.



SOLID WASTE Rate Design & Customer Impacts



SOLID WASTE Rate Design & Customer Impacts

- Keep Existing Structure
 - Flat Monthly Rate for All Covered Residences
 - Single-family homes, Duplexes, Tri-plexes, and Multi-plexes, other than business establishments, with separate garages for each unit, and that permit curbside collection for each unit

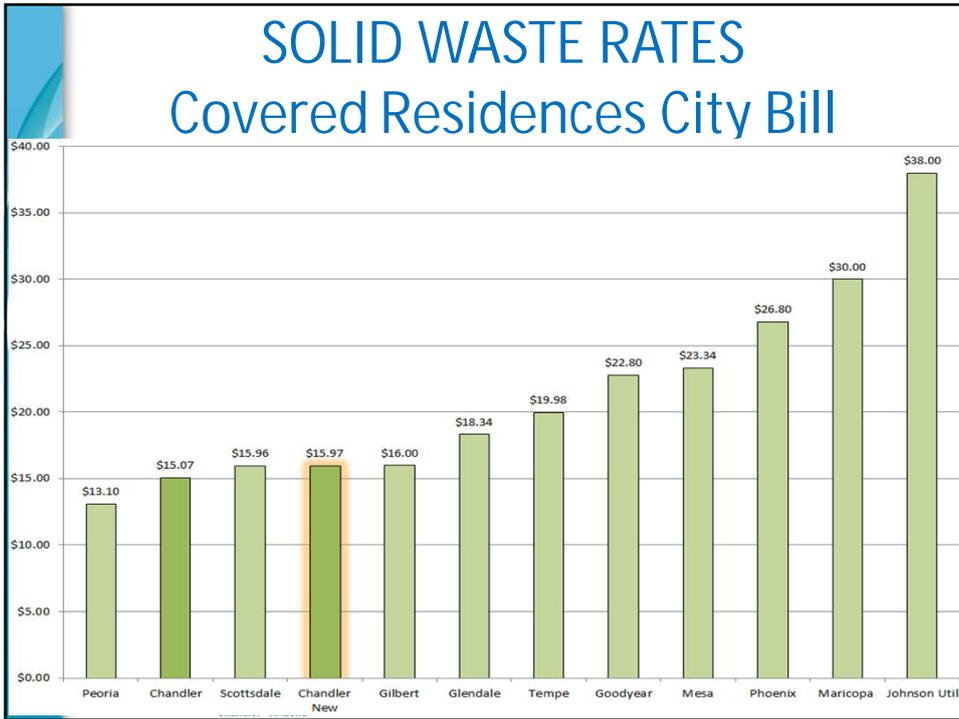
- Rate Increase Proposed for FY 2015-16
 - 6% Revenue Increase for All Covered Residences



SOLID WASTE RATES All Customer Classes

Customer Classes	FY 2014-15	FY 2015-16	\$ Increase	% Increase
	Existing	Projected		
Covered Residences	\$ 15.07	\$ 15.97	\$ 0.90	6%





