



**SPECIAL  
BOARD OF DIRECTORS  
SAN LORENZO VALLEY WATER DISTRICT  
AGENDA  
May 24, 2017**

**MISSION STATEMENT:** Our Mission is to provide our customers and future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding service and community relations; to manage and protect the environmental health of the aquifers and watersheds; and to ensure the fiscal vitality of the San Lorenzo Valley Water District.

Notice is hereby given that a special meeting of the Board of Directors of the San Lorenzo Valley Water District will be held on **Wednesday, May 24, 2017 at 6:00 p.m., Highlands Park Senior Center, 8500 CA-9, Ben Lomond, California 95005.**

*In compliance with the requirements of Title II of the American Disabilities Act of 1990, the San Lorenzo Valley Water District requests that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at the District's Public Meeting can contact the District Secretary's Office at (831) 430-4636 a minimum of 72 hours prior to the scheduled meeting.*

*Agenda documents, including materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet, are available for public inspection and may be reviewed at the office of the District Secretary, 13060 Highway 9, Boulder Creek, CA 95006 during normal business hours. Such documents are also available on the District website at [www.slvwd.com](http://www.slvwd.com) subject to staff's ability to post the documents before the meeting.*

**1. Convene Meeting/Roll Call**

**2. Additions and Deletions to Agenda:**

*Additions to the Agenda, if any, may only be made in accordance with California Government Code Section 54954.2 (Ralph M. Brown Act) which includes, but is not limited to, additions for which the need to take action is declared to have arisen after the agenda was posted, as determined by a two-thirds vote of the Board of Directors (or if less than two-thirds of the members are present, a unanimous vote of those members present).*

**3. Oral Communications:**

*This portion of the agenda is reserved for Oral Communications by the public for items which are not on the Agenda. Please understand that California law (The Brown Act) limits what the Board can do regarding issues raised during Oral Communication. No action or discussion may occur on issues outside of those already listed on today's agenda. Any person may address the Board of Directors at this time, on any subject that lies within the jurisdiction of the District. Normally, presentations must not exceed three (3) minutes in length, and individuals may only speak once during Oral Communications. Any Director may request that the matter be placed on a future agenda or staff may be directed to provide a brief response.*

4. Unfinished Business:

*Members of the public will be given the opportunity to address each scheduled item prior to Board action. The Chairperson of the Board may establish a time limit for members of the public to address the Board on agenda.*

a. SAN LORENZO VALLEY WATER DISTRICT RATE STUDY-PRESENTED BY NBS

Discussion by the Board relative to the SLVWD rate study.

- (1) Review of Capacity Charges
- (2) Review of Sewer Rates
- (3) Discussion of Water Rate Design Scenarios

6. Adjournment

**Certification of Posting**

I hereby certify that on May 19, 2017 I posted a copy of the foregoing agenda in the outside display case at the District Office, 13060 Highway 9, Boulder Creek, California, said time being at least 24 hours in advance of the meeting of the Board of Directors of the San Lorenzo Valley Water District (Government Code Section 54954.2).

Executed at Boulder Creek, California on May 19, 2017

\_\_\_\_\_  
Holly B. Morrison, Dist. Secretary  
San Lorenzo Valley Water Dist.

A dynamic background image showing a close-up of water being poured, creating a large splash with many bubbles. The water is clear and blue. The background is divided into three main color sections: a dark blue curved shape at the top right, a light blue curved shape at the bottom right, and a grey curved shape at the bottom left. A vertical green bar is on the far right edge.

## San Lorenzo Valley Water District

### Rate Design Alternatives: **INITIAL RESULTS**

*Public Workshop*  
*May 24, 2017*

*Presented by*

**Greg Clumpner, Director, NBS**  
**Carmen Narayanan, Consultant, NBS**

# Overview

- **Recap of Rate Study Tasks**
- **Water Rates**
  - ✓ Recap of Water Usage
  - ✓ Recap of Cost-of-Service Analysis
  - ✓ Financial Plan Scenarios (annual rate increases needed)
  - ✓ Water Rate Design Alternatives (how rates will be collected)
  - ✓ Monthly Bill Comparisons
- **Sewer Rates**
  - ✓ Proposed Rates and Bill Comparisons
- **Water Connection Fees**
- **Next Steps**

# Meeting Objectives

- **Select a Preferred Financial Plan Scenario.**
  - ✓ Use Board Recommendations for any additional adjustments.
- **Select a Preferred Water Rate Design Alternative.**
  - ✓ Volumetric Charges: Choose Single/Uniform Tier or Two-Tiers
  - ✓ Use Board Recommendations for any additional adjustments.
- **Discuss/Adjust Sewer Rates.**
- **Approve Water Connection Fees.**



# Rate Study Tasks & Methodology

## *Key Components in a Rate Study:*

### **1** FINANCIAL PLAN / REVENUE REQUIREMENTS

Step 1: Financial Plan/  
Revenue Requirements -  
Compares current sources  
and uses of funds and  
determines the revenue  
needed from rates and  
projected rate adjustments.

### **2** COST-OF-SERVICE ANALYSIS

Step 2: Cost-of-Service  
Analysis - Allocates  
revenue requirements to the  
customer classes in a "fair  
and equitable" manner that  
complies with Prop 218.

### **3** RATE DESIGN

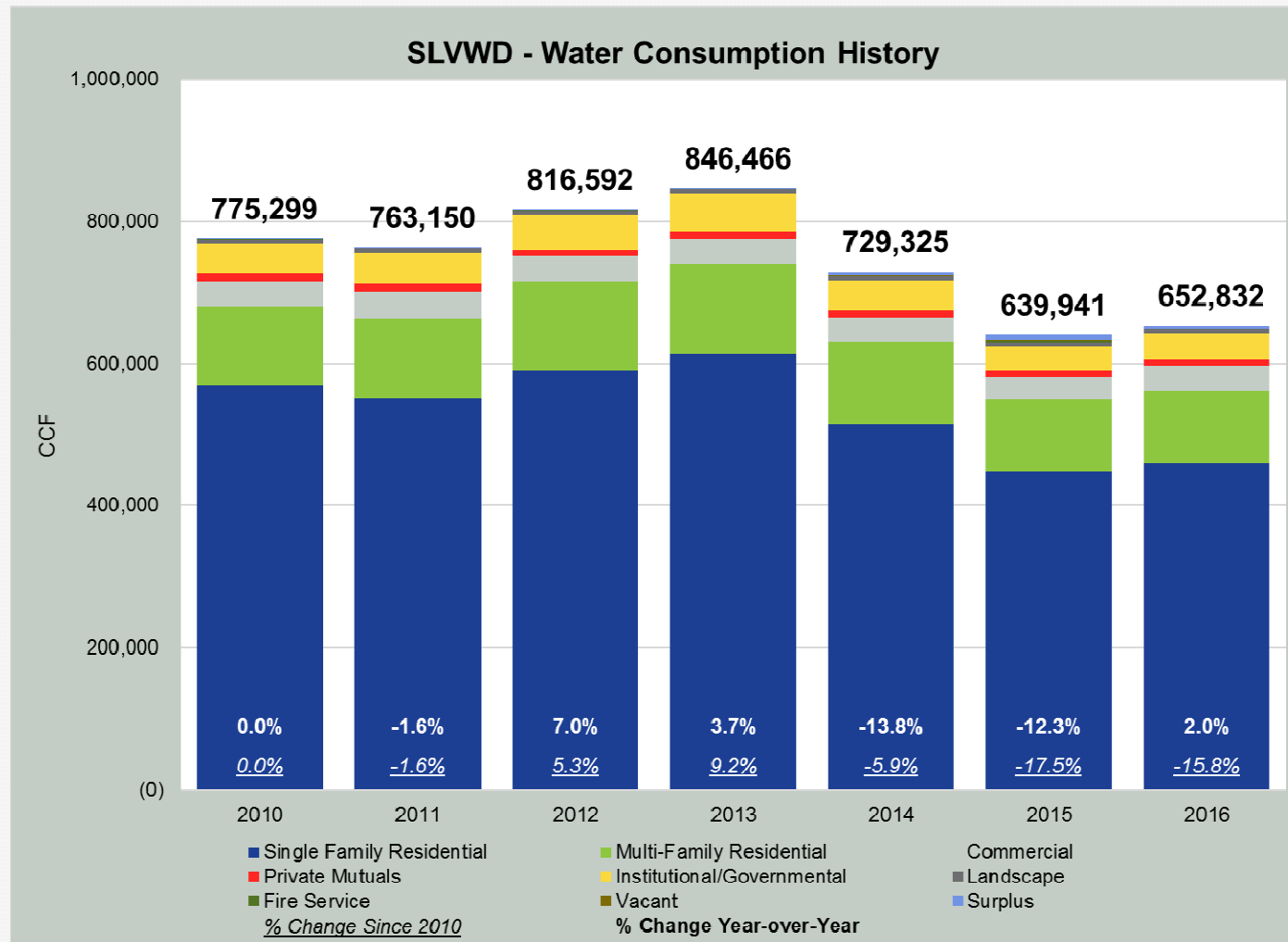
Step 3: Rate Design -  
Considers what rate  
structure alternatives will  
best meet the District's  
need to collect rate revenue  
from each customer class.

**Covered in Cost of Service Study  
(adopted January 2017)**

**Focus of Rate  
Design Study**

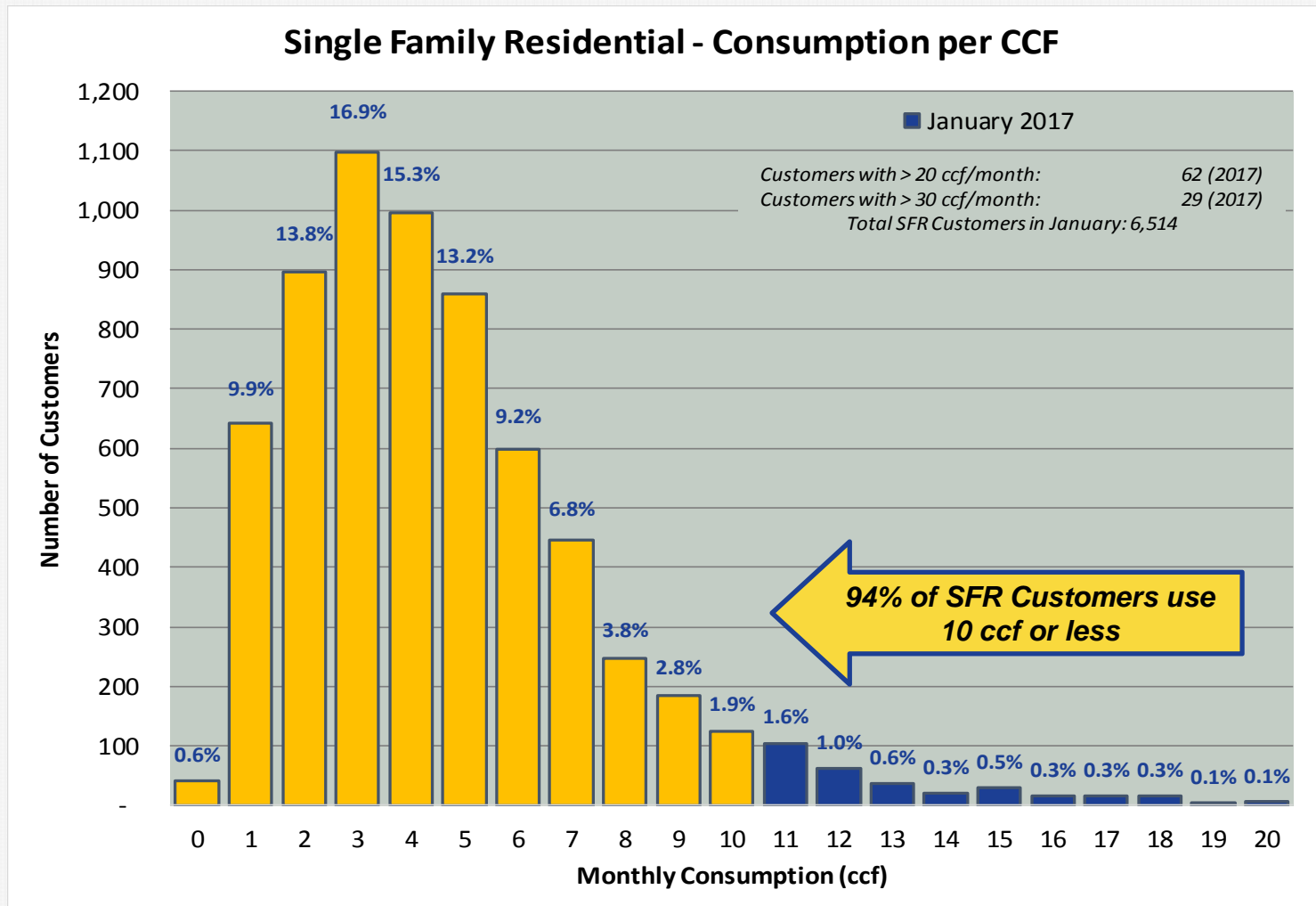
# SLVWD – Water Usage

# Water Consumption History





# Water Consumption for SFR in Jan. 2017



# Water Rate Cost-of-Service Analysis

# Cost-of-Service Analysis Review

Allocates revenue requirements to the customer classes based on three classification components:

- ✓ **Commodity related costs** – associated with the total consumption (flow) of water over a specific period of time.
- ✓ **Capacity related costs** – associated with the maximum demand required at one point in time or the maximum size of facilities required to meet this demand.
- ✓ **Customer related costs** – associated with having a customer on the water system.

