

# SUMMARY OF 2016 WATER RATE STUDY

## Revenue Requirement

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>Revenues</b>					
Rate Revenues	\$20,492	\$20,574	\$20,656	\$20,738	\$20,821
Miscellaneous Revenues	505	634	553	553	553
<b>Total Sources of Funds</b>	<b>\$20,997</b>	<b>\$21,208</b>	<b>\$21,209</b>	<b>\$21,291</b>	<b>\$21,374</b>
<b>Expenses</b>					
Total O&M Expenses	\$7,197	\$7,500	\$7,818	\$8,154	\$8,628
Rate Funded Capital	1,150	1,300	1,450	1,600	1,750
Debt Service - Existing	2,359	3,748	3,783	3,788	3,785
Debt Service - New	0	0	0	0	0
<b>Total Revenue Requirement w/o SWP</b>	<b>\$10,706</b>	<b>\$12,548</b>	<b>\$13,051</b>	<b>\$13,541</b>	<b>\$14,163</b>
Surface Water Project Expenses	\$4,907	\$4,777	\$5,097	\$5,344	\$5,488
Net SWP Debt Service	5,439	7,000	7,578	7,857	7,886
<b>Total SWP Revenue Requirement</b>	<b>\$10,346</b>	<b>\$11,777</b>	<b>\$12,676</b>	<b>\$13,201</b>	<b>\$13,374</b>
<b>Total Revenue Requirement w. SWP</b>	<b>\$21,052</b>	<b>\$24,325</b>	<b>\$25,727</b>	<b>\$26,742</b>	<b>\$27,537</b>
Transfers to Reserves	\$226	(\$1,389)	(\$1,551)	(\$1,168)	(\$481)
<b>Net Revenue Requirement w. SWP</b>	<b>\$21,278</b>	<b>\$22,936</b>	<b>\$24,176</b>	<b>\$25,575</b>	<b>\$27,056</b>
<b>Balance/(Deficiency) of Funds w. SWP</b>	<b>(\$282)</b>	<b>(\$1,728)</b>	<b>(\$2,967)</b>	<b>(\$4,283)</b>	<b>(\$5,682)</b>
<b>Adjust. as % of Rate Revenues w. SWP</b>	<b>1.4%</b>	<b>8.4%</b>	<b>14.4%</b>	<b>20.7%</b>	<b>27.3%</b>

<b>Capital Projects</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Kentucky Ave Widening & Reconstruction	\$300	\$0	\$0	\$0	\$0
Surface Water Projection	150	154	0	0	0
Water System Leak Detection, Maint., & Repairs	2,268	2,708	2,708	2,708	2,708
Water Master Plan Update	200	205	0	0	0
ASR Testing & Modeling - Surface Water Local	100	0	0	0	0
New ASR Well Construction	500	0	0	0	0
2015/16 ADA Improvements	14	0	0	0	0
ASR Wells	1,232	0	4,456	0	0
Recycled Water Master Plan	100	0	0	0	0
West Street Water Main Upgrade	1,951	2,058	0	0	0
West Woodland Safe Routes to School	0	308	0	0	0
2016/17 ADA Project	25	0	0	0	0
West Main Breet Bicycle/Ped Improvements	0	0	316	0	0
2018 Road Maintenance Project	0	0	79	0	0
Future Unidentified Capital Projects	0	0	0	0	0
Total Capital Transfers	0	0	0	0	0
<b>Total Capital Projects</b>	<b>\$6,840</b>	<b>\$5,434</b>	<b>\$7,560</b>	<b>\$2,708</b>	<b>\$2,708</b>
<b>Less: Funding Sources Other Than Rates</b>					
Development Fund	\$0	\$0	\$0	\$0	\$0
Operating Reserves	5,176	4,134	6,110	1,108	958
Capital Reserve Funds	0	0	0	0	0
Grants	0	0	0	0	0
Stimulus Grant	0	0	0	0	0
SRF Loan Withdrawals	514	0	0	0	0
New Revenue Bonds	0	0	0	0	0
<b>Total Funding Sources Other Than Rates</b>	<b>\$5,690</b>	<b>\$4,134</b>	<b>\$6,110</b>	<b>\$1,108</b>	<b>\$958</b>
<b>Rate Funded Capital</b>	<b>\$1,150</b>	<b>\$1,300</b>	<b>\$1,450</b>	<b>\$1,600</b>	<b>\$1,750</b>

