

*PRESENTATION TO THE  
SAN LORENZO VALLEY WATER DISTRICT*

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**Development of Water Rates in  
Response to Reduced Water Use  
*Evaluation and Findings***



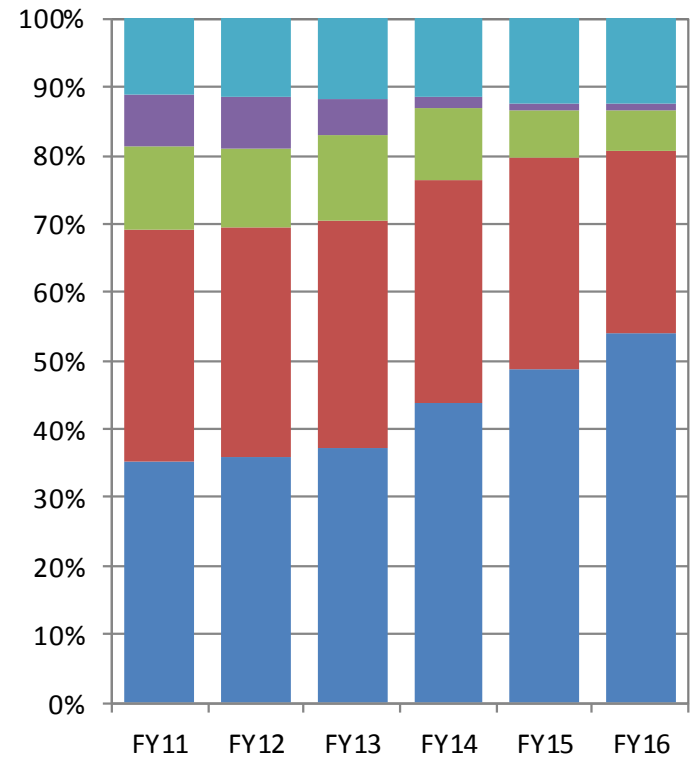
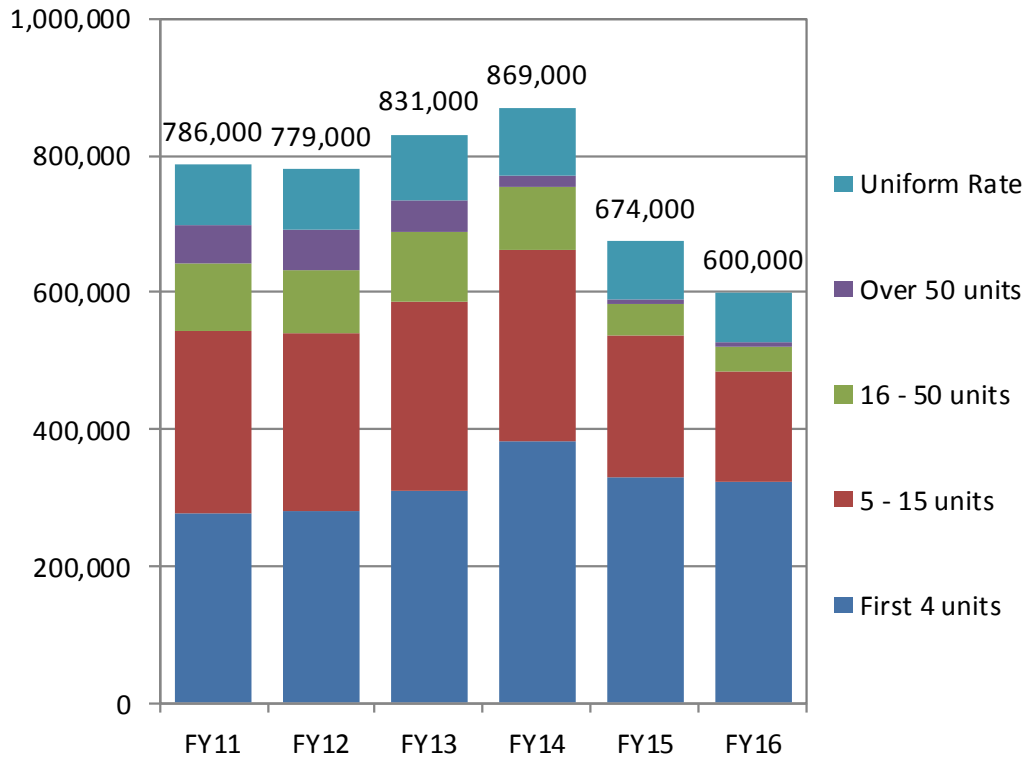
July 16, 2015