## *COSA vs. True Fixed Costs*

Classification Components	Net Cost Requirements (2017/18)
Commodity-Related Costs	46.6%
Capacity-Related Costs	44.7%
Customer-Related Costs	8.7%
<b>Net Revenue Requirement</b>	<b>100%</b>

Classification Components (1)	Fixed/Variable Net Revenue Requirements (2017/18)
Variable Costs	22.2%
Fixed Costs	77.8%
<b>Net Revenue Requirements</b>	<b>100%</b>

# Water Rate Financial Plan Scenarios

# Water Financial Plan Scenarios

## Various financial plan scenarios were evaluated:

- ✓ Cumulative effect on District's water customers.
- ✓ Overall effect on District's long-term reserves.
- ✓ Overall effect on District's capital improvement program expenditures.





# Water Financial Plan Scenarios (cont.)

- |                                    |  |
|------------------------------------|--|
| 1. <b>Mid Flat Rate Increases</b>  | <ul style="list-style-type: none"><li>✓ Limited CIP through Year 5</li><li>✓ Reserves recover by Year 10</li><li>✓ Phased-In CIP Spending</li></ul>    |
| 2. <b>10-Year Phase In</b>         | <ul style="list-style-type: none"><li>✓ 100% of CIP by Year 10</li><li>✓ 100% of Reserves by Year 10</li></ul>   |
| 3. <b>5-Year Phase In</b>          | <ul style="list-style-type: none"><li>✓ 100% of CIP by Year 5</li><li>✓ 100% of Reserves by Year 5</li></ul>   |
| 4. <b>Rates with Phased-In CIP</b> | <ul style="list-style-type: none"><li>✓ Limited CIP through Year 5</li><li>✓ Phased-In CIP Spending</li><li>✓ 100% of Reserves by Year 5</li></ul>     |
| 5. <b>Low Flat Rate Increases</b>  | <ul style="list-style-type: none"><li>✓ Limited CIP through Year 5</li><li>✓ Reserves recover after Year 10</li><li>✓ Phased-In CIP Spending</li></ul> |

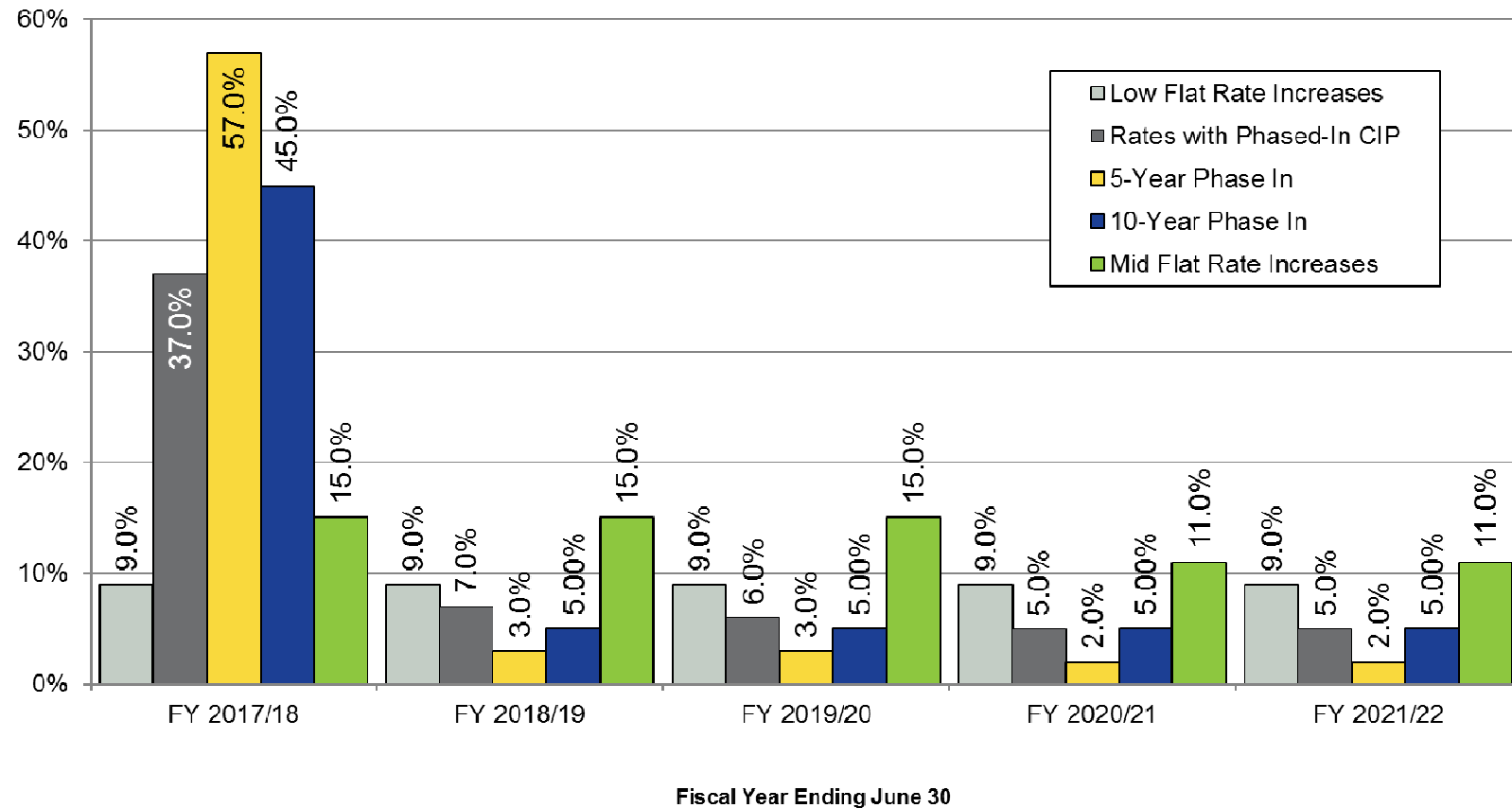


# Water Financial Plan Scenarios (cont.)

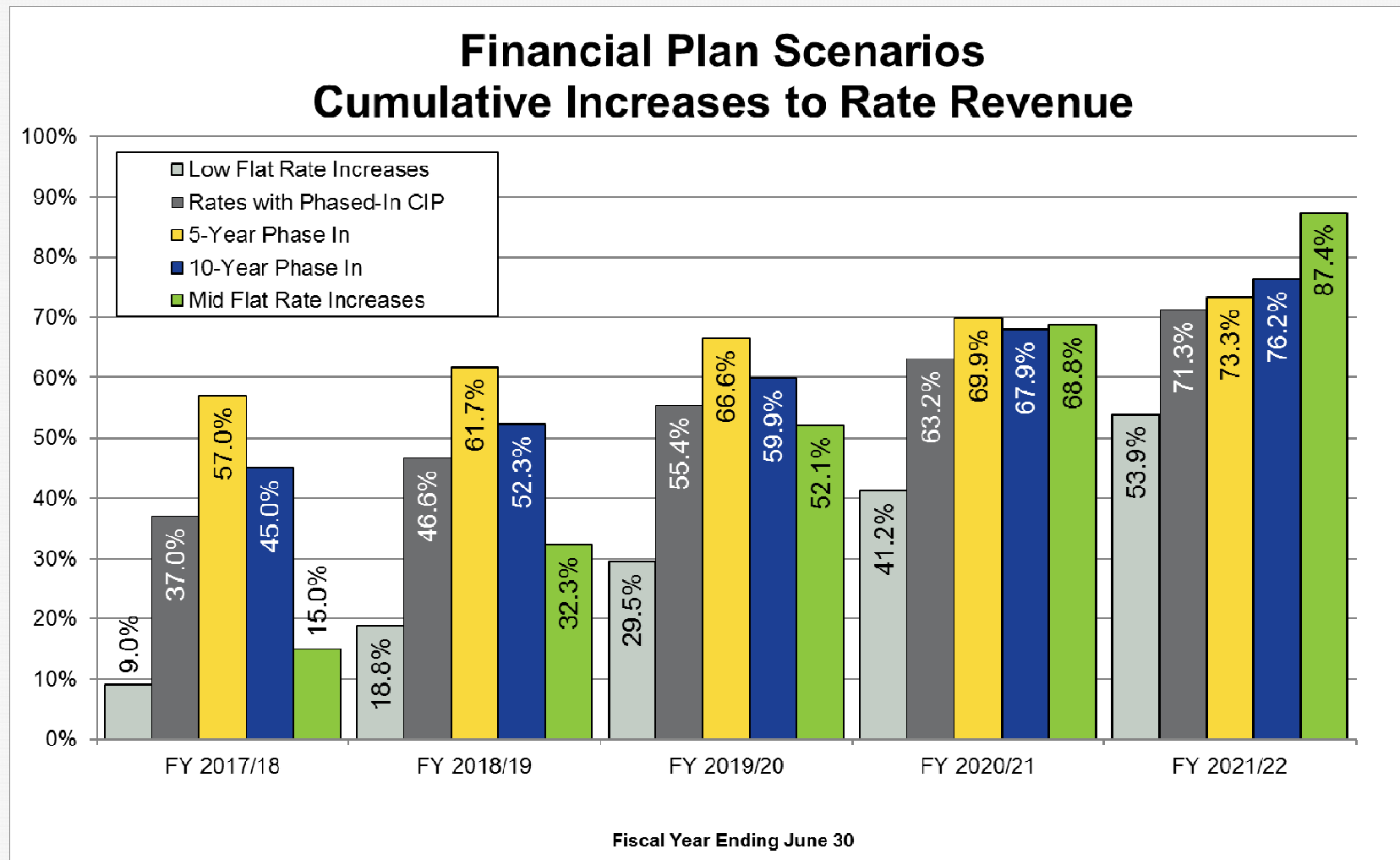
	Rate Increase Alternatives	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	Total Cumulative
1.	Mid Flat Rate Increases	15.0%	15.0%	15.0%	11.0%	11.0%	<b>87.4%</b>
2.	10-Year Phase In	45.0%	5.00%	5.00%	5.00%	5.00%	<b>76.2%</b>
3.	5-Year Phase In	57.0%	3.0%	3.0%	2.0%	2.0%	<b>73.3%</b>
4.	Rates with Phased-In CIP	37.0%	7.0%	6.0%	5.0%	5.0%	<b>71.3%</b>
5.	Low Flat Rate Increases	9.0%	9.0%	9.0%	9.0%	9.0%	<b>53.9%</b>

