



Water Rate Study

Prepared by HF&H Consultants

Public Works Commission

September 13, 2018



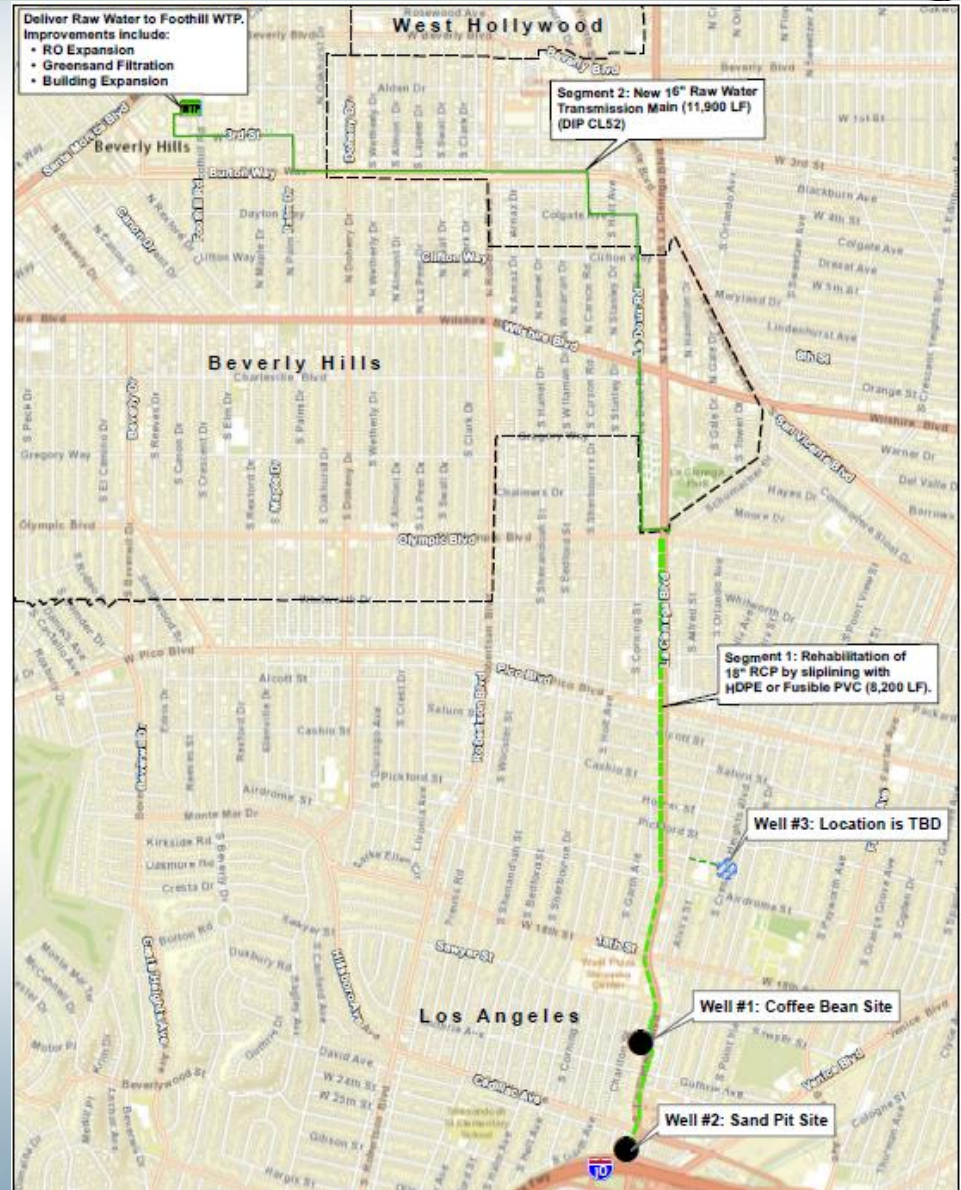
Introduction

- Meeting objectives
 - Present Water Reliability Charge Scenarios
 - Receive input and direction
- Next steps
 - Present to Liaison Committee
 - Present to City Council to approve notice
 - Prepare full cost-of-service study report
 - Conduct Proposition 218 rate adoption process