## Cost of Service Analysis

Summary of the Cost of Service Analysis Average Unit Costs – Cost Based Rates					
	Residential – Tier 1	Residential – Tier 2	Residential – Tier 3	Non - Residential	Landscape
<b>Consumption Costs</b>					
Commodity	\$0.89	\$0.89	\$0.89	\$0.89	\$0.89
Capacity	1.92	2.57	3.46	2.96	3.81
Fire / Rev / DA	<u>0.38</u>	<u>0.38</u>	<u>0.38</u>	<u>0.32</u>	<u>0.00</u>
<b>Total (\$ / CCF)</b>	<b>\$3.20</b>	<b>\$3.85</b>	<b>\$4.73</b>	<b>\$4.17</b>	<b>\$4.70</b>
<b>Customer Costs</b>	<b>\$42.81</b>	<b>\$42.81</b>	<b>\$42.81</b>	<b>\$57.62</b>	<b>\$58.56</b>

## Example of Impact of Rate Adjustment for a Typical Residential User

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>Current Rate</b>	<b>\$95.95</b>					
<b>Revenue Adjustment</b>		5.5%	5.5%	5.5%	5.5%	5.5%
<b>Average Bill Impact<sup>1</sup></b>		<b>\$102.54</b>	<b>\$108.21</b>	<b>\$114.29</b>	<b>\$120.64</b>	<b>\$127.36</b>

[1] – Assumes 1" meter service and 17 CCF of consumption

## Rate Design – Proposed Rates

<i>Proposed Revenue Adjustment</i>	<i>Present Rates</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
		5.5%	5.5%	5.5%	5.5%	5.5%
<i>Effective Date -</i>		<i>Apr-1-2017</i>	<i>Jan-1-2018</i>	<i>Jan-1-2019</i>	<i>Jan-1-2020</i>	<i>Jan-1-2021</i>
<b><u>Meter Charge (All customer classes)</u></b>						
3/4"	\$42.45	\$44.85	\$47.30	\$49.95	\$52.70	\$55.65
1"	42.45	44.85	47.30	49.95	52.70	55.65
1 1/2"	42.45	44.85	47.30	49.95	52.70	55.65
2"	42.45	44.85	47.30	49.95	52.70	55.65
3"	79.75	84.25	88.90	93.80	99.00	99.00
4"	132.90	140.40	148.10	156.40	165.00	165.00
6"	265.35	280.35	295.70	312.20	329.40	329.40
<b><u>Consumption (per ccf)</u></b>						
<b>Residential -</b>						
0 - 12 CCF	\$2.90	\$3.20	\$3.38	\$3.57	\$3.77	\$3.98
13 - 36 CCF	3.74	3.85	4.07	4.30	4.54	4.79
36 + CCF	4.91	4.74	5.00	5.28	5.58	5.89
<b>Multi-Family, Commercial, Institutional, Industrial, &amp; City</b>						
Uniform Rate	\$4.31	\$4.31	\$4.40	\$4.65	\$4.91	\$5.18
<b>Landscape</b>						
Uniform Rate	\$4.91	\$4.71	\$4.97	\$5.25	\$5.55	\$5.86

## Drought Rates

<i>Proposed Drought Rate Additional Charge \$/CCF</i>						
<i>&gt;25% Shortage</i>						
	<i>Current</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
<b>Residential</b>						
0 - 12 CCF	\$0.00	\$2.08	\$2.19	\$2.31	\$2.44	\$2.57
13 - 36 CCF	\$0.00	\$2.08	\$2.19	\$2.31	\$2.44	\$2.57
36 + CCF	\$0.00	\$2.08	\$2.19	\$2.31	\$2.44	\$2.57
<b>Multi-Family, Commercial, Institutional, Industrial, &amp; City</b>						
Uniform Rate	\$0.00	\$2.08	\$2.19	\$2.31	\$2.44	\$2.57
<b>Landscape</b>						
Uniform Rate	\$0.00	\$2.08	\$2.19	\$2.31	\$2.44	\$2.57