# Water Financial Plan Scenarios (cont.)

## Financial Plan Scenarios Projected Increases to Rate Revenue

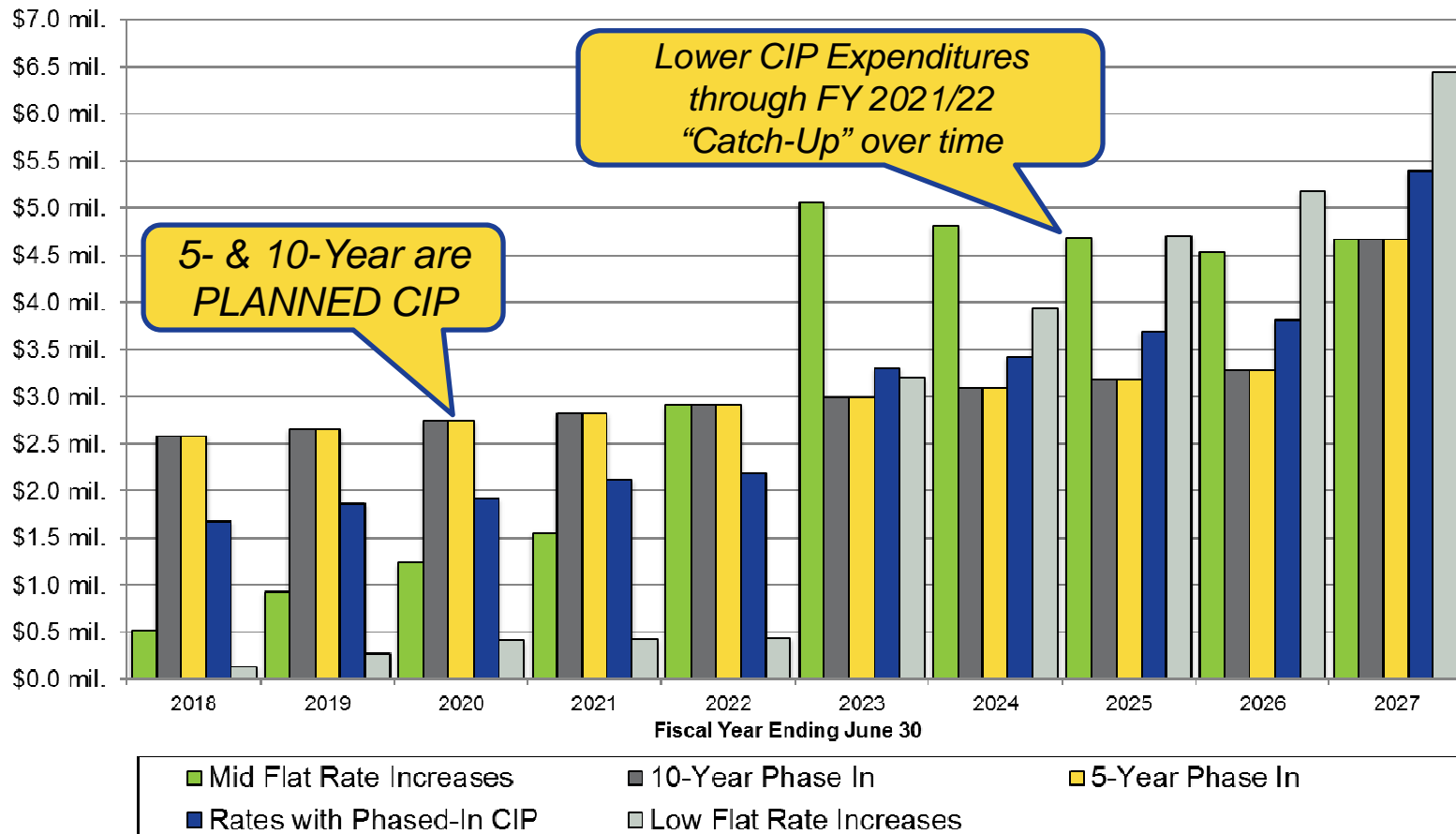


# Water Financial Plan Scenarios (cont.)

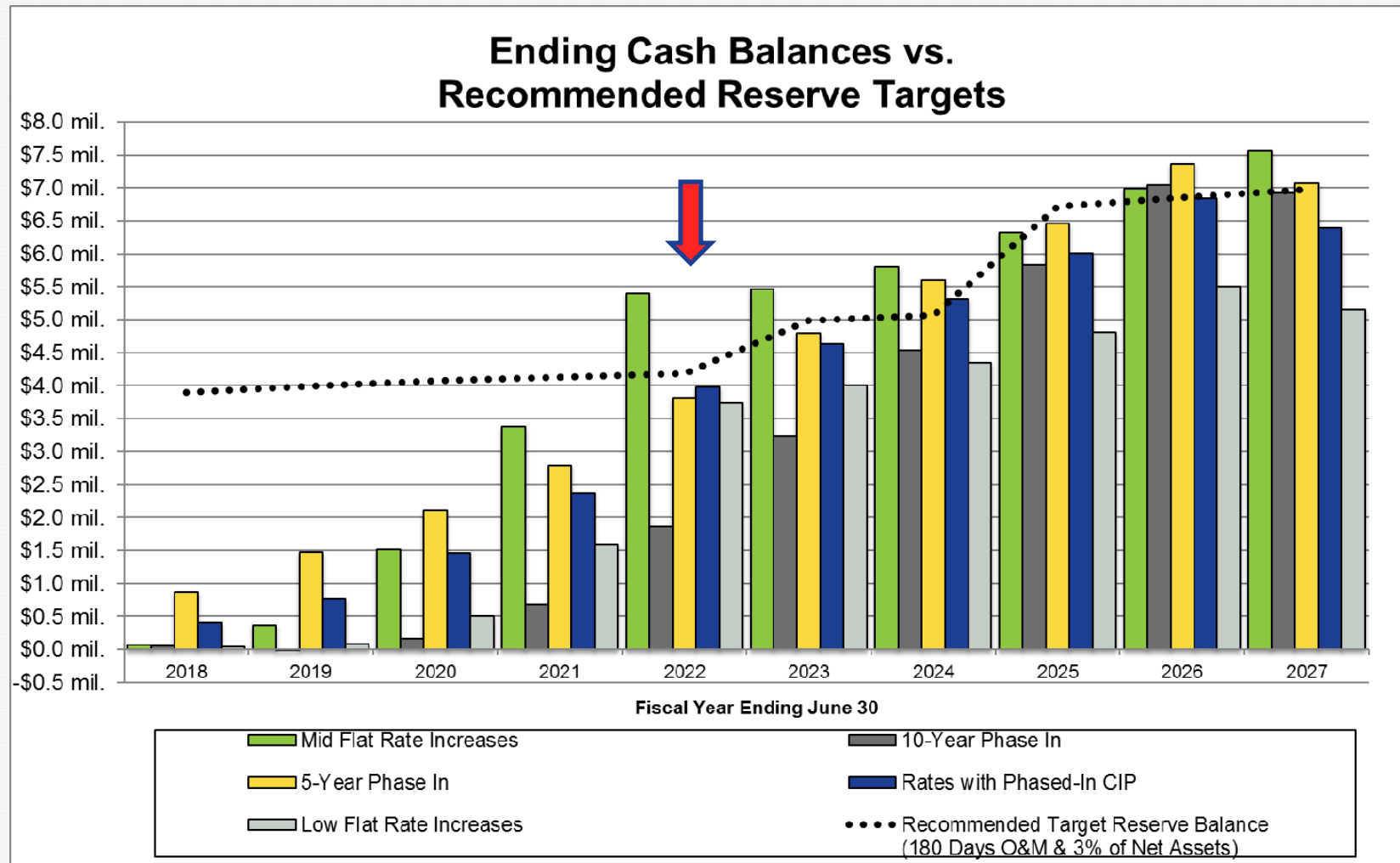


# Water Financial Plan Scenarios (cont.)

## Annual CIP Expenditures



# Water Financial Plan Scenarios (cont.)



# Water Rate Design Alternatives



# Overview of Rate Design Alternatives

## ■ Rate Design Alternatives:

- ✓ Rate Design results will all reflect the Chosen Financial Plan Scenario
- ✓ All Rate Designs are “revenue-neutral”: they all collect the same target annual revenue.
- ✓ Rate Design Components:
  - % Fixed vs. % Variable Revenue
  - 1-Tier or 2-Tier Volumetric Rates
  - Target Conservation Levels?
  - Eliminate Volumetric Surcharge (*Assumed to be Removed*)

# Water Rate Design Alternatives

**% Fixed vs. Variable Charges: Rate Alternatives Adjust how Revenue is Collected.**

Option	Fixed	Variable	Total	Attributes
<i>Current Rates</i> <sup>1</sup>	<i>50%</i>	<i>50%</i>	<i>100%</i>	
Rate Alternative #1	70%	30%	100%	Lower Volumetric Rates
Rate Alternative #2	50%	50%	100%	Reflects Current Rates
Rate Alternative #3	30%	70%	100%	Higher Volumetric Rates

1. Current Rates Variable portion includes drought surcharge revenue, which will be eliminated.

**Alt. #3 Shifts more costs to high users.**

*Note: If current fixed charge remains the same (\$34.00/month for a SFR 5/8-inch meter), Rate Design would equal approximately 37% Fixed / 63% Variable.*

# Water Rate Design Alternatives – Fixed

- ✓ *Combined with 5 Financial Plan Alternatives, the District has 15 rate design options!*
- ✓ *These are the **FIXED CHARGES** by Alternative:*

<i>FY 2017/18 Monthly Fixed Charges ¾" Meter Only</i>	<i>Mid Flat Rate Increases</i>	<i>10-Year Phase In</i>	<i>5-Year Phase In</i>	<i>Rates with Phased-In CIP</i>	<i>Low Flat Rate Increases</i>
Rate Alternative #1 (70%F / 30%V)	\$54.97	\$69.21	\$74.94	\$65.43	\$52.12
<b>Rate Alternative #2 &amp; Current Rate Structure (50%F / 50%V)</b>	<b>\$39.37</b>	<b>\$49.54</b>	<b>\$53.64</b>	<b>\$46.85</b>	<b>\$37.33</b>
Rate Alternative #3 (30%F / 70%V)	\$23.77	\$29.88	\$32.35	\$28.27	\$22.55

# Water Rate Design Alternatives – Variable

- ✓ *Combined with 5 Financial Plan Alternatives, the District has 15 rate design options!*
- ✓ ***These are the UNIFORM VOLUMETRIC RATES Rates by Alternative:***

<i>FY 2017/18 Uniform/Single Tier Rate per CCF</i>	<i>Mid Flat Rate Increases</i>	<i>10-Year Phase In</i>	<i>5-Year Phase In</i>	<i>Rates with Phased-In CIP</i>	<i>Low Flat Rate Increases</i>
Rate Alternative #1 (70%F / 30%V)	\$3.64	\$4.59	\$4.97	\$4.34	\$3.45
<b>Rate Alternative #2 &amp; Current Rate Structure (50%F / 50%V)</b>	<b>\$6.07</b>	<b>\$7.65</b>	<b>\$8.29</b>	<b>\$7.23</b>	<b>\$5.75</b>
Rate Alternative #3 (30%F / 70%V)	\$8.50	\$10.71	\$11.60	\$10.12	\$8.05

# Water Rate Design Alternatives *(cont.)*

## ***Observations of Rate Design Alternatives:***

### **1. Higher % Fixed Charges:**

- Provide Less Conservation Incentives
- Spread Higher Share of System Costs to All Users (Regardless of Consumption Levels)
- Provide Greater Revenue Stability

### **2. Higher % Volumetric Charges:**

- Shift Costs to Those Using More Water
- Benefits “Part-Time” Residents (*w/ Lower Fixed Rates*)
- Subjects District to More Drought-Risks/Revenue Instability

# Water Rate Design Alternatives *(cont.)*

## Volumetric Rates

- ✓ Current Volumetric Rates are 4-Tiers.
- ✓ Single (uniform) tier rates are simple to administer, fair and equitable, and easy to defend.
- ✓ Two Tiers promote water conservation better, but are more difficult to defend (Prop 218-wise).
- ✓ Assumption: Eliminate Drought Surcharge of \$1/ccf.