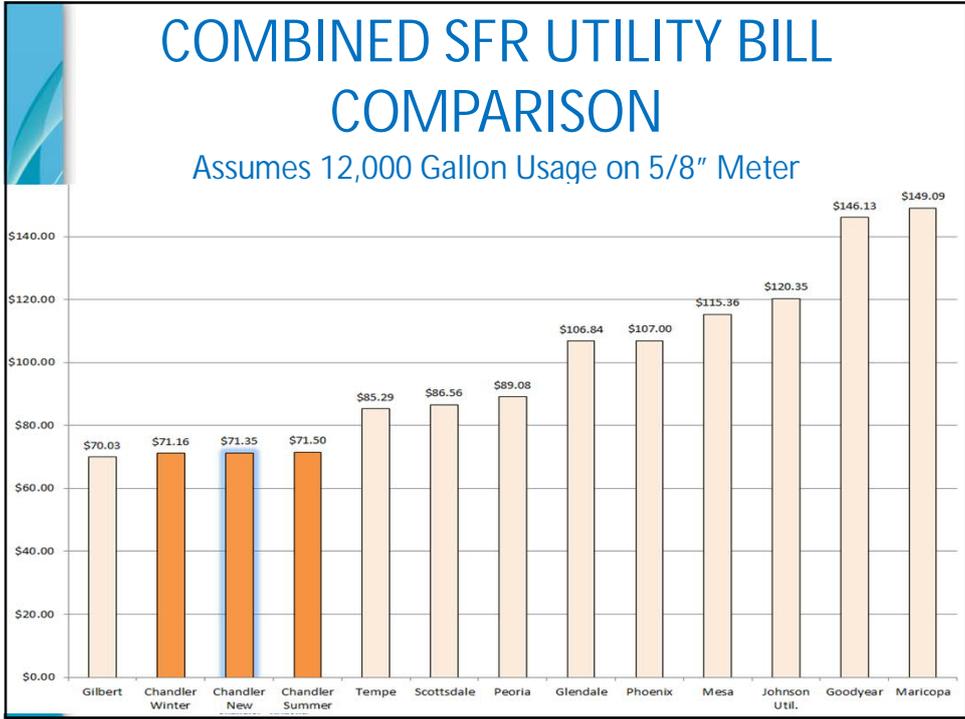
UTILITY COMBINED CUSTOMER IMPACTS & COMPARISON

CHANDLER
UTILITY SERVICES

ACCOUNT LOGIN

Fast and Easy ♦ Safe and Secure ♦ Eco-Friendly

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COST OF SERVICE (COS) ANALYSIS

RAFTELIS CONSULTANTS, INC.

Chandler - Arizona

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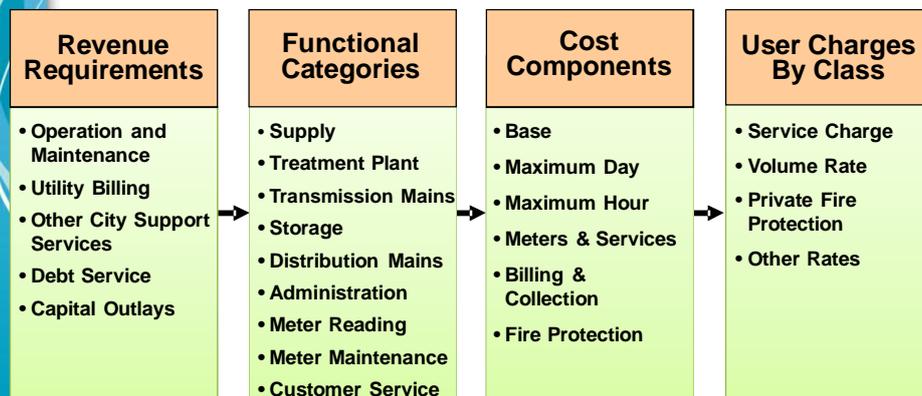
COS ANALYSIS

- Last COS Analysis Completed 2007
 - Implemented October 2007
- Current COS Analysis Completed 2015
 - Water, Wastewater and Reclaimed Water
 - Can Be Implemented Over Time