Water Reliability Project

- Objective: Create long-term local water supply
 - Deliver raw water to City's Foothill Water Treatment Plant from 3 new wells
 - 1,700 Acre Feet per year (approx. 18% of current water demand)
 - Less reliant on MWD water
- Project costs until up and running in 2025
 - \$55.8M in capital costs
 - \$4.5M in O&M costs
- Average annual O&M costs once up and running = \$4.6M
- Net Present Value (2018\$) = \$0.29 per HCF





Water Reliability Charge

Recommendation	<ul style="list-style-type: none">- Add charge to all quantity charges (including Irrigation customers)- Charge is uniform per HCF Charge derived as a flat amount based on the life cycle cost- \$10 million general fund contribution will subsidize Inside City customer charge for a period of time to be determined
Rationale	<ul style="list-style-type: none">- Creating a separate charge for a major capital improvement highlights the cost of improving supplies
Outcomes	<ul style="list-style-type: none">- Provides an additional funding source based on long-term cost recovery that is clearly identified- Revenue will not match annual cash flow and may require loan support from the General Fund



Water Reliability Funding Strategies

- Significant investment necessary to get up and running \$60.3M by 2025
 - General fund has already purchased the Coffee Bean/La Cienega property for \$9.0M
 - \$20.0M bond to be issued in 2020
 - \$12.5M available from Water Enterprise reserves
 - Reserves will be paid back from Water Reliability Charge revenue
 - Requires temporarily dipping below City reserve target policy of 50% of Water Rate Revenue
 - NEVER dips below 25% of Water Rate Revenue (minimum industry standard)
 - Reserves paid back by 2040
 - Remaining balance will come from the Water Reliability Charge
- A Water Reliability Charge of \$0.29 per HCF (with annual inflationary increases) covers the total cost over time but does not meet cash flow requirements



Start-Up period Cash Flow Analysis

- A Water Reliability Charge of \$0.29 per HCF (with annual inflationary increases) covers the total cost over time but does not meet cash flow requirements

Line	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Up and Running								
	Revenue								
1	Water Reliability Charge Revenue								
2	Water Sales (HCF)	2,150,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000
3	\$/HCF WR Charge	\$0.29	\$0.30	\$0.31	\$0.32	\$0.33	\$0.34	\$0.35	\$0.35
4	Total Water Reliability Charge Revenue	\$623,500	\$1,284,410	\$1,322,942	\$1,362,631	\$1,403,509	\$1,445,615	\$1,488,983	\$1,488,983
5									
6	General Fund land purchase	\$9,000,000							
7	General Fund contribution		\$10,000,000						
8	Bond Proceeds			\$20,000,000					
9	Transfer in from Reserves		\$9,500,000	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0
10	Total Revenue	\$9,000,000	\$20,123,500	\$21,284,410	\$2,322,942	\$2,362,631	\$2,403,509	\$1,445,615	\$1,488,983
11									
12	Expenses								
13	Capital Expenses	\$9,000,000	\$8,485,106	\$11,328,354	\$9,522,555	\$11,525,340	\$5,245,356	\$680,186	\$0
14	O&M per PDR	\$0	\$0	\$0	\$347,782	\$358,216	\$368,962	\$380,031	\$1,467,870
15	Additional Staffing	\$0	\$425,382	\$437,997	\$450,990	\$464,373	\$641,730	\$660,835	\$701,080
16	Debt Service	\$0	\$0	\$1,156,602	\$1,156,602	\$1,156,602	\$1,156,602	\$1,156,602	\$1,156,602
17	Less: MWD Water Purchase Savings	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,514,300)	(\$2,589,729)
18	Net Expenditures/Cost Savings	\$9,000,000	\$8,910,488	\$12,922,953	\$11,477,929	\$13,504,530	\$7,412,650	\$2,877,654	\$779,859
19									
20	Net Operating Suprlus/(Shortfall)	\$0	\$11,213,012	\$8,361,457	(\$9,154,986)	(\$11,141,899)	(\$5,009,141)	(\$1,432,039)	\$698,152
21	Cash Balance for WR Expenditures	\$0	\$11,213,012	\$19,574,469	\$10,419,483	(\$722,416)	(\$5,731,557)	(\$7,163,596)	(\$6,465,445)
									(\$5,756,320)

- We have developed four alternative Water Reliability Charge scenarios which meet the cash flow requirement