# Water Rate Design Alternatives (cont.)

## Conservation (or Rate Stabilization) Rates:

- ✓ **Revenue Stabilization** – These rates are intended to stabilize District's variable rate revenues that may be effected by conservation or unusual weather patterns.
- ✓ **Implementation** – Once adopted through Prop 218, they can be implemented by Board of Directors as needed (e.g., if volumetric-rate revenue drops by 10% or more for two months, new volumetric rate could be implemented).
- ✓ **Reversible** – When volumetric revenue losses subside, use of conservation rates would end (go back to approved lower volumetric rates).
- ✓ **Public Notification** – District will provide adequate notice prior to Conservation Rates being implemented (or removed).

# Water Rate Design Alternatives (cont.)

## Rules for Conservation/Rate Stabilization Rates:

- ✓ **Implementation Triggers** – Conservation Rates will be developed to respond to the following “triggers”:
  - Two consecutive months of volumetric revenue losses of 10% or more (i.e., below the expected revenue level)
  - Higher volumetric rates would be implemented in increments of 5% (beginning with 10% and depending on the level of revenue losses)
  - Levels of Volumetric Rate Increases:

10%	15%	20%	25%	30%
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- The District’s Attorney has reviewed this approach and is preparing legal criteria for implementing these rates.

# Proposed Rates with Financial Plan Alternatives

# Water Rate Alternatives – ¾” Comparison

## *70% Fixed / 30% Variable*

	Monthly Fixed Service Charge Alternatives – ¾” Meter	Current Rates	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
1.	Mid Flat Rate Increases	\$ 34.00	\$ 54.97	\$ 63.21	\$ 72.69	\$ 80.69	\$ 89.57
2.	10-Year Phase In	\$ 34.00	\$ 69.21	\$ 72.67	\$ 76.30	\$ 80.12	\$ 84.12
3.	5-Year Phase In	\$ 34.00	\$ 74.94	\$ 77.18	\$ 79.50	\$ 81.09	\$ 82.71
4.	Rates with Phased-In CIP	\$ 34.00	\$ 65.43	\$ 70.00	\$ 74.21	\$ 77.92	\$ 81.81
5.	Low Flat Rate Increases	\$ 34.00	\$ 52.12	\$ 56.81	\$ 61.92	\$ 67.49	\$ 73.57

# Water Rate Alternatives – ¾” Comparison

## *50% Fixed / 50% Variable*

	Monthly Fixed Service Charge Alternatives – ¾” Meter	Current Rates	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
1.	Mid Flat Rate Increases	\$ 34.00	\$ 39.37	\$ 45.28	\$ 52.07	\$ 57.79	\$ 64.15
2.	10-Year Phase In	\$ 34.00	\$ 49.54	\$ 52.02	\$ 54.62	\$ 57.35	\$ 60.22
3.	5-Year Phase In	\$ 34.00	\$ 53.64	\$ 55.25	\$ 56.91	\$ 58.05	\$ 59.21
4.	Rates with Phased-In CIP	\$ 34.00	\$ 46.85	\$ 50.12	\$ 53.13	\$ 55.79	\$ 58.58
5.	Low Flat Rate Increases	\$ 34.00	\$ 37.33	\$ 40.69	\$ 44.36	\$ 48.35	\$ 52.70

# Water Rate Alternatives – ¾” Comparison

***30% Fixed / 70% Variable***

	Monthly Fixed Service Charge Alternatives – ¾” Meter	Current Rates	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
1.	Mid Flat Rate Increases	\$ 34.00	\$ 23.77	\$ 27.34	\$ 31.44	\$ 34.90	\$ 38.74
2.	10-Year Phase In	\$ 34.00	\$ 29.88	\$ 31.37	\$ 32.94	\$ 34.59	\$ 36.32
3.	5-Year Phase In	\$ 34.00	\$ 32.35	\$ 33.32	\$ 34.32	\$ 35.01	\$ 35.71
4.	Rates with Phased-In CIP	\$ 34.00	\$ 28.27	\$ 30.24	\$ 32.06	\$ 33.66	\$ 35.34
5.	Low Flat Rate Increases	\$ 34.00	\$ 22.55	\$ 24.58	\$ 26.79	\$ 29.21	\$ 31.83



# Water Rate Alternatives – 1” Comparison

## *70% Fixed / 30% Variable*

	Monthly Fixed Service Charge Alternatives – 1” Meter	Current Rates	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
1.	Mid Flat Rate Increases	\$ 56.50	\$ 87.06	\$ 100.11	\$ 115.13	\$ 127.80	\$ 141.85
2.	10-Year Phase In	\$ 56.50	\$ 110.77	\$ 116.31	\$ 122.13	\$ 128.23	\$ 134.64
3.	5-Year Phase In	\$ 56.50	\$ 119.94	\$ 123.54	\$ 127.24	\$ 129.79	\$ 132.38
4.	Rates with Phased-In CIP	\$ 56.50	\$ 104.30	\$ 111.60	\$ 118.29	\$ 124.21	\$ 130.42
5.	Low Flat Rate Increases	\$ 56.50	\$ 82.33	\$ 89.74	\$ 97.81	\$ 106.62	\$ 116.21

# Water Rate Alternatives – 1” Comparison

## *50% Fixed / 50% Variable*

	Monthly Fixed Service Charge Alternatives – 1” Meter	Current Rates	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
1.	Mid Flat Rate Increases	\$ 56.50	\$ 61.06	\$ 70.22	\$ 80.75	\$ 89.64	\$ 99.50
2.	10-Year Phase In	\$ 56.50	\$ 78.00	\$ 81.90	\$ 85.99	\$ 90.29	\$ 94.81
3.	5-Year Phase In	\$ 56.50	\$ 84.45	\$ 86.99	\$ 89.60	\$ 91.39	\$ 93.22
4.	Rates with Phased-In CIP	\$ 56.50	\$ 73.33	\$ 78.46	\$ 83.17	\$ 87.33	\$ 91.70
5.	Low Flat Rate Increases	\$ 56.50	\$ 57.69	\$ 62.88	\$ 68.54	\$ 74.71	\$ 81.43

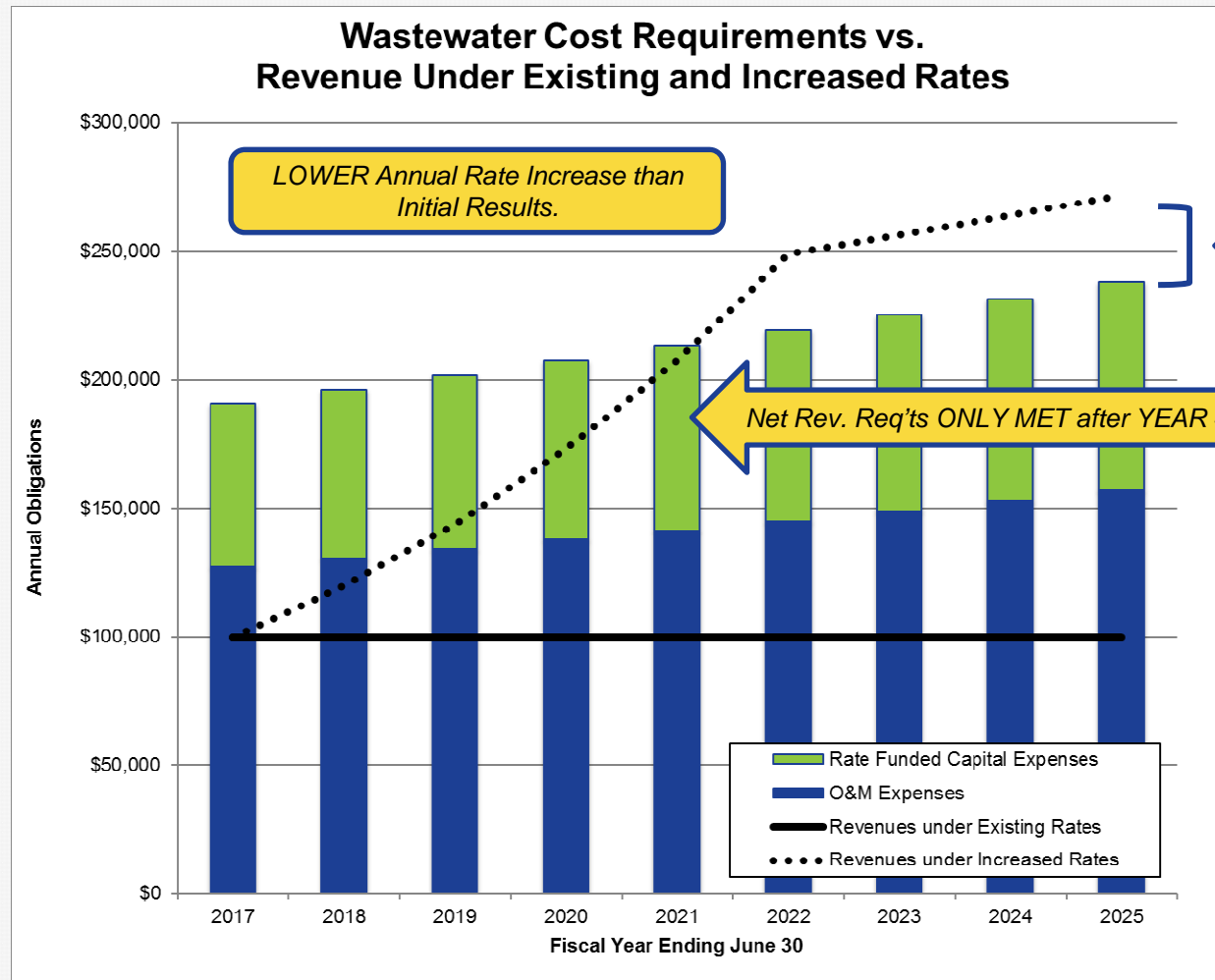
# Water Rate Alternatives – 1” Comparison

## *30% Fixed / 70% Variable*

	Monthly Fixed Service Charge Alternatives – 1” Meter	Current Rates	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
1.	Mid Flat Rate Increases	\$ 56.50	\$ 35.07	\$ 40.33	\$ 46.38	\$ 51.48	\$ 57.14
2.	10-Year Phase In	\$ 56.50	\$ 45.22	\$ 47.48	\$ 49.86	\$ 52.35	\$ 54.97
3.	5-Year Phase In	\$ 56.50	\$ 48.97	\$ 50.43	\$ 51.95	\$ 52.99	\$ 54.05
4.	Rates with Phased-In CIP	\$ 56.50	\$ 42.36	\$ 45.33	\$ 48.05	\$ 50.45	\$ 52.97
5.	Low Flat Rate Increases	\$ 56.50	\$ 33.05	\$ 36.03	\$ 39.27	\$ 42.80	\$ 46.66