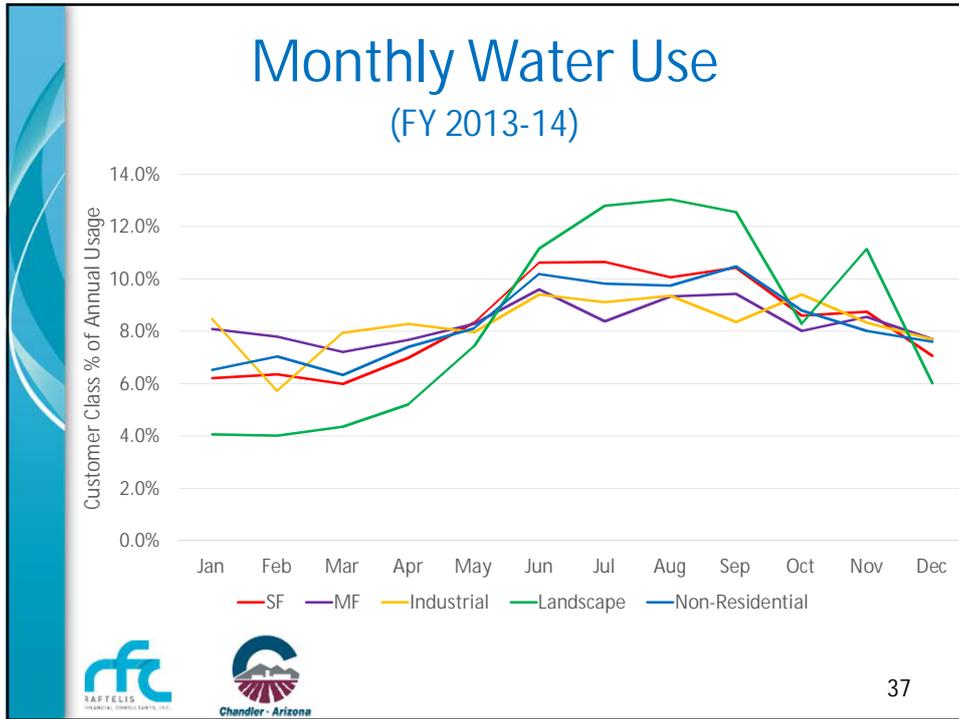


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WATER Cost Allocation Process



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WATER FY 2015-16 COS Results

Customer Class	Cost of Service	Revenue	Required Change in Revenue	
			\$	%
Single Family	\$27,287,997	\$28,495,921	(\$1,207,924)	-4.24%
Multi Family	2,911,593	2,956,957	(45,365)	-1.53%
Industrial	6,852,410	6,739,391	113,019	1.68%
Landscape Service	8,412,212	7,389,642	1,022,570	13.84%
Non-Residential	4,412,237	4,298,283	113,954	2.65%
Total	49,876,449	49,880,195	(3,746)	-0.01%

(1) Mainly SFR and Landscape Customer Classes Need COS Realignment
 (2) Transition to Correct COS Typically Obtained Over 3-5 Year Period

Logos: RAFTELIS CHANDLER, ARIZONA and Chandler - Arizona

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MONTHLY WATER BILL IMPACTS COS Transition Plan Option

Single Family Residential	FY 2014-15		FY 2015-16		FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Existing Summer	Projected Year-Round	Projected	Projected	Projected	Projected	Projected	Projected
Without COS	\$ 29.17	\$ 29.03	\$ 29.03	\$ 30.19	\$ 30.19	\$ 31.40		
COS Realigned	29.17	29.03	29.03	29.50	29.50	29.87		
Reduction Over 5 Years								\$ (1.53)

Landscape	FY 2014-15		FY 2015-16		FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
	Existing Summer	Projected Year-Round	Projected	Projected	Projected	Projected	Projected	Projected
Without COS	\$ 300.91	\$ 254.91	\$ 254.91	\$ 265.43	\$ 265.43	\$ 275.97		
COS Realigned	300.91	254.91	254.91	284.43	284.43	313.97		
Increase Over 5 Years								\$ 38.00