Water Reliability Charge Scenarios

	Scenarios			
	1	2a	2b	3
Scenario Assumptions				
General Fund land purchase	\$9,000,000	Same as 1	Same as 1	Same as 1
Bond proceeds (FYE 2020)	\$20,000,000	Same as 1	Same as 1	Same as 1
General Fund contribution (FYE 2019)	\$10,000,000	Same as 1	Same as 1	Same as 1
Water Enterprise reserves	\$12,500,000	Same as 1	Same as 1	Same as 1
General Fund loan	\$18,000,000	\$0	Same as 2	\$10,000,000
Interest cost (30 yrs, 3%)	\$14,000,000	\$0	\$0	\$5,400,000
Inside City General Fund credit				
100% credit	First 8+ years	First 2+ years	--	--
75% credit	--	--	--	First 5+ years
40% credit	--	--	First 6 years	--
Water Reliability Charge Rate (\$/HCF)	Inside City			
FY 2021-22	\$0.00	\$1.20	\$0.72	\$0.19
FY 2026-27	\$0.15	\$0.31	\$0.31	\$0.44
FY 2048-49	\$0.70	\$0.05	\$0.05	\$0.03
	Outside City			
FY 2021-22	\$0.32	\$1.20	\$1.20	\$0.75
FY 2026-27	\$0.37	\$0.31	\$0.31	\$0.44
FY 2048-49	\$0.70	\$0.05	\$0.05	\$0.03
Blue shading indicates Inside when Inside City rates are subsidized by the General Fund contribution				



Summary of Water Reliability Charge Rates

Fiscal Year	Scenario 1		Scenario 2a		Scenario 2b		Scenario 3	
	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside
<i>General Fund loan:</i>	\$18M loan		No loan		No loan		\$10M loan	
<i>Inside City credit:</i>	100% 8+ yrs		100% 2+ yrs		40% 6 yrs		75% 5+ yrs	
FY 2018-19	\$0.00	\$0.29	\$0.00	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2019-20	\$0.00	\$0.30	\$0.00	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2020-21	\$0.00	\$0.31	\$0.36	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2021-22	\$0.00	\$0.32	\$1.20	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2022-23	\$0.00	\$0.33	\$1.20	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2023-24	\$0.00	\$0.34	\$1.20	\$1.20	\$0.72	\$1.20	\$0.64	\$0.75
FY 2024-25	\$0.00	\$0.35	\$0.31	\$0.31	\$0.31	\$0.31	\$0.75	\$0.75
FY 2025-26	\$0.00	\$0.36	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2026-27	\$0.15	\$0.37	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2027-28	\$0.38	\$0.38	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2028-29	\$0.39	\$0.39	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2018-30	\$0.40	\$0.40	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2018-31	\$0.41	\$0.41	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2018-32	\$0.43	\$0.43	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2018-33	\$0.44	\$0.44	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2018-34	\$0.45	\$0.45	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2034-35	\$0.47	\$0.47	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2035-36	\$0.48	\$0.48	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2036-37	\$0.49	\$0.49	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2037-38	\$0.51	\$0.51	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2038-39	\$0.52	\$0.52	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2039-40	\$0.54	\$0.54	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2040-41	\$0.56	\$0.56	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2041-42	\$0.57	\$0.57	\$0.10	\$0.10	\$0.10	\$0.10	\$0.44	\$0.44
FY 2042-43	\$0.59	\$0.59	\$0.10	\$0.10	\$0.10	\$0.10	\$0.44	\$0.44
FY 2043-44	\$0.61	\$0.61	\$0.10	\$0.10	\$0.10	\$0.10	\$0.44	\$0.44
FY 2044-45	\$0.63	\$0.63	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2045-46	\$0.64	\$0.64	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2046-47	\$0.66	\$0.66	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2047-48	\$0.68	\$0.68	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2048-49	\$0.70	\$0.70	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2049-50	\$0.30	\$0.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FY 2050-51	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Blue shading indicates when Inside City rates are subsidized by the General Fund contribution