# Sewer Rates

# Sewer Financial Plan – Option 1

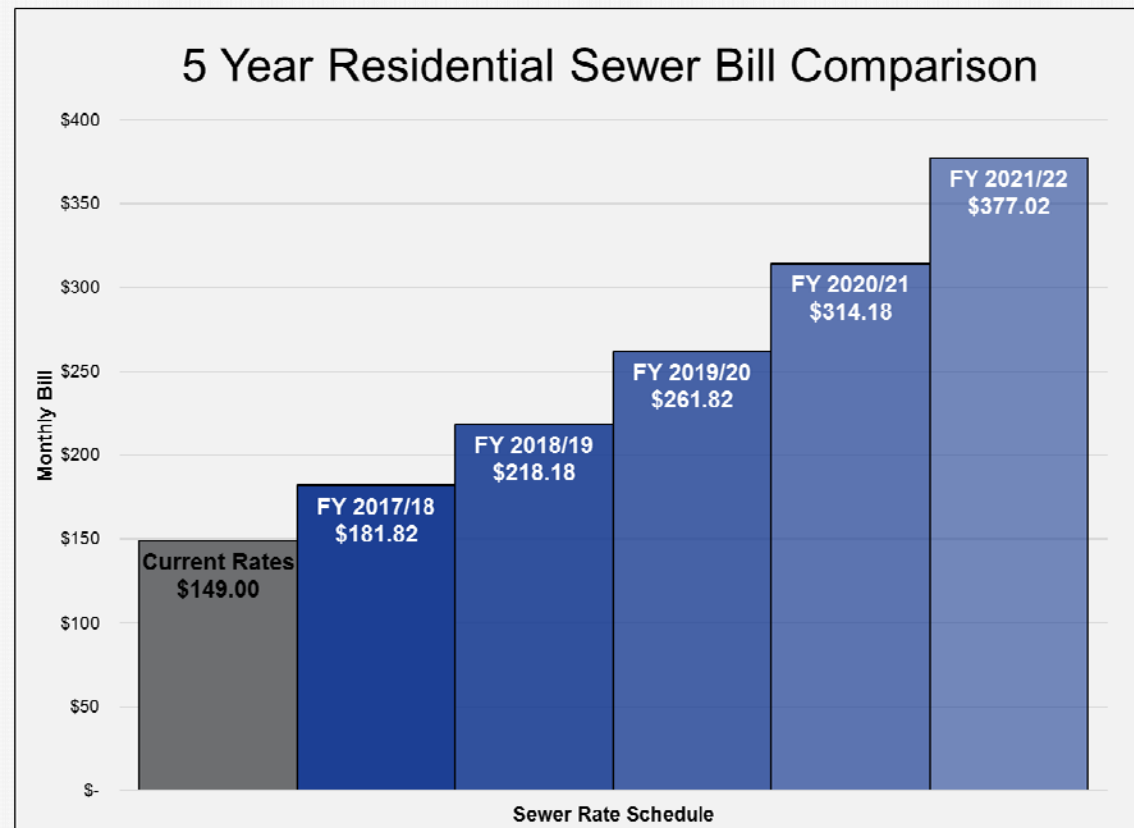


## Increase Rates Annually to:

1. Meet Revenue Requirements
2. Fund Capital R&R and Improvement
3. Build & Maintain Appropriate Reserve Funds

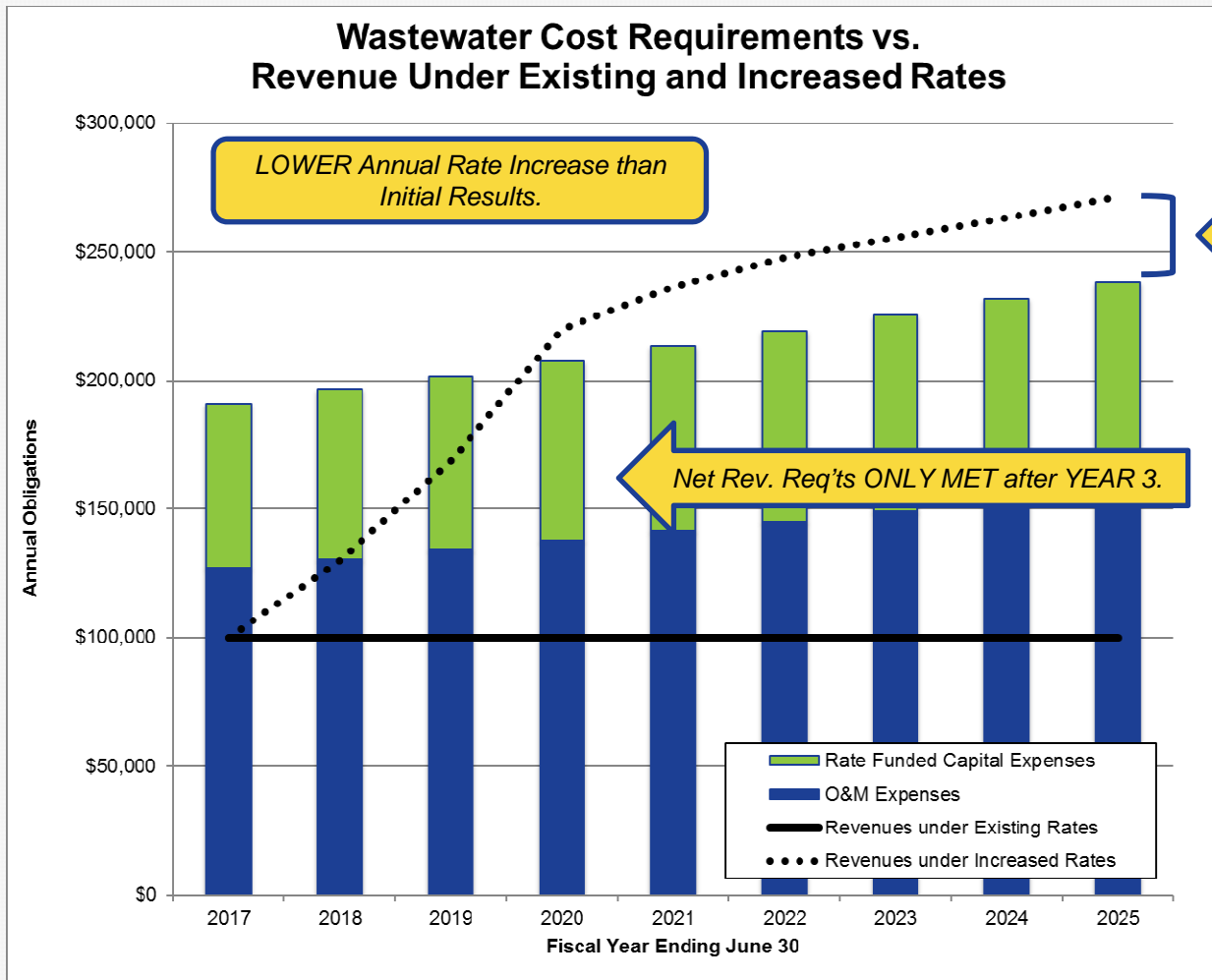
# Proposed Sewer Rates – Option 1

Sewer Rate Schedule	Current Rates	Proposed Rates				
		FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Projected Increase in Rate Revenue per Financial Plan:		20.00%	20.00%	20.00%	20.00%	20.00%
Monthly Fixed Service Charges: All Customers	\$149.00	\$181.82	\$218.18	\$261.82	\$314.18	\$377.02





# Sewer Financial Plan – Option 2



## Increase Rates Annually to:

1. Meet Revenue Requirements
2. Fund Capital R&R and Improvement
3. Build & Maintain Appropriate Reserve Funds

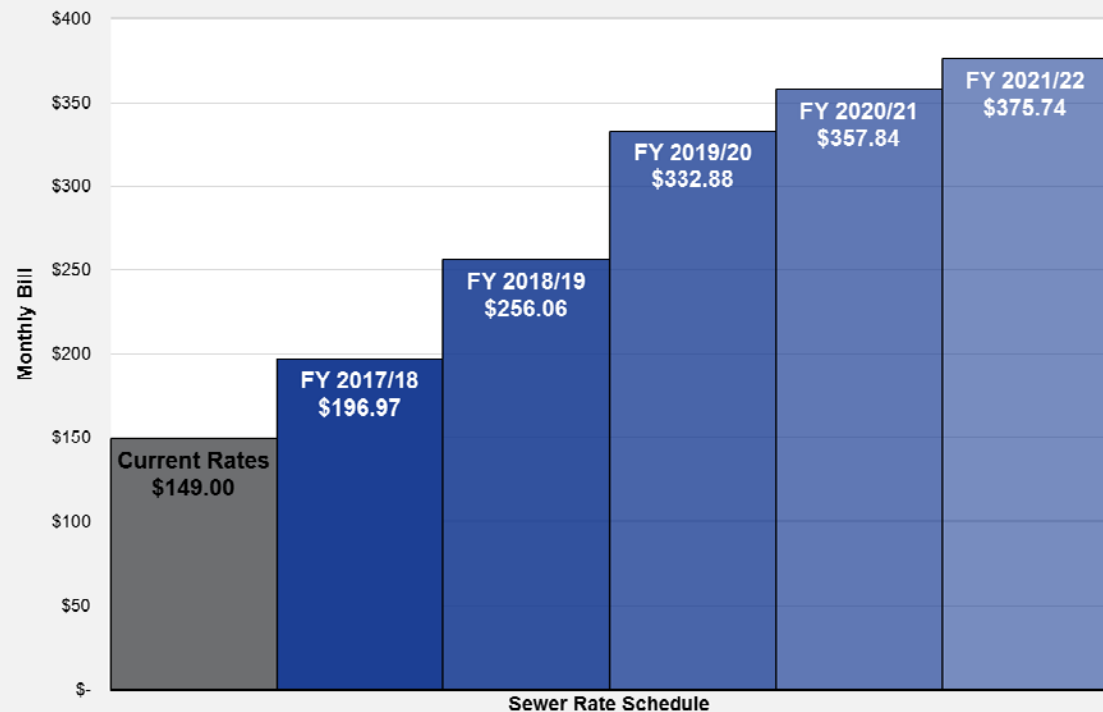
# Proposed Sewer Rates – Option 2

Sewer Rate Schedule	Current Rates	Proposed Rates				
		FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Projected Increase in Rate Revenue per Financial Plan:		30.00%	30.00%	30.00%	7.50%	5.00%
Monthly Fixed Service Charges: All Customers	\$149.00	\$196.97	\$256.06	\$332.88	\$357.84	\$375.74

*Higher Rate Increases  
in Years 1, 2 & 3.*

*Similar end result by  
Year 5.*

5 Year Residential Sewer Bill Comparison



# Sewer Rate Study Recommendations

1. Recommend Moving Forward with Rate Adjustments, leading up to the Prop 218 Process.
2. Adopt Recommended Rate Adjustments at a Future Board Meeting:
  - 100% increases are needed – but 30%/year for first 3 years are shown here.
  - Increases will ensure a sufficient and stable funding source while building up to a positive financial position over time.
  - Demonstrate the fairness and equity required by Prop 218.

# Water Connection Fees

# Overview of Connection Fee Methodology

AWWA Manual M1\* establishes guidelines for three approaches for connection fees:

1. **Buy-In Method**: based on the value of the existing system's capacity.
2. **Incremental Cost Method**: based on the value or cost to expand the existing system's capacity.
3. **Combined Approach**: based on a blended value of existing and expanded system capacity.
4. **Connection Fees are Based on a Simple Calculation:**  
$$\frac{\text{Asset Replacement Costs less Depreciation}}{\text{Projected Number of New EDU's}} = \$/\text{EDU}$$

\*Principles of Water Rates, Fees, and Charges, Chapter VII.2 (7th ed.). (2017). Denver, CO: American Water Works Association.

# Water Connection Fee Findings

- Planning Period through FY 2035/36
- Fees calculated using the “combined” approach.