**Municipal  
Financial  
Services**

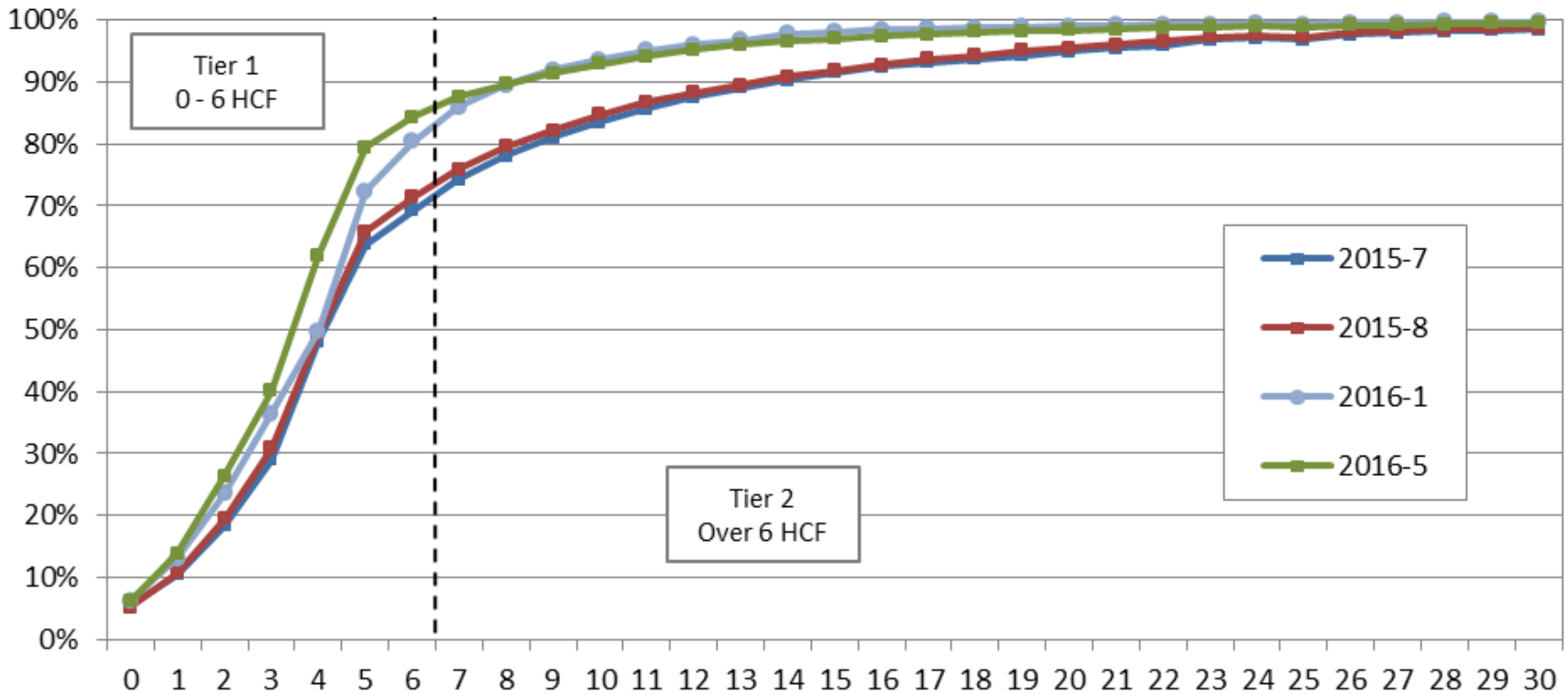
# Rate Development Methodology

- Based on Government Accounting Standards Board (GASB), Enterprise Funds are a self-supporting activity which provide services on a user charge basis to residences and businesses
- State of California Article XIID, Section 6(b)(3): « ...fees [rates] shall not exceed the proportional cost of the service attributable to a parcel”
- Across-the-board rate increases that generate revenue sufficient to support operations and maintenance, capital replacement, capital expansion and debt service obligations while maintaining reserves at a prudent level