Bill Impacts: Scenario #1, Inside City

Scenario #1

- \$18M General Fund loan
- 100% Inside City credit for first 8+ years

Average Bill Impacts: Scenario #1, Inside City Customers							
	Meter Size	Water Use (HCF)	Current Bill	Proposed			
				1/1/2019	1/1/2020	1/1/2021	1/1/2022
Single Family	1"	48					
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07	\$251.39
Water Reliability Charge			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total Bill			\$286.26	\$279.03	\$287.40	\$296.02	\$304.90
\$ Change				(\$7.23)	\$8.37	\$8.62	\$8.88
Multi Family (10 units)	1"	90					
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67	\$505.39
Water Reliability Charge			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total Bill			\$470.46	\$511.47	\$526.81	\$542.62	\$558.90
Per Dwelling Unit			\$47.05	\$51.15	\$52.68	\$54.26	\$55.89
\$ Change				\$4.10	\$1.53	\$1.58	\$1.63
Commercial	1.5"	126					
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11	\$93.84
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25	\$912.84
Water Reliability Charge			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total Bill			\$941.77	\$921.26	\$948.90	\$977.36	\$1,006.69
\$ Change				(\$20.51)	\$27.64	\$28.47	\$29.32



Bill Impacts: Scenario #2a, Inside City

Scenario #2a

- No General Fund loan
- 100% Inside City credit for first 2+ years

Average Bill Impacts: Scenario #2a, Inside City Customers							
	Meter Size	Water Use (HCF)	Current Bill	Proposed			
				1/1/2019	1/1/2020	1/1/2021	1/1/2022
Single Family	1"	48					
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07	\$251.39
Water Reliability Charge			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$17.28</u>	<u>\$57.60</u>
Total Bill			\$286.26	\$279.03	\$287.40	\$313.30	\$362.50
\$ Change				(\$7.23)	\$8.37	\$25.90	\$49.20
Multi Family (10 units)	1"	90					
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67	\$505.39
Water Reliability Charge			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$32.40</u>	<u>\$108.00</u>
Total Bill			\$470.46	\$511.47	\$526.81	\$575.02	\$666.90
Per Dwelling Unit			\$47.05	\$51.15	\$52.68	\$57.50	\$66.69
\$ Change				\$4.10	\$1.53	\$4.82	\$9.19
Commercial	1.5"	126					
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11	\$93.84
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25	\$912.84
Water Reliability Charge			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$45.36</u>	<u>\$151.20</u>
Total Bill			\$941.77	\$921.26	\$948.90	\$1,022.72	\$1,157.89
\$ Change				(\$20.51)	\$27.64	\$73.83	\$135.16



Bill Impacts: Scenario #2b, Inside City

Scenario #2b

- No General Fund loan
- 40% Inside City credit for first 6 years

Average Bill Impacts: Scenario #2b, Inside City Customers							
	Meter Size	Water Use (HCF)	Current Bill	Proposed			
				1/1/2019	1/1/2020	1/1/2021	1/1/2022
Single Family	1"	48					
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07	\$251.39
Water Reliability Charge			\$0.00	\$34.56	\$34.56	\$34.56	\$34.56
Total Bill			\$286.26	\$313.59	\$321.96	\$330.58	\$339.46
\$ Change				\$27.33	\$8.37	\$8.62	\$8.88
Multi Family (10 units)	1"	90					
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67	\$505.39
Water Reliability Charge			\$0.00	\$64.80	\$64.80	\$64.80	\$64.80
Total Bill			\$470.46	\$576.27	\$591.61	\$607.42	\$623.70
Per Dwelling Unit			\$47.05	\$57.63	\$59.16	\$60.74	\$62.37
\$ Change				\$10.58	\$1.53	\$1.58	\$1.63
Commercial	1.5"	126					
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11	\$93.84
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25	\$912.84
Water Reliability Charge			\$0.00	\$90.72	\$90.72	\$90.72	\$90.72
Total Bill			\$941.77	\$1,011.98	\$1,039.62	\$1,068.08	\$1,097.41
\$ Change				\$70.21	\$27.64	\$28.47	\$29.32