Demographic Statistics	Existing Total	Projected Service Total	Allocation Factors		Cumulative Change	
			Existing Services	Future Services	Number of Units	% Increase
SFR Meter Equivalent Units	8,055	10,082	79.9%	20.1%	2,027	25.2%

**New Connection Fee is about Double the Current Fee of \$4,966 per 5/8” Meter**

System Asset Values Allocated to Future Development	
Projected Increase In Connections to the Water System	Customers
Increase in 5/8-inch Equivalent Meters (1)	2,027
System Asset Values Allocated to Future Development	
<i>System Asset Values Allocated to New Development</i>	
Existing System Buy-In (2)	\$ 10,474,476
Future System Expansion (3)	11,446,715
Total: Existing & Future System Costs	\$ 21,921,191
<i>Adjustments to Cost Basis:</i>	
Cash Reserves	\$ 521,778
Outstanding Long-Term Debt (Principal) Allocated to Future Users	(1,003,901)
Total: Adjustments to Cost Basis	\$ (482,123)
<b>Total Adjusted Cost Basis for New Development</b>	<b>\$ 21,439,068</b>
<b>Maximum Water Connection Per 5/8 or 3/4-inch meter</b>	<b>\$ 10,577</b>



# Water Connection Fees

Meter Size	Equivalency Factor		Maximum Unit Cost (\$/EDU)	Updated Maximum Connection Fee Per Meter
	Maximum Continuous Flow (gpm) (1)	Equivalency to 5/8 or 3/4-inch Base Meter Size		
5/8 Inch	20	1.00	\$10,577	\$10,577
3/4 Inch	30	1.00	\$10,577	\$10,577
1 Inch	50	1.67	\$10,577	\$17,629
1 1/2 Inch	100	3.33	\$10,577	\$35,257
2 Inch	160	5.33	\$10,577	\$56,412
3 Inch	320	10.67	\$10,577	\$112,824
4 Inch	500	16.67	\$10,577	\$176,287
6 Inch	1,000	33.33	\$10,577	\$352,575
8 Inch	1,600	53.33	\$10,577	\$564,120

Meter Size	Current Connection Fee
5/8 Inch	\$4,966
¾ Inch	\$4,966
1 Inch	\$9,932
1 ½ Inch	\$19,864

# Connection Fee Recommendations

## 1. Adopt Recommended New Connection Fees:

- New Connection Fees will ensure growth pays its fair share of water system capital costs.
- Demonstrates the fairness and equity required under State Law.

# Next Steps

- 1. Board Needs to Continue Engagement with the Bear Creek Estates Community on the Rate Study.**
- 2. Board Needs to Accept/Approve Recommended Sewer Rates & Initiate Prop 218 Process.**
- 3. Board Needs to Accept/Approve Recommended Water Connection Fees.**
- 4. District will Conduct at Least One More Workshop.**
- 5. Board will then Consider Whether to Proceed with Prop 218 Noticing/Approval for Water Rates.**

# QUESTIONS and COMMENTS



# Additional Information

# Sewer Financial Plan – Option 1

## Five-Year Financial Projection:

Summar of Sources and Uses of Funds and Net Revenue Requirements	Budget	Projected				
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
<b>Sources of Sewer Funds</b>						
Rate Revenue Under Prevailing Rates	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Non-Rate Revenues	-	-	-	-	-	-
<b>Total Sources of Funds</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>
<b>Uses of Sewer Funds</b>						
Operating Expenses	\$ 127,016	\$ 130,429	\$ 133,932	\$ 137,528	\$ 141,219	\$ 145,010
Debt Service	-	-	-	-	-	-
Capital Expenses	63,880	65,796	67,770	69,803	71,898	74,054
<b>Total Uses of Funds</b>	<b>\$ 190,896</b>	<b>\$ 196,226</b>	<b>\$ 201,703</b>	<b>\$ 207,332</b>	<b>\$ 213,116</b>	<b>\$ 219,064</b>
<b>Surplus / (Deficiency) before Rate Increases</b>	<b>\$ (90,896)</b>	<b>\$ (96,226)</b>	<b>\$ (101,703)</b>	<b>\$ (107,332)</b>	<b>\$ (113,116)</b>	<b>\$ (119,064)</b>
Additional Revenue from Rate Increases (1)	-	20,000	44,000	72,800	107,360	148,832
<b>Surplus (Deficiency) after Rate Increase</b>	<b>\$ (90,896)</b>	<b>\$ (76,226)</b>	<b>\$ (57,703)</b>	<b>\$ (34,532)</b>	<b>\$ (5,756)</b>	<b>\$ 29,768</b>
<b>Projected Annual Rate Increase</b>	<b>0.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>	<b>20.00%</b>
<i>Cumulative Rate Increases</i>	<i>0.00%</i>	<i>20.00%</i>	<i>44.00%</i>	<i>72.80%</i>	<i>107.36%</i>	<i>148.83%</i>
<b>Net Revenue Requirement (2)</b>	<b>\$ 190,896</b>	<b>\$ 196,226</b>	<b>\$ 201,703</b>	<b>\$ 207,332</b>	<b>\$ 213,116</b>	<b>\$ 219,064</b>

1. Assumes new rates are implemented July 1, 2017.

2. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from sewer rates.

**Annual Deficiency in Rate Revenue is Not Sustainable**



# Sewer Financial Plan – Option 2

## Five-Year Financial Projection:

Summar of Sources and Uses of Funds and Net Revenue Requirements	Budget	Projected				
	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
<b>Sources of Sewer Funds</b>						
Rate Revenue Under Prevailing Rates	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Non-Rate Revenues	-	-	-	-	-	-
<b>Total Sources of Funds</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>
<b>Uses of Sewer Funds</b>						
Operating Expenses	\$ 127,016	\$ 130,429	\$ 133,932	\$ 137,528	\$ 141,219	\$ 145,010
Debt Service	-	-	-	-	-	-
Capital Expenses	63,880	65,796	67,770	69,803	71,898	74,054
<b>Total Uses of Funds</b>	<b>\$ 190,896</b>	<b>\$ 196,226</b>	<b>\$ 201,703</b>	<b>\$ 207,332</b>	<b>\$ 213,116</b>	<b>\$ 219,064</b>
<b>Surplus / (Deficiency) before Rate Increases</b>	<b>\$ (90,896)</b>	<b>\$ (96,226)</b>	<b>\$ (101,703)</b>	<b>\$ (107,332)</b>	<b>\$ (113,116)</b>	<b>\$ (119,064)</b>
Additional Revenue from Rate Increases (1)	-	30,000	69,000	119,700	136,178	147,986
<b>Surplus (Deficiency) after Rate Increase</b>	<b>\$ (90,896)</b>	<b>\$ (66,226)</b>	<b>\$ (32,703)</b>	<b>\$ 12,368</b>	<b>\$ 23,061</b>	<b>\$ 28,922</b>
<b>Projected Annual Rate Increase</b>	<b>0.00%</b>	<b>30.00%</b>	<b>30.00%</b>	<b>30.00%</b>	<b>7.50%</b>	<b>5.00%</b>
<b>Cumulative Rate Increases</b>	<b>0.00%</b>	<b>30.00%</b>	<b>69.00%</b>	<b>119.70%</b>	<b>136.18%</b>	<b>147.99%</b>
<b>Net Revenue Requirement (2)</b>	<b>\$ 190,896</b>	<b>\$ 196,226</b>	<b>\$ 201,703</b>	<b>\$ 207,332</b>	<b>\$ 213,116</b>	<b>\$ 219,064</b>

1. Assumes new rates are implemented July 1, 2017.

2. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from sewer rates.

**Annual Deficiency in Rate Revenue is Not Sustainable**

# Connection Fee Methodology (cont.)

## Current System Assets:

Asset Category (1)	Original Values (1)		Asset Cost Less Depreciation	Replication Values (2)		System Buy-In Cost Basis for Consideration (3)
	Asset Cost	Depreciation to Date		Asset Cost	Depreciation to Date	
Water Fund						
Admin/Office Building	\$ 1,915,392	\$ 1,226,381	\$ 689,011	\$ 2,063,820	\$ 1,147,583	\$ 916,237
Diversions	1,643,966	1,349,582	294,384	1,858,102	1,254,547	603,555
Hydrants	17,333	11,919	5,414	48,596	34,487	14,110
Land	5,074,098	-	5,074,098	22,096,913	-	22,096,913
Meters	1,090,299	782,833	307,466	1,592,646	1,157,703	434,944
Other	1,454,329	1,356,812	97,517	527,419	303,797	223,622
Pipes	20,413,079	11,323,233	9,089,847	32,334,922	16,554,302	15,780,620
Pump Stations	6,450,031	2,351,357	4,098,675	9,882,393	4,118,735	5,763,658
Rolling Stock	662,164	563,085	99,079	326,649	223,623	103,025
Tanks	3,067,699	2,823,352	244,347	12,871,568	12,012,360	859,208
Tools	362,607	340,460	22,147	52,283	21,468	30,815
Treatment	6,591,825	4,565,356	2,026,469	14,192,484	9,937,793	4,254,690
Wells	1,605,663	787,916	817,747	2,303,912	1,286,583	1,017,329
Total Capital Facilities & Equipment	\$ 50,348,485	\$ 27,482,285	\$ 22,866,200	\$ 100,151,706	\$ 48,052,982	\$ 52,098,724

# Connection Fee Methodology (cont.)

## Growth's Share of Existing System Assets (RCNLD\*):

Asset Category (1)	System Buy-In Cost Basis for Consideration (3)	Allocation Basis (%) (4)				Distribution of Cost Basis (\$)		
		Exclude from Analysis	Existing Services	Future Services	( )	Exclude from Analysis	Existing Services	Future Services
Water Fund								
Admin/Office Building	\$ 916,237	0.0%	79.9%	20.1%		\$0	\$ 732,027	\$ 184,210
Diversions	603,555	0.0%	79.9%	20.1%		0	482,210	121,345
Hydrants	14,110	0.0%	79.9%	20.1%		0	11,273	2,837
Land	22,096,913	0.0%	79.9%	20.1%		0	17,654,317	4,442,596
Meters	434,944	0.0%	79.9%	20.1%		0	347,498	87,446
Other	223,622	0.0%	79.9%	20.1%		0	178,663	44,959
Pipes	15,780,620	0.0%	79.9%	20.1%		0	12,607,918	3,172,702
Pump Stations	5,763,658	0.0%	79.9%	20.1%		0	4,604,871	1,158,786
Rolling Stock	103,025	0.0%	79.9%	20.1%		0	82,312	20,713
Tanks	859,208	0.0%	79.9%	20.1%		0	686,464	172,744
Tools	30,815	0.0%	79.9%	20.1%		0	24,620	6,195
Treatment	4,254,690	0.0%	79.9%	20.1%		0	3,399,283	855,408
Wells	1,017,329	0.0%	79.9%	20.1%		0	812,794	204,534
Total Capital Facilities & Equipment	\$ 52,098,724	0.0%	79.9%	20.1%		\$0	\$ 41,624,248	\$ 10,474,476

\* Replacement Cost New less Depreciation

# Connection Fee Methodology (cont.)

## Growth's Share of Planned System Assets (RCNLD\*):

Facility / Equipment (1)	Current Cost Estimate (\$2017) <sup>1</sup>	Year to be Completed	System Development Cost Basis for Consideration <sup>2</sup>	% Allocation		\$ Allocation	
				Existing Services	Future Services	Existing Services	Future Services
Pipes	\$ 21,076,074	2035	\$ 21,076,074	79.9%	20.1%	\$ 16,838,718	\$ 4,237,356
Tanks (including 10% volume contingency)	10,977,120	2035	10,977,120	79.9%	20.1%	8,770,164	2,206,956
Pump Stations	12,276,000	2035	12,276,000	79.9%	20.1%	9,807,904	2,468,096
Wells	4,590,000	2035	4,590,000	79.9%	20.1%	3,667,178	922,822
Treatment	1,274,661	2035	1,274,661	79.9%	20.1%	1,018,390	256,271
Diversions	1,147,500	2035	1,147,500	79.9%	20.1%	916,795	230,705
Admin/Operations Building	2,493,162	2035	2,493,162	79.9%	20.1%	1,991,910	501,252
Estimated FY 2016/17 CIP Expenditures	3,100,000	2017	3,100,000	79.9%	20.1%	2,476,743	623,257
<b>Total</b>	<b>\$ 56,934,517</b>		<b>\$ 56,934,517</b>	<b>79.9%</b>	<b>20.1%</b>	<b>\$ 45,487,802</b>	<b>\$ 11,446,715</b>