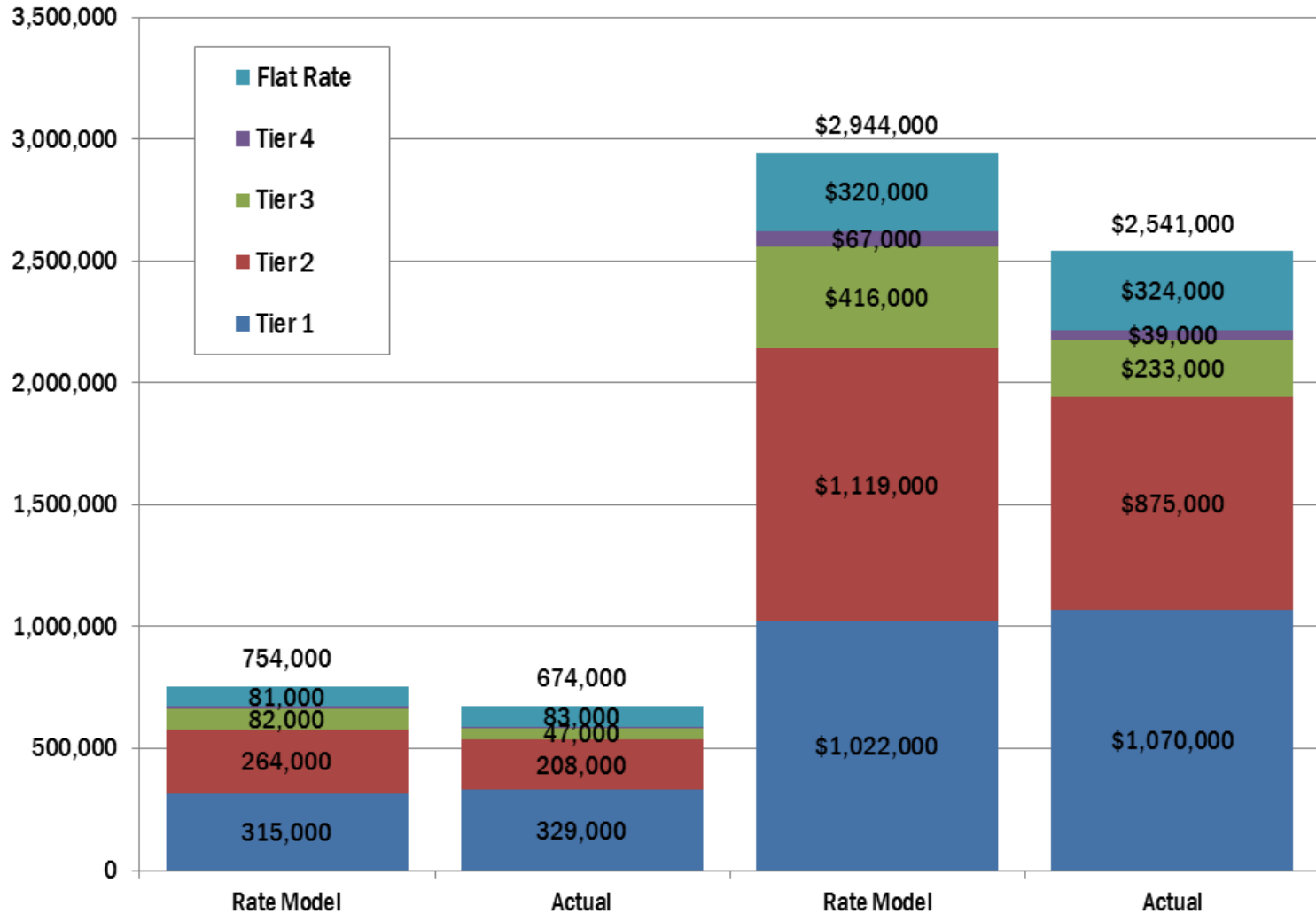
# Total Water Use Patterns, HCF



# Projected Residential