Bill Impacts: Scenario #3, Inside City

Scenario #3

- \$10M General Fund loan
- 75% Inside City credit for first 5+ years

Average Bill Impacts: Scenario #3, Inside City Customers							
	Meter Size	Water Use (HCF)	Current Bill	Proposed			
				1/1/2019	1/1/2020	1/1/2021	1/1/2022
Single Family	1"	48					
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07	\$251.39
Water Reliability Charge			<u>\$0.00</u>	<u>\$9.00</u>	<u>\$9.00</u>	<u>\$9.00</u>	<u>\$9.00</u>
Total Bill			\$286.26	\$288.03	\$296.40	\$305.02	\$313.90
\$ Change				\$1.77	\$8.37	\$8.62	\$8.88
Multi Family (10 units)	1"	90					
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67	\$505.39
Water Reliability Charge			<u>\$0.00</u>	<u>\$16.88</u>	<u>\$16.88</u>	<u>\$16.88</u>	<u>\$16.88</u>
Total Bill			\$470.46	\$528.35	\$543.69	\$559.49	\$575.77
Per Dwelling Unit			\$47.05	\$52.83	\$54.37	\$55.95	\$57.58
\$ Change				\$5.79	\$1.53	\$1.58	\$1.63
Commercial	1.5"	126					
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11	\$93.84
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25	\$912.84
Water Reliability Charge			<u>\$0.00</u>	<u>\$23.63</u>	<u>\$23.63</u>	<u>\$23.63</u>	<u>\$23.63</u>
Total Bill			\$941.77	\$944.89	\$972.52	\$1,000.99	\$1,030.31
\$ Change				\$3.12	\$27.64	\$28.47	\$29.32



Bill Impacts: Scenario #1, Outside City

Scenario #1

- \$18M General Fund loan
- 100% Inside City credit for first 8+ years

Average Bill Impacts: Scenario #1, Outside City Customers							
	Meter Size	Water Use (HCF)	Current Bill	Proposed			
				1/1/2019	1/1/2020	1/1/2021	1/1/2022
Single Family	1"	48					
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$302.04	\$269.42	\$277.50	\$285.83	\$294.40
Water Reliability Charge			<u>\$0.00</u>	<u>\$13.92</u>	<u>\$14.34</u>	<u>\$14.77</u>	<u>\$15.21</u>
Total Bill			\$357.87	\$332.31	\$342.28	\$352.55	\$363.12
\$ Change				(\$25.56)	\$9.97	\$10.27	\$10.58
Multi Family (10 units)	1"	90					
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$531.90	\$536.30	\$552.39	\$568.96	\$586.03
Water Reliability Charge			<u>\$0.00</u>	<u>\$26.10</u>	<u>\$26.88</u>	<u>\$27.69</u>	<u>\$28.52</u>
Total Bill			\$587.73	\$611.37	\$629.71	\$648.60	\$668.06
Per Dwelling Unit			\$58.77	\$61.14	\$62.97	\$64.86	\$66.81
\$ Change				\$2.36	\$1.83	\$1.89	\$1.95
Commercial	1.5"	126					
Service Charge			\$96.77	\$85.88	\$88.46	\$91.11	\$93.84
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$995.87	\$1,025.74
Water Reliability Charge			<u>\$0.00</u>	<u>\$36.54</u>	<u>\$37.64</u>	<u>\$38.77</u>	<u>\$39.93</u>
Total Bill			\$1,177.85	\$1,061.12	\$1,092.95	\$1,125.74	\$1,159.51
\$ Change				(\$116.73)	\$31.83	\$32.79	\$33.77



Bill Impacts: Scenario #2a, Outside City

Scenario #2a

- No General Fund loan
- 100% Inside City credit for first 2+ years

Average Bill Impacts: Scenario #2a, Outside City Customers							
	Meter Size	Water Use (HCF)	Current Bill	Proposed			
				1/1/2019	1/1/2020	1/1/2021	1/1/2022
Single Family	1"	48					
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$302.04	\$269.42	\$277.50	\$285.83	\$294.40
Water Reliability Charge			\$0.00	\$57.60	\$57.60	\$57.60	\$57.60
Total Bill			\$357.87	\$375.99	\$385.54	\$395.38	\$405.51
\$ Change				\$18.12	\$9.55	\$9.84	\$10.13
Multi Family (10 units)	1"	90					
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$531.90	\$536.30	\$552.39	\$568.96	\$586.03
Water Reliability Charge			\$0.00	\$108.00	\$108.00	\$108.00	\$108.00
Total Bill			\$587.73	\$693.27	\$710.83	\$728.91	\$747.54
Per Dwelling Unit			\$58.77	\$69.33	\$71.08	\$72.89	\$74.75
\$ Change				\$10.55	\$1.76	\$1.81	\$1.86
Commercial	1.5"	126					
Service Charge			\$96.77	\$85.88	\$88.46	\$91.11	\$93.84
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$995.87	\$1,025.74
Water Reliability Charge			\$0.00	\$151.20	\$151.20	\$151.20	\$151.20
Total Bill			\$1,177.85	\$1,175.78	\$1,206.52	\$1,238.18	\$1,270.79
\$ Change				(\$2.07)	\$30.74	\$31.66	\$32.61