# Detailed Water Rate Tables: *(Provided in Handouts - if Requested)*

# Proposed Rates: Financial Plan #1

## Mid Flat Rate Increases

Water Rate Schedule		Current Rates		Proposed Rates	Proposed Rates - 50% Fixed / 50% Variable				
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Projected Increase in Rate Revenue per Financial Plan:					15.00%	15.00%	15.00%	11.00%	11.00%
Fixed Service Charge									
Monthly Fixed Service Charges:									
5/8 inch	per account	\$34.00	per account	\$39.37	\$45.28	\$52.07	\$57.79	\$64.15	
3/4 inch	per account	\$34.00	per account	\$39.37	\$45.28	\$52.07	\$57.79	\$64.15	
1 inch	per account	\$56.50	per account	\$61.06	\$70.22	\$80.75	\$89.64	\$99.50	
1 1/2 inch	per account	\$114.00	per account	\$115.29	\$132.58	\$152.47	\$169.24	\$187.86	
2 inch	per account	\$181.50	per account	\$180.37	\$207.42	\$238.53	\$264.77	\$293.90	
3 inch	per account	\$341.00	per account	\$353.90	\$406.98	\$468.03	\$519.51	\$576.66	
4 inch	per account	\$567.00	per account	\$549.12	\$631.49	\$726.21	\$806.09	\$894.76	
Surplus Water (1)	per account	\$114.00	per account	\$115.29	\$132.58	\$152.47	\$169.24	\$187.86	
Volumetric Charges for All Water Consumed									
Tier 1	0 - 4 ccf	\$3.81	0 - 5 ccf	\$5.39	\$6.20	\$7.13	\$7.91	\$8.78	
Tier 2	5 - 15 ccf	\$4.97	6+ ccf	\$7.21	\$8.29	\$9.54	\$10.58	\$11.75	
Tier 3	16 - 50 ccf	\$5.96	--	--	--	--	--	--	
Tier 4	51+ ccf	\$6.61	--	--	--	--	--	--	
Drought Surcharge	per CCF	\$1.00	per CCF	--	--	--	--	--	
Flat Rate (Uniform Rate)	per CCF	\$4.64	per CCF	\$6.07	\$6.98	\$8.03	\$8.91	\$9.89	
Surplus Water	per CCF	\$10.00	per CCF	\$12.08	\$13.89	\$15.97	\$17.73	\$19.68	

1. Per District policy, Surplus water accounts are charged the 1 1/2 inch meter monthly fee.



# Proposed Rates: Financial Plan #1

## Mid Flat Rate Increases

Water Rate Schedule		Current Rates		Proposed Rates	Proposed Rates - 30% Fixed / 70% Variable				
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Projected Increase in Rate Revenue per Financial Plan:					15.00%	15.00%	15.00%	11.00%	11.00%
Fixed Service Charge									
Monthly Fixed Service Charges:									
5/8 inch	per account	\$34.00	per account	\$23.77	\$27.34	\$31.44	\$34.90	\$38.74	
3/4 inch	per account	\$34.00	per account	\$23.77	\$27.34	\$31.44	\$34.90	\$38.74	
1 inch	per account	\$56.50	per account	\$35.07	\$40.33	\$46.38	\$51.48	\$57.14	
1 1/2 inch	per account	\$114.00	per account	\$63.30	\$72.80	\$83.72	\$92.93	\$103.15	
2 inch	per account	\$181.50	per account	\$97.19	\$111.76	\$128.53	\$142.67	\$158.36	
3 inch	per account	\$341.00	per account	\$187.54	\$215.67	\$248.02	\$275.30	\$305.58	
4 inch	per account	\$567.00	per account	\$289.18	\$332.56	\$382.45	\$424.52	\$471.21	
Surplus Water (1)	per account	\$114.00	per account	\$63.30	\$72.80	\$83.72	\$92.93	\$103.15	
Volumetric Charges for All Water Consumed									
Tier 1	0 - 4 ccf	\$3.81	0 - 5 ccf	\$5.39	\$6.20	\$7.13	\$7.91	\$8.78	
Tier 2	5 - 15 ccf	\$4.97	6+ ccf	\$13.72	\$15.78	\$18.14	\$20.14	\$22.35	
Tier 3	16 - 50 ccf	\$5.96	--	--	--	--	--	--	
Tier 4	51+ ccf	\$6.61	--	--	--	--	--	--	
Drought Surcharge	per CCF	\$1.00	per CCF	--	--	--	--	--	
Flat Rate (Uniform Rate)	per CCF	\$4.64	per CCF	\$8.50	\$9.77	\$11.24	\$12.47	\$13.85	
Surplus Water	per CCF	\$10.00	per CCF	\$12.08	\$13.89	\$15.97	\$17.73	\$19.68	

1. Per District policy, Surplus water accounts are charged the 1 1/2 inch meter monthly fee.

# Proposed Rates: Financial Plan #2

## 10-Year Phase In

Water Rate Schedule		Current Rates		Proposed Rates	Proposed Rates - 50% Fixed / 50% Variable				
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Projected Increase in Rate Revenue per Financial Plan:					45.00%	5.00%	5.00%	5.00%	5.00%
Fixed Service Charge									
Monthly Fixed Service Charges:									
5/8 inch	per account	\$34.00	per account	\$49.54	\$52.02	\$54.62	\$57.35	\$60.22	
3/4 inch	per account	\$34.00	per account	\$49.54	\$52.02	\$54.62	\$57.35	\$60.22	
1 inch	per account	\$56.50	per account	\$78.00	\$81.90	\$85.99	\$90.29	\$94.81	
1 1/2 inch	per account	\$114.00	per account	\$149.13	\$156.59	\$164.42	\$172.64	\$181.27	
2 inch	per account	\$181.50	per account	\$234.49	\$246.22	\$258.53	\$271.45	\$285.03	
3 inch	per account	\$341.00	per account	\$462.12	\$485.23	\$509.49	\$534.96	\$561.71	
4 inch	per account	\$567.00	per account	\$718.21	\$754.12	\$791.82	\$831.41	\$872.98	
Surplus Water (1)	per account	\$114.00	per account	\$149.13	\$156.59	\$164.42	\$172.64	\$181.27	
Volumetric Charges for All Water Consumed									
Tier 1	0 - 4 ccf	\$3.81	0 - 5 ccf	\$5.41	\$5.68	\$5.97	\$6.27	\$6.58	
Tier 2	5 - 15 ccf	\$4.97	6+ ccf	\$11.42	\$11.99	\$12.59	\$13.21	\$13.88	
Tier 3	16 - 50 ccf	\$5.96	--	--	--	--	--	--	
Tier 4	51+ ccf	\$6.61	--	--	--	--	--	--	
Drought Surcharge	per CCF	\$1.00	per CCF	--	--	--	--	--	
Flat Rate (Uniform Rate)	per CCF	\$4.64	per CCF	\$7.65	\$8.04	\$8.44	\$8.86	\$9.30	
Surplus Water	per CCF	\$10.00	per CCF	\$15.23	\$15.99	\$16.79	\$17.63	\$18.51	

1. Per District policy, Surplus water accounts are charged the 1 1/2 inch meter monthly fee.

# Proposed Rates: Financial Plan #2

## 10-Year Phase In

Water Rate Schedule		Current Rates		Proposed Rates	Proposed Rates - 30% Fixed / 70% Variable				
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Projected Increase in Rate Revenue per Financial Plan:					45.00%	5.00%	5.00%	5.00%	5.00%
Fixed Service Charge									
Monthly Fixed Service Charges:									
5/8 inch	per account	\$34.00	per account	\$29.88	\$31.37	\$32.94	\$34.59	\$36.32	
3/4 inch	per account	\$34.00	per account	\$29.88	\$31.37	\$32.94	\$34.59	\$36.32	
1 inch	per account	\$56.50	per account	\$45.22	\$47.48	\$49.86	\$52.35	\$54.97	
1 1/2 inch	per account	\$114.00	per account	\$83.58	\$87.76	\$92.15	\$96.76	\$101.60	
2 inch	per account	\$181.50	per account	\$129.61	\$136.10	\$142.90	\$150.04	\$157.55	
3 inch	per account	\$341.00	per account	\$252.37	\$264.98	\$278.23	\$292.15	\$306.75	
4 inch	per account	\$567.00	per account	\$390.46	\$409.98	\$430.48	\$452.01	\$474.61	
Surplus Water (1)	per account	\$114.00	per account	\$83.58	\$87.76	\$92.15	\$96.76	\$101.60	
Volumetric Charges for All Water Consumed									
Tier 1	0 - 4 ccf	\$3.81	0 - 5 ccf	\$5.41	\$5.68	\$5.97	\$6.27	\$6.58	
Tier 2	5 - 15 ccf	\$4.97	6+ ccf	\$19.62	\$20.60	\$21.63	\$22.71	\$23.85	
Tier 3	16 - 50 ccf	\$5.96	--	--	--	--	--	--	
Tier 4	51+ ccf	\$6.61	--	--	--	--	--	--	
Drought Surcharge	per CCF	\$1.00	per CCF	--	--	--	--	--	
Flat Rate (Uniform Rate)	per CCF	\$4.64	per CCF	\$10.71	\$11.25	\$11.81	\$12.40	\$13.02	
Surplus Water	per CCF	\$10.00	per CCF	\$15.23	\$15.99	\$16.79	\$17.63	\$18.51	

1. Per District policy, Surplus water accounts are charged the 1 1/2 inch meter monthly fee.

# Proposed Rates: Financial Plan #3

## 5-Year Phase In

Water Rate Schedule		Current Rates		Proposed Rates	Proposed Rates - 50% Fixed / 50% Variable				
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Projected Increase in Rate Revenue per Financial Plan:					57.00%	3.00%	3.00%	2.00%	2.00%
Fixed Service Charge									
Monthly Fixed Service Charges:									
5/8 inch	per account	\$34.00	per account	\$53.64	\$55.25	\$56.91	\$58.05	\$59.21	
3/4 inch	per account	\$34.00	per account	\$53.64	\$55.25	\$56.91	\$58.05	\$59.21	
1 inch	per account	\$56.50	per account	\$84.45	\$86.99	\$89.60	\$91.39	\$93.22	
1 1/2 inch	per account	\$114.00	per account	\$161.47	\$166.32	\$171.31	\$174.73	\$178.23	
2 inch	per account	\$181.50	per account	\$253.90	\$261.52	\$269.36	\$274.75	\$280.24	
3 inch	per account	\$341.00	per account	\$500.37	\$515.38	\$530.84	\$541.46	\$552.29	
4 inch	per account	\$567.00	per account	\$777.64	\$800.97	\$825.00	\$841.50	\$858.33	
Surplus Water (1)	per account	\$114.00	per account	\$161.47	\$166.32	\$171.31	\$174.73	\$178.23	
Volumetric Charges for All Water Consumed									
Tier 1	0 - 4 ccf	\$3.81	0 - 5 ccf	\$5.86	\$6.04	\$6.22	\$6.34	\$6.47	
Tier 2	5 - 15 ccf	\$4.97	6+ ccf	\$12.36	\$12.73	\$13.11	\$13.37	\$13.64	
Tier 3	16 - 50 ccf	\$5.96	--	--	--	--	--	--	
Tier 4	51+ ccf	\$6.61	--	--	--	--	--	--	
Drought Surcharge	per CCF	\$1.00	per CCF	--	--	--	--	--	
Flat Rate (Uniform Rate)	per CCF	\$4.64	per CCF	\$8.29	\$8.53	\$8.79	\$8.97	\$9.15	
Surplus Water	per CCF	\$10.00	per CCF	\$16.49	\$16.98	\$17.49	\$17.84	\$18.20	