Water Use Patterns, HCF

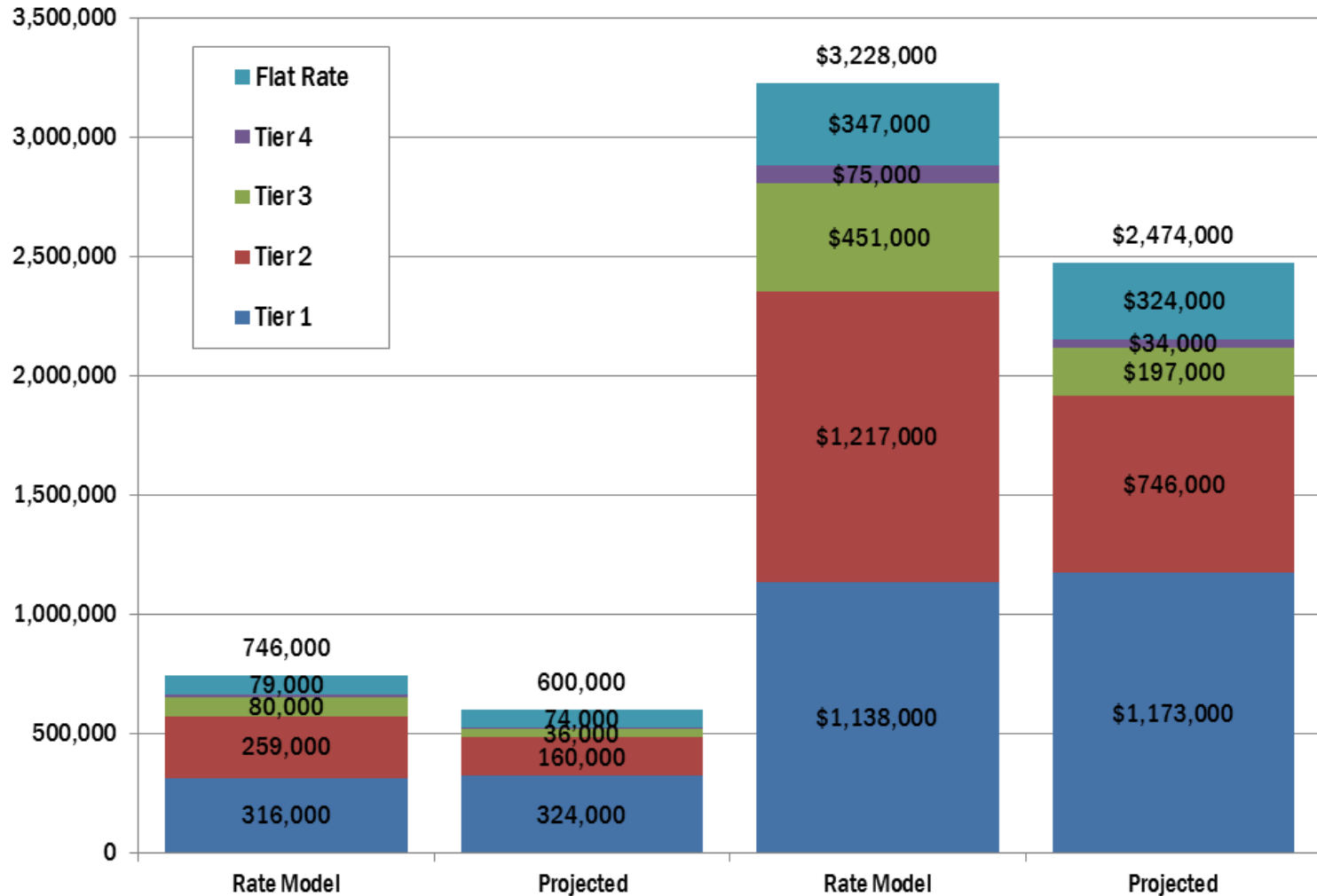


# Actual FY15 Water Use (HCF) / Revenue (\$)



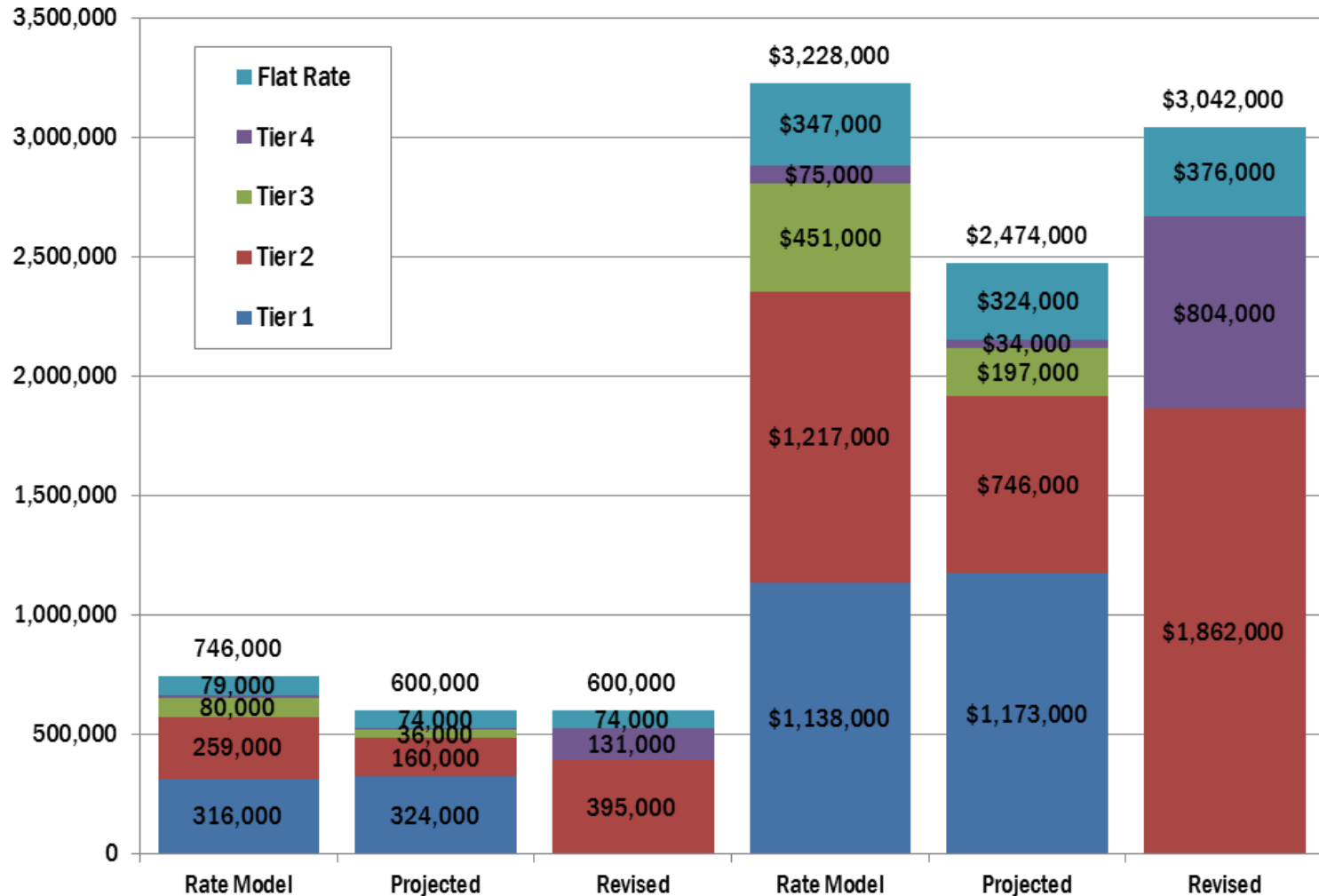
# Projected FY16 Water Use (HCF) / Revenue (\$)