Bill Impacts: Scenario #2b, Outside City

Scenario #2b

- No General Fund loan
- 40% Inside City credit for first 6 years

Average Bill Impacts: Scenario #2b, Outside City Customers							
	Meter Size	Water Use (HCF)	Current Bill	Proposed			
				1/1/2019	1/1/2020	1/1/2021	1/1/2022
Single Family	1"	48					
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$302.04	\$269.42	\$277.50	\$285.83	\$294.40
Water Reliability Charge			<u>\$0.00</u>	<u>\$57.60</u>	<u>\$57.60</u>	<u>\$57.60</u>	<u>\$57.60</u>
Total Bill			\$357.87	\$375.99	\$385.54	\$395.38	\$405.51
\$ Change				\$18.12	\$9.55	\$9.84	\$10.13
Multi Family (10 units)	1"	90					
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$531.90	\$536.30	\$552.39	\$568.96	\$586.03
Water Reliability Charge			<u>\$0.00</u>	<u>\$108.00</u>	<u>\$108.00</u>	<u>\$108.00</u>	<u>\$108.00</u>
Total Bill			\$587.73	\$693.27	\$710.83	\$728.91	\$747.54
Per Dwelling Unit			\$58.77	\$69.33	\$71.08	\$72.89	\$74.75
\$ Change				\$10.55	\$1.76	\$1.81	\$1.86
Commercial	1.5"	126					
Service Charge			\$96.77	\$85.88	\$88.46	\$91.11	\$93.84
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$995.87	\$1,025.74
Water Reliability Charge			<u>\$0.00</u>	<u>\$151.20</u>	<u>\$151.20</u>	<u>\$151.20</u>	<u>\$151.20</u>
Total Bill			\$1,177.85	\$1,175.78	\$1,206.52	\$1,238.18	\$1,270.79
\$ Change				(\$2.07)	\$30.74	\$31.66	\$32.61



Bill Impacts: Scenario #3, Inside City

Scenario #3

- \$10M General Fund loan
- 75% Inside City credit for first 5+ years

Average Bill Impacts: Scenario #3, Outside City Customers							
	Meter Size	Water Use (HCF)	Current Bill	Proposed			
				1/1/2019	1/1/2020	1/1/2021	1/1/2022
Single Family	1"	48					
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$302.04	\$269.42	\$277.50	\$285.83	\$294.40
Water Reliability Charge			<u>\$0.00</u>	<u>\$36.00</u>	<u>\$36.00</u>	<u>\$36.00</u>	<u>\$36.00</u>
Total Bill			\$357.87	\$354.39	\$363.94	\$373.78	\$383.91
\$ Change				(\$3.48)	\$9.55	\$9.84	\$10.13
Multi Family (10 units)	1"	90					
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$531.90	\$536.30	\$552.39	\$568.96	\$586.03
Water Reliability Charge			<u>\$0.00</u>	<u>\$67.50</u>	<u>\$67.50</u>	<u>\$67.50</u>	<u>\$67.50</u>
Total Bill			\$587.73	\$652.77	\$670.33	\$688.41	\$707.04
Per Dwelling Unit			\$58.77	\$65.28	\$67.03	\$68.84	\$70.70
\$ Change				\$6.50	\$1.76	\$1.81	\$1.86
Commercial	1.5"	126					
Service Charge			\$96.77	\$85.88	\$88.46	\$91.11	\$93.84
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$995.87	\$1,025.74
Water Reliability Charge			<u>\$0.00</u>	<u>\$94.50</u>	<u>\$94.50</u>	<u>\$94.50</u>	<u>\$94.50</u>
Total Bill			\$1,177.85	\$1,119.08	\$1,149.82	\$1,181.48	\$1,214.09
\$ Change				(\$58.77)	\$30.74	\$31.66	\$32.61