Includes Projected Water Rate Increases of 4% in
FY 2017-18 & FY 2019-20



WATER BILL IMPACTS COS Transition Plan 5 Year Option

Customer Class	Existing FY 2014-15		Test Year FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20
	Winter	Summer					
Single Family							
First 10 Kgals	\$1.60	\$1.60	\$1.60	\$1.60	\$1.61	\$1.61	\$1.61
Next 10 Kgals	1.98	2.15	2.08	2.08	2.09	2.09	2.09
Next 40 Kgals	2.48	2.69	2.62	2.62	2.63	2.63	2.64
Over 60 Kgals	3.09	3.36	3.27	3.27	3.28	3.28	3.29
Multi-Family							
First 10 Kgals	0.87	0.87	0.87	0.87	0.90	0.90	0.92
Next 10 Kgals	1.07	1.07	1.07	1.07	1.10	1.10	1.13
Next 20 Kgals	1.35	1.61	1.47	1.47	1.51	1.51	1.55
Over 40 Kgals	1.69	2.81	2.21	2.21	2.28	2.28	2.34
Industrial							
Landscape	1.85	2.37	2.02	2.02	2.12	2.12	2.21
Service	1.81	2.88	2.42	2.42	2.71	2.71	3.00
Non-Residential							
	1.72	2.37	2.03	2.03	2.14	2.14	2.25

Includes Projected Water Rate Increases of
4% in FY 2017-18 & FY 2019-20



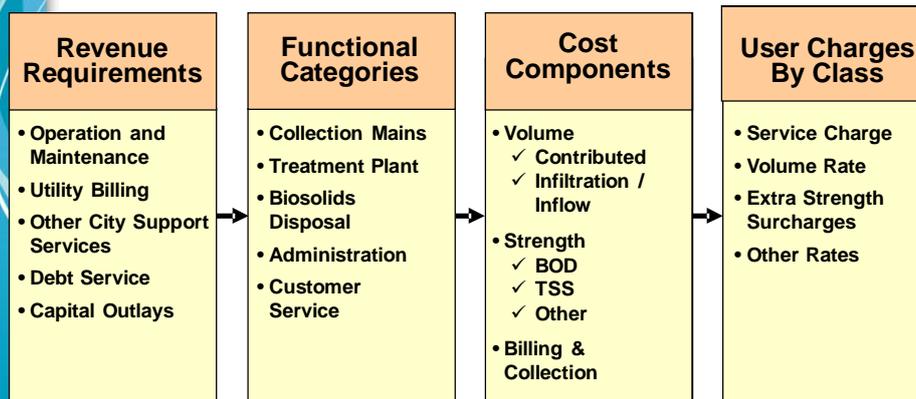
WATER FY 2019-20 COS Post Transition Results

Customer Class	Cost of Service	Revenue	Required Change in Revenue	
			\$	%
Single Family	\$29,720,899	\$29,816,374	(\$95,475)	-0.32%
Multi Family	3,183,799	3,205,485	(21,686)	-0.68%
Industrial	8,583,142	8,608,255	(25,113)	-0.29%
Landscape Service	9,237,182	9,268,512	(31,330)	-0.34%
Non-Residential	4,827,446	4,836,375	(8,929)	-0.18%
Total	55,552,467	55,735,001	(182,533)	-0.33%

Includes Projected Water Rate Increases of 4% in FY 2017-18 and FY 2019-20



WASTEWATER Cost Allocation Process



WASTEWATER FY 2015-16 COS Results

Customer Class	Cost of Service	Revenue	Required Change in Revenue	
			\$	%
Single Family	\$21,249,620	\$22,006,561	(\$756,941)	-3.44%
Multi-Family	3,803,915	2,096,771	1,707,144	81.42%
Non-Residential	15,780,754	14,086,673	1,694,081	12.03%
Total	\$40,834,289	\$38,190,005	2,644,284	6.92%

- (1) All Customer Classes Need COS Realignment
(2) Transition to Correct COS Typically Obtained Over 3-5 Year Period



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MONTHLY WASTEWATER BILL IMPACTS COS Transition Plan Option