## With Current/Adopted Water Rates and Water Structure



# Projected FY16 Water Use (HCF) / Revenue (\$)

## With Revised Water Rates and Water Structure



# Proposition 218 Notice of Public Hearing

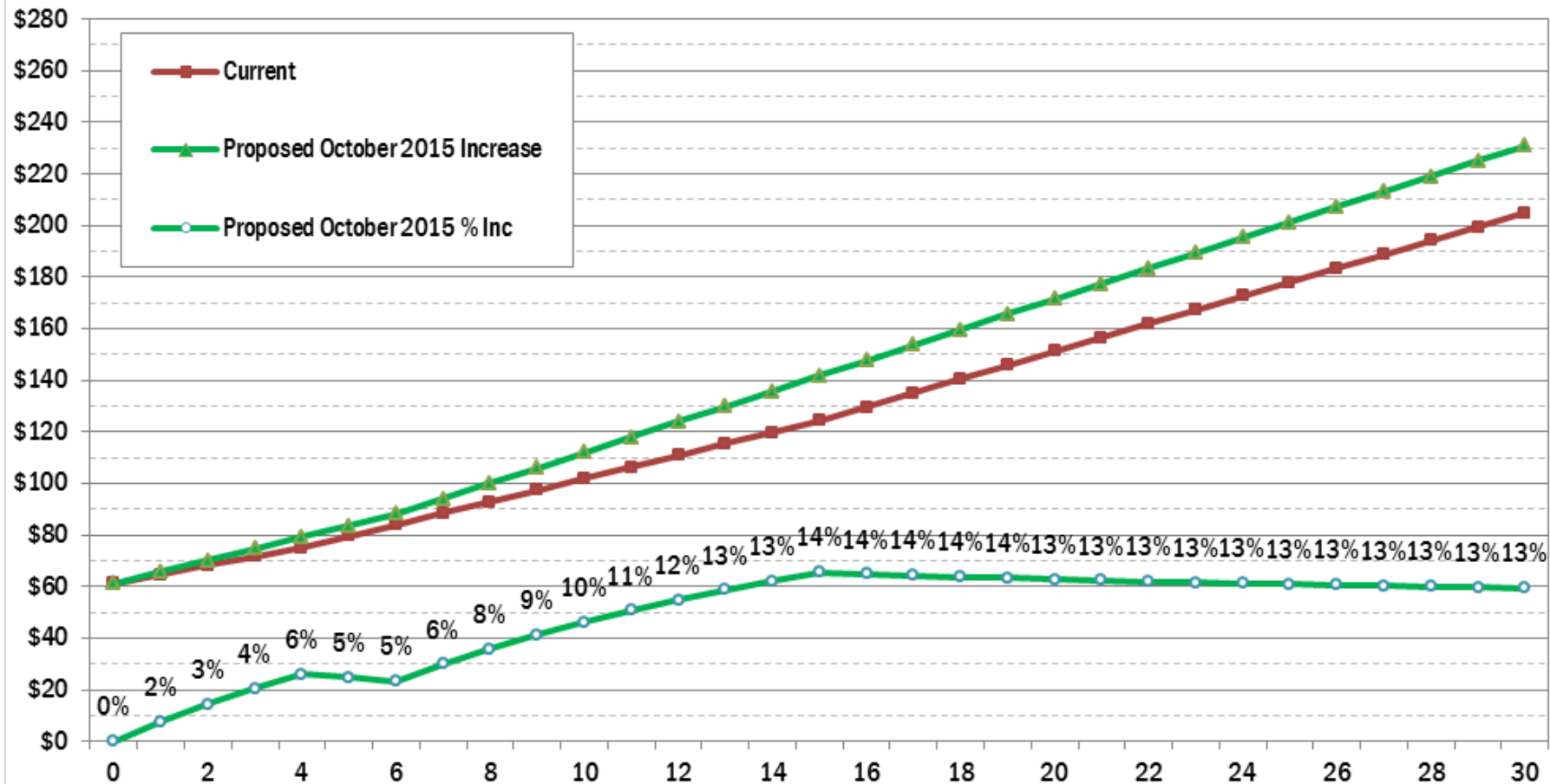
## With Revised Water Rates and Water Structure

Current			Proposed Effective 10/1/2015			Proposed Effective 1/1/2016		
Residential			Residential			Residential		
Tier 1	0 - 4	\$3.43	Tier 1	0 - 6	\$4.48	Tier 1	0 - 6	\$4.97
Tier 2	5 - 15	\$4.48	Tier 2	Over 6	\$5.95	Tier 2	Over 6	\$6.61
Tier 3	16 - 50	\$5.37						
Tier 4	Over 50	\$5.95						
Nonresidential			Nonresidential			Nonresidential		
All Use		\$4.18	All Use		\$4.93	All Use		\$5.26