END OF PRESENTATION



Bill Impact Summary – Single Family

Bi-Monthly Water Bill Impact (includes service charge, quantity charge, and WR charge)

Average Single Family Use (48 HCF)

	Scenario 1		Scenario 2a		Scenario 2b		Scenario 3	
<i>General Fund loan:</i>	\$18M GF Loan		No GF Loan		No GF Loan		\$10M GF Loan	
<i>Inside City credit:</i>	100% 8+ yrs		100% 2+ yrs		40% 6 yrs		75% 5+ yrs	
	<u>\$ Impact</u>	<u>% Impact</u>	<u>\$ Impact</u>	<u>% Impact</u>	<u>\$ Impact</u>	<u>% Impact</u>	<u>\$ Impact</u>	<u>% Impact</u>
Inside City								
FY 2018-19	(\$7.23)	(2.5%)	(\$7.23)	(2.5%)	\$27.33	9.5%	\$1.77	0.6%
FY 2019-20	\$8.37	3.0%	\$8.37	3.0%	\$8.37	2.7%	\$8.37	2.9%
FY 2020-21	\$8.62	3.0%	\$25.90	9.0%	\$8.62	2.7%	\$8.62	2.9%
FY 2021-22	\$8.88	3.0%	\$49.20	15.7%	\$8.88	2.7%	\$8.88	2.9%
FY 2022-23*	\$9.15	3.0%	\$9.15	2.5%	\$9.15	2.7%	\$9.15	2.9%
FY 2023-24*	\$9.42	3.0%	\$9.42	2.5%	\$9.42	2.7%	\$31.02	9.6%
FY 2024-25*	\$9.70	3.0%	(\$33.02)	(8.7%)	(\$9.98)	(2.8%)	\$15.10	4.3%
FY 2025-26*	\$10.00	3.0%	\$10.00	2.9%	\$10.00	2.9%	(\$4.88)	(1.3%)
FY 2026-27*	\$17.35	5.1%	\$10.30	2.9%	\$10.30	2.9%	\$10.30	2.8%
FY 2027-28*	\$21.71	6.0%	\$10.60	2.9%	\$10.60	2.9%	\$10.60	2.8%
Outside City								
FY 2018-19	(\$25.56)	(7.1%)	\$18.12	5.1%	\$18.12	5.1%	(\$3.48)	(1.0%)
FY 2019-20	\$9.97	3.0%	\$9.55	2.5%	\$9.55	2.5%	\$9.55	2.7%
FY 2020-21	\$10.27	3.0%	\$9.84	2.6%	\$9.84	2.6%	\$9.84	2.7%
FY 2021-22	\$10.58	3.0%	\$10.13	2.6%	\$10.13	2.6%	\$10.13	2.7%
FY 2022-23*	\$10.89	3.0%	\$10.44	2.6%	\$10.44	2.6%	\$10.44	2.7%
FY 2023-24*	\$11.22	3.0%	\$10.75	2.6%	\$10.75	2.6%	\$10.75	2.7%
FY 2024-25*	\$11.56	3.0%	(\$31.65)	(7.4%)	(\$31.65)	(7.4%)	\$11.07	2.7%
FY 2025-26*	\$11.90	3.0%	\$11.41	2.9%	\$11.41	2.9%	(\$3.47)	(0.8%)
FY 2026-27*	\$12.26	3.0%	\$11.75	2.9%	\$11.75	2.9%	\$11.75	2.8%
FY 2027-28*	\$12.63	3.0%	\$12.10	2.9%	\$12.10	2.9%	\$12.10	2.9%

* assumes 3% inflationary increase in the service charge rate and quantity charge rates



Bill Impact Summary – Multi Family

Bi-Monthly Water Bill Impact per Dwelling Unit (includes service charge, quantity charge, and WR charge)

Average Multi Family Use (9 HCF per dwelling)