Single Family Residential	FY 2014-15 Existing	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected	FY 2019-20 Projected
Without COS	\$ 24.17	\$ 26.35	\$ 26.35	\$ 28.72	\$ 28.72	\$ 31.30
COS Realigned	24.17	25.56	25.56	26.76	26.76	27.92
			Reduction Over 5 Years			\$ (3.38)
Multi-Family 200 Units	FY 2014-15 Existing	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected	FY 2019-20 Projected
Without COS	\$1,480.00	\$1,614.00	\$1,614.00	\$ 1,760.00	\$1,760.00	\$ 1,918.00
COS Realigned	1,480.00	2,106.00	2,106.00	2,646.00	2,646.00	3,168.00
			Increase Over 5 Years for 200 Units			\$ 1,250.00
			Increase Per Unit			\$ 6.25
Non-Residential	FY 2014-15 Existing	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected	FY 2018-19 Projected	FY 2019-20 Projected
Without COS	\$ 586.37	\$ 639.14	\$ 639.14	\$ 696.67	\$ 696.67	\$ 759.37
COS Realigned	586.37	674.95	674.95	751.58	751.58	824.26
			Increase Over 5 Years			\$ 64.89



Includes Projected Wastewater Rate Increases of 9% in FY 2015-16, FY 2017-18 & FY 2019-20

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WASTEWATER BILL IMPACTS COS Transition Plan 5 Year Option

Customer Class	Existing FY 2014-15	Test Year FY 2015-16	Forecast FY 2016-17	Forecast FY 2017-18	Forecast FY 2018-19	Forecast FY 2019-20
Single Family per Month	\$24.17	\$25.56	\$25.56	\$26.76	\$26.76	\$27.92
Multi-Family per Unit	7.40	10.53	10.53	13.23	13.23	15.84
Non-Residential						
Volumetric per Kgal	2.90	3.34	3.34	3.72	3.72	4.08
Monthly Base Charge	6.37	6.95	6.95	7.58	7.58	8.26
Metered Non-Residential						
Volumetric per Kgal	2.90	3.34	3.34	3.72	3.72	4.08
Monthly Base Charge	6.37	6.95	6.95	7.58	7.58	8.26

Includes Projected Wastewater Rate Increases of 9% in FY 2015-16,
FY 2017-18 & FY 2019-20



WASTEWATER FY 2019-20 COS Post Transition Results

Customer Class	Cost of Service	Revenue	Required Change in Revenue	
			\$	%
Single Family	\$25,944,436	\$25,933,107	\$11,329	0.04%
Multi-Family	4,575,965	4,578,663	(2,698)	-0.06%
Non-Residential	19,946,126	19,950,323	(4,197)	-0.02%
Total	\$50,466,528	\$50,462,093	4,435	0.01%

Includes Projected Wastewater Rate Increases of 9% in FY 2015-16,
FY 2017-18 and FY 2019-20



COS TRANSITION PLANNING

- Help Stakeholders Understand the Need for Realignment of Customer Classes
- Begin Transition Plan 2016 to Implement FY 2017-18



Thank
You!



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EXTRA SLIDES



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WATER – Monthly Base Charge

Single Family Inside Base Charge						
Meter Size	Existing	Projected				
	FY 2014 - 15	FY 2015 - 16	FY 2016 - 17	FY 2017 - 18	FY 2018 - 19	FY 2019 - 20
5/8" x 3/4"	\$8.87	\$8.87	\$8.87	\$9.23	\$9.23	\$9.60
3/4"	10.11	10.11	10.11	10.52	10.52	10.94
1"	12.91	12.91	12.91	13.43	13.43	13.97
1 1/2"	20.33	20.33	20.33	21.15	21.15	22.00
2"	28.61	28.61	28.61	29.77	29.77	30.96
3"	60.30	60.30	60.30	62.73	62.73	65.25
4"	85.09	85.09	85.09	88.52	88.52	92.08
6"	161.57	161.57	161.57	168.07	168.07	174.83
8"	244.79	244.79	244.79	254.64	254.64	264.88
10"	417.08	417.08	417.08	433.86	433.86	451.31
12"	589.39	589.39	589.39	613.10	613.10	637.75