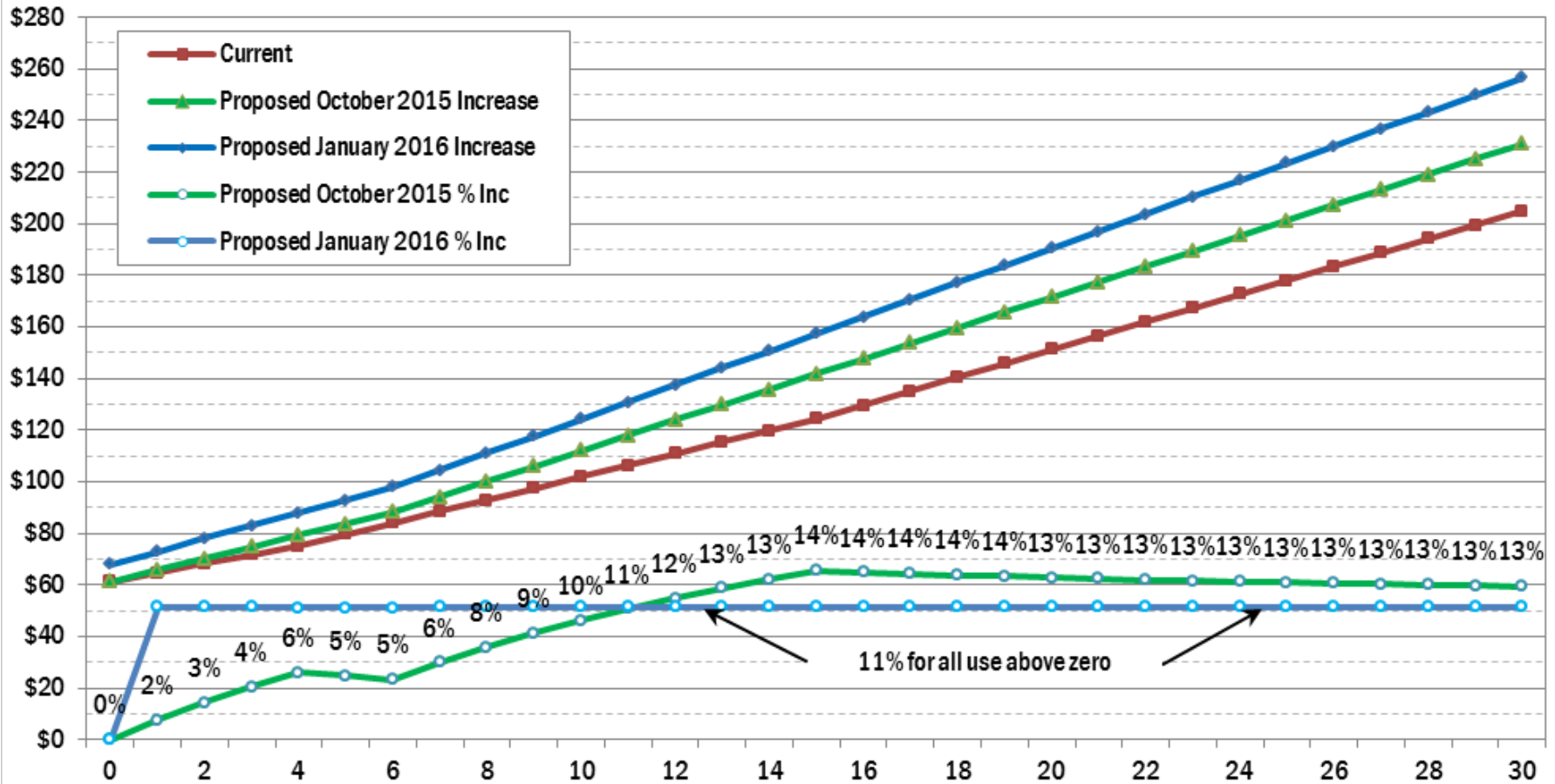
# Residential Monthly Water Bills

With Revised Water Rates and Water Structure Effective 10/1/2015



# Residential Monthly Water Bills

With Revised Water Rates and Water Structure Effective 1/1/2016

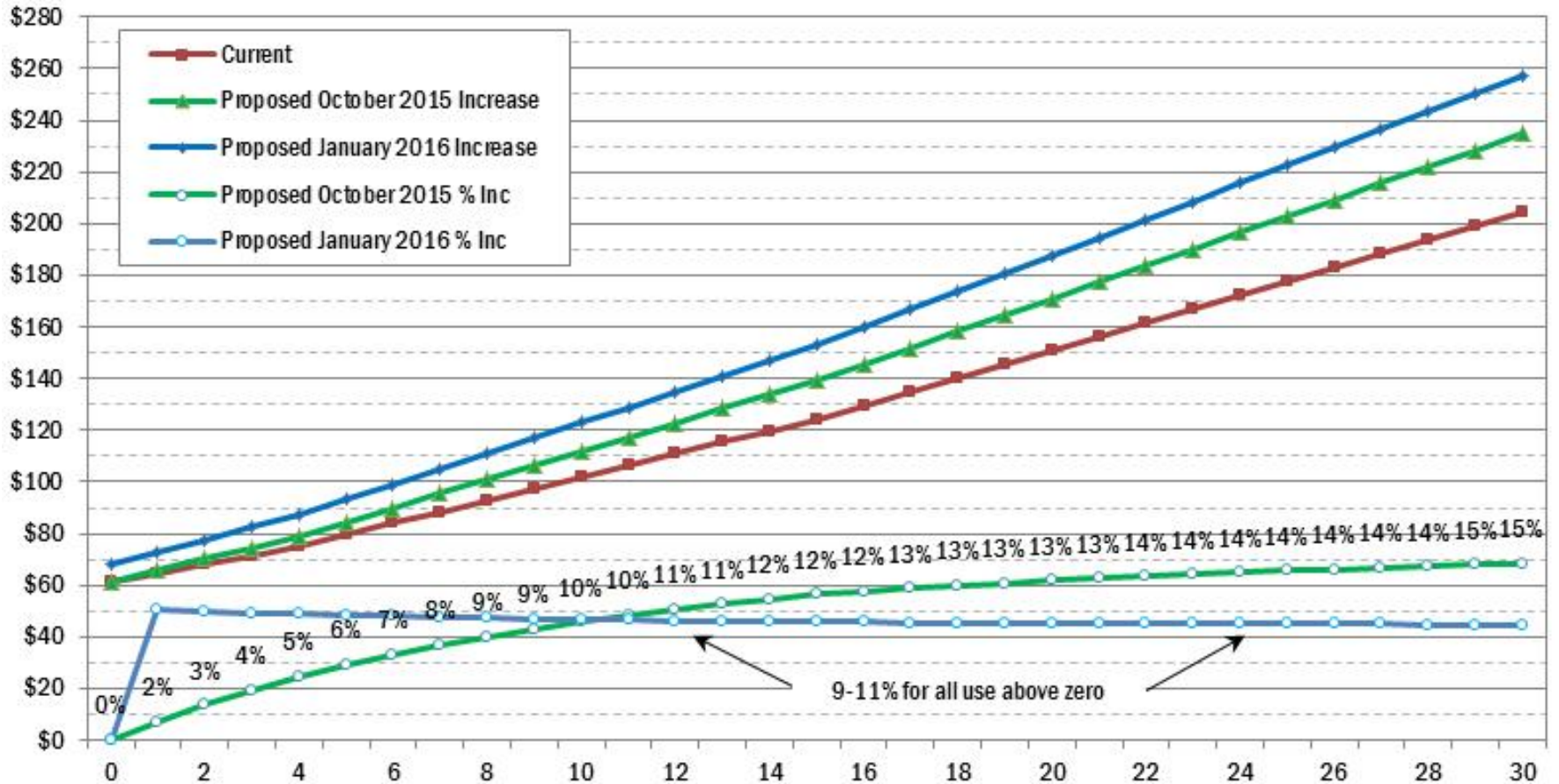


**END OF PRESENTATION**

**QUESTIONS ???**

# Residential Monthly Water Bills

With Four Tier Water Rates and Water Structure Effective 1/1/2016



# Proposition 218 Notice of Public Hearing

## With Four Tier Water Rates and Water Structure

Current			Proposed Effective 10/1/2015			Proposed Effective 1/1/2016			
Residential			Residential			Residential			
Tier 1	0 - 4	\$3.43	Tier 1	0 - 4	\$4.43	Tier 1	0 - 4	\$4.81	9%
Tier 2	5 - 15	\$4.48	Tier 2	5 - 15	\$5.48	Tier 2	5 - 15	\$5.97	9%
Tier 3	16 - 50	\$5.37	Tier 3	16 - 50	\$6.37	Tier 3	16 - 50	\$6.96	9%
Tier 4	Over 50	\$5.95	Tier 4	Over 50	\$6.95	Tier 4	Over 50	\$7.61	9%
Nonresidential			Nonresidential			Nonresidential			
All Use		\$4.18	All Use		\$5.18	All Use		\$5.64	9%