1. Per District policy, Surplus water accounts are charged the 1 1/2 inch meter monthly fee.

# Proposed Rates: Financial Plan #3

## 5-Year Phase In

Water Rate Schedule		Current Rates		Proposed Rates	Proposed Rates - 30% Fixed / 70% Variable				
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Projected Increase in Rate Revenue per Financial Plan:					57.00%	3.00%	3.00%	2.00%	2.00%
Fixed Service Charge									
Monthly Fixed Service Charges:									
5/8 inch	per account	\$34.00	per account	\$32.35	\$33.32	\$34.32	\$35.01	\$35.71	
3/4 inch	per account	\$34.00	per account	\$32.35	\$33.32	\$34.32	\$35.01	\$35.71	
1 inch	per account	\$56.50	per account	\$48.97	\$50.43	\$51.95	\$52.99	\$54.05	
1 1/2 inch	per account	\$114.00	per account	\$90.50	\$93.21	\$96.01	\$97.93	\$99.89	
2 inch	per account	\$181.50	per account	\$140.34	\$144.55	\$148.89	\$151.87	\$154.90	
3 inch	per account	\$341.00	per account	\$273.25	\$281.45	\$289.89	\$295.69	\$301.60	
4 inch	per account	\$567.00	per account	\$422.78	\$435.46	\$448.52	\$457.49	\$466.64	
Surplus Water (1)	per account	\$114.00	per account	\$90.50	\$93.21	\$96.01	\$97.93	\$99.89	
Volumetric Charges for All Water Consumed									
Tier 1	0 - 4 ccf	\$3.81	0 - 5 ccf	\$5.86	\$6.04	\$6.22	\$6.34	\$6.47	
Tier 2	5 - 15 ccf	\$4.97	6+ ccf	\$21.24	\$21.88	\$22.54	\$22.99	\$23.45	
Tier 3	16 - 50 ccf	\$5.96	--	--	--	--	--	--	
Tier 4	51+ ccf	\$6.61	--	--	--	--	--	--	
Drought Surcharge	per CCF	\$1.00	per CCF	--	--	--	--	--	
Flat Rate (Uniform Rate)	per CCF	\$4.64	per CCF	\$11.60	\$11.95	\$12.31	\$12.55	\$12.80	
Surplus Water	per CCF	\$10.00	per CCF	\$16.49	\$16.98	\$17.49	\$17.84	\$18.20	

1. Per District policy, Surplus water accounts are charged the 1 1/2 inch meter monthly fee.



# Proposed Rates: Financial Plan #4

## Rates with Phased-In CIP

Water Rate Schedule		Current Rates		Proposed Rates	Proposed Rates - 50% Fixed / 50% Variable				
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Projected Increase in Rate Revenue per Financial Plan:					37.00%	7.00%	6.00%	5.00%	5.00%
Fixed Service Charge									
Monthly Fixed Service Charges:									
5/8 inch	per account	\$34.00	per account	\$46.85	\$50.12	\$53.13	\$55.79	\$58.58	
3/4 inch	per account	\$34.00	per account	\$46.85	\$50.12	\$53.13	\$55.79	\$58.58	
1 inch	per account	\$56.50	per account	\$73.33	\$78.46	\$83.17	\$87.33	\$91.70	
1 1/2 inch	per account	\$114.00	per account	\$139.54	\$149.31	\$158.27	\$166.18	\$174.49	
2 inch	per account	\$181.50	per account	\$219.00	\$234.33	\$248.39	\$260.81	\$273.85	
3 inch	per account	\$341.00	per account	\$430.88	\$461.04	\$488.70	\$513.14	\$538.79	
4 inch	per account	\$567.00	per account	\$669.24	\$716.09	\$759.06	\$797.01	\$836.86	
Surplus Water (1)	per account	\$114.00	per account	\$139.54	\$149.31	\$158.27	\$166.18	\$174.49	
Volumetric Charges for All Water Consumed									
Tier 1	0 - 4 ccf	\$3.81	0 - 5 ccf	\$5.61	\$6.01	\$6.37	\$6.69	\$7.02	
Tier 2	5 - 15 ccf	\$4.97	6+ ccf	\$9.95	\$10.64	\$11.28	\$11.84	\$12.44	
Tier 3	16 - 50 ccf	\$5.96	--	--	--	--	--	--	
Tier 4	51+ ccf	\$6.61	--	--	--	--	--	--	
Drought Surcharge	per CCF	\$1.00	per CCF	--	--	--	--	--	
Flat Rate (Uniform Rate)	per CCF	\$4.64	per CCF	\$7.23	\$7.74	\$8.20	\$8.61	\$9.04	
Surplus Water	per CCF	\$10.00	per CCF	\$14.39	\$15.40	\$16.32	\$17.14	\$17.99	

1. Per District policy, Surplus water accounts are charged the 1 1/2 inch meter monthly fee.



# Proposed Rates: Financial Plan #4

## Rates with Phased-In CIP

Water Rate Schedule		Current Rates		Proposed Rates	Proposed Rates - 30% Fixed / 70% Variable				
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Projected Increase in Rate Revenue per Financial Plan:					37.00%	7.00%	6.00%	5.00%	5.00%
Fixed Service Charge									
Monthly Fixed Service Charges:									
5/8 inch	per account	\$34.00	per account	\$28.27	\$30.24	\$32.06	\$33.66	\$35.34	
3/4 inch	per account	\$34.00	per account	\$28.27	\$30.24	\$32.06	\$33.66	\$35.34	
1 inch	per account	\$56.50	per account	\$42.36	\$45.33	\$48.05	\$50.45	\$52.97	
1 1/2 inch	per account	\$114.00	per account	\$77.61	\$83.04	\$88.03	\$92.43	\$97.05	
2 inch	per account	\$181.50	per account	\$119.91	\$128.30	\$136.00	\$142.80	\$149.94	
3 inch	per account	\$341.00	per account	\$232.70	\$248.98	\$263.92	\$277.12	\$290.97	
4 inch	per account	\$567.00	per account	\$359.58	\$384.75	\$407.84	\$428.23	\$449.64	
Surplus Water (1)	per account	\$114.00	per account	\$77.61	\$83.04	\$88.03	\$92.43	\$97.05	
Volumetric Charges for All Water Consumed									
Tier 1	0 - 4 ccf	\$3.81	0 - 5 ccf	\$5.61	\$6.01	\$6.37	\$6.69	\$7.02	
Tier 2	5 - 15 ccf	\$4.97	6+ ccf	\$17.70	\$18.94	\$20.07	\$21.08	\$22.13	
Tier 3	16 - 50 ccf	\$5.96	--	--	--	--	--	--	
Tier 4	51+ ccf	\$6.61	--	--	--	--	--	--	
Drought Surcharge	per CCF	\$1.00	per CCF	--	--	--	--	--	
Flat Rate (Uniform Rate)	per CCF	\$4.64	per CCF	\$10.12	\$10.83	\$11.48	\$12.06	\$12.66	
Surplus Water	per CCF	\$10.00	per CCF	\$14.39	\$15.40	\$16.32	\$17.14	\$17.99	

1. Per District policy, Surplus water accounts are charged the 1 1/2 inch meter monthly fee.

# Proposed Rates: Financial Plan #5

## Low Flat Rate Increases

Water Rate Schedule		Current Rates		Proposed Rates	Proposed Rates - 50% Fixed / 50% Variable				
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Projected Increase in Rate Revenue per Financial Plan:					9.00%	9.00%	9.00%	9.00%	9.00%
Fixed Service Charge									
Monthly Fixed Service Charges:									
5/8 inch	per account	\$34.00	per account	\$37.33	\$40.69	\$44.36	\$48.35	\$52.70	
3/4 inch	per account	\$34.00	per account	\$37.33	\$40.69	\$44.36	\$48.35	\$52.70	
1 inch	per account	\$56.50	per account	\$57.69	\$62.88	\$68.54	\$74.71	\$81.43	
1 1/2 inch	per account	\$114.00	per account	\$108.58	\$118.35	\$129.00	\$140.61	\$153.26	
2 inch	per account	\$181.50	per account	\$169.64	\$184.91	\$201.55	\$219.69	\$239.46	
3 inch	per account	\$341.00	per account	\$332.48	\$362.40	\$395.01	\$430.56	\$469.32	
4 inch	per account	\$567.00	per account	\$515.67	\$562.08	\$612.66	\$667.80	\$727.90	
Surplus Water (1)	per account	\$114.00	per account	\$108.58	\$118.35	\$129.00	\$140.61	\$153.26	
Volumetric Charges for All Water Consumed									
Tier 1	0 - 4 ccf	\$3.81	0 - 5 ccf	\$5.37	\$5.85	\$6.38	\$6.95	\$7.57	
Tier 2	5 - 15 ccf	\$4.97	6+ ccf	\$6.40	\$6.98	\$7.61	\$8.29	\$9.04	
Tier 3	16 - 50 ccf	\$5.96	--	--	--	--	--	--	
Tier 4	51+ ccf	\$6.61	--	--	--	--	--	--	
Drought Surcharge	per CCF	\$1.00	per CCF	--	--	--	--	--	
Flat Rate (Uniform Rate)	per CCF	\$4.64	per CCF	\$5.75	\$6.27	\$6.83	\$7.45	\$8.12	
Surplus Water	per CCF	\$10.00	per CCF	\$11.45	\$12.48	\$13.60	\$14.83	\$16.16	

1. Per District policy, Surplus water accounts are charged the 1 1/2 inch meter monthly fee.

# Proposed Rates: Financial Plan #5

## Low Flat Rate Increases

Water Rate Schedule		Current Rates		Proposed Rates	Proposed Rates - 30% Fixed / 70% Variable				
					FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22
Projected Increase in Rate Revenue per Financial Plan:					9.00%	9.00%	9.00%	9.00%	9.00%
Fixed Service Charge									
Monthly Fixed Service Charges:									
5/8 inch	per account	\$34.00	per account	\$22.55	\$24.58	\$26.79	\$29.21	\$31.83	
3/4 inch	per account	\$34.00	per account	\$22.55	\$24.58	\$26.79	\$29.21	\$31.83	
1 inch	per account	\$56.50	per account	\$33.05	\$36.03	\$39.27	\$42.80	\$46.66	
1 1/2 inch	per account	\$114.00	per account	\$59.30	\$64.64	\$70.46	\$76.80	\$83.71	
2 inch	per account	\$181.50	per account	\$90.80	\$98.97	\$107.88	\$117.59	\$128.17	
3 inch	per account	\$341.00	per account	\$174.80	\$190.53	\$207.68	\$226.37	\$246.74	
4 inch	per account	\$567.00	per account	\$269.29	\$293.53	\$319.95	\$348.74	\$380.13	
Surplus Water (1)	per account	\$114.00	per account	\$59.30	\$64.64	\$70.46	\$76.80	\$83.71	
Volumetric Charges for All Water Consumed									
Tier 1	0 - 4 ccf	\$3.81	0 - 5 ccf	\$5.37	\$5.85	\$6.38	\$6.95	\$7.57	
Tier 2	5 - 15 ccf	\$4.97	6+ ccf	\$12.57	\$13.70	\$14.93	\$16.28	\$17.74	
Tier 3	16 - 50 ccf	\$5.96	--	--	--	--	--	--	
Tier 4	51+ ccf	\$6.61	--	--	--	--	--	--	
Drought Surcharge	per CCF	\$1.00	per CCF	--	--	--	--	--	
Flat Rate (Uniform Rate)	per CCF	\$4.64	per CCF	\$8.05	\$8.78	\$9.57	\$10.43	\$11.37	
Surplus Water	per CCF	\$10.00	per CCF	\$11.45	\$12.48	\$13.60	\$14.83	\$16.16	

1. Per District policy, Surplus water accounts are charged the 1 1/2 inch meter monthly fee.