	Scenario 1		Scenario 2a		Scenario 2b		Scenario 3	
<i>General Fund loan:</i>	\$18M GF Loan		No GF Loan		No GF Loan		\$10M GF Loan	
<i>Inside City credit:</i>	100% 8+ yrs		100% 2+ yrs		40% 6 yrs		75% 5+ yrs	
	<u>\$ Impact</u>	<u>% Impact</u>	<u>\$ Impact</u>	<u>% Impact</u>	<u>\$ Impact</u>	<u>% Impact</u>	<u>\$ Impact</u>	<u>% Impact</u>
Inside City								
FY 2018-19	\$4.10	8.7%	\$4.10	8.7%	\$10.58	22.5%	\$5.79	12.3%
FY 2019-20	\$1.53	3.0%	\$1.53	3.0%	\$1.53	2.7%	\$1.53	2.9%
FY 2020-21	\$1.58	3.0%	\$4.82	9.2%	\$1.58	2.7%	\$1.58	2.9%
FY 2021-22	\$1.63	3.0%	\$9.19	16.0%	\$1.63	2.7%	\$1.63	2.9%
FY 2022-23*	\$1.68	3.0%	\$1.68	2.5%	\$1.68	2.7%	\$1.68	2.9%
FY 2023-24*	\$1.73	3.0%	\$1.73	2.5%	\$1.73	2.7%	\$5.78	9.7%
FY 2024-25*	\$1.78	3.0%	(\$6.23)	(8.9%)	(\$1.91)	(2.9%)	\$2.79	4.3%
FY 2025-26*	\$1.83	3.0%	\$1.83	2.9%	\$1.83	2.9%	(\$0.96)	(1.4%)
FY 2026-27*	\$3.21	5.1%	\$1.89	2.9%	\$1.89	2.9%	\$1.89	2.8%
FY 2027-28*	\$4.03	6.1%	\$1.94	2.9%	\$1.94	2.9%	\$1.94	2.8%
Outside City								
FY 2018-19	\$2.36	4.0%	\$10.55	18.0%	\$10.55	18.0%	\$6.50	11.1%
FY 2019-20	\$1.83	3.0%	\$1.76	2.5%	\$1.76	2.5%	\$1.76	2.7%
FY 2020-21	\$1.89	3.0%	\$1.81	2.5%	\$1.81	2.5%	\$1.81	2.7%
FY 2021-22	\$1.95	3.0%	\$1.86	2.6%	\$1.86	2.6%	\$1.86	2.7%
FY 2022-23*	\$2.00	3.0%	\$1.92	2.6%	\$1.92	2.6%	\$1.92	2.7%
FY 2023-24*	\$2.06	3.0%	\$1.98	2.6%	\$1.98	2.6%	\$1.98	2.7%
FY 2024-25*	\$2.13	3.0%	(\$5.97)	(7.6%)	(\$5.97)	(7.6%)	\$2.04	2.7%
FY 2025-26*	\$2.19	3.0%	\$2.10	2.9%	\$2.10	2.9%	(\$0.69)	(0.9%)
FY 2026-27*	\$2.26	3.0%	\$2.16	2.9%	\$2.16	2.9%	\$2.16	2.8%
FY 2027-28*	\$2.32	3.0%	\$2.22	2.9%	\$2.22	2.9%	\$2.22	2.8%

* assumes 3% inflationary increase in the service charge rate and quantity charge rates



Bill Impact Summary – Commercial

Bi-Monthly Water Bill Impact (includes service charge, quantity charge, and WR charge)

Average Commercial Use (126 HCF)

	Scenario 1		Scenario 2a		Scenario 2b		Scenario 3	
<i>General Fund loan:</i>	\$18M GF Loan		No GF Loan		No GF Loan		\$10M GF Loan	
<i>Inside City credit:</i>	100% 8+ yrs		100% 2+ yrs		40% 6 yrs		75% 5+ yrs	
	\$ Impact	% Impact	\$ Impact	% Impact	\$ Impact	% Impact	\$ Impact	% Impact
Inside City								
FY 2018-19	(\$20.51)	(2.2%)	(\$20.51)	(2.2%)	\$70.21	7.5%	\$3.12	0.3%
FY 2019-20	\$27.64	3.0%	\$27.64	3.0%	\$27.64	2.7%	\$27.64	2.9%
FY 2020-21	\$28.47	3.0%	\$73.83	7.8%	\$28.47	2.7%	\$28.47	2.9%
FY 2021-22	\$29.32	3.0%	\$135.16	13.2%	\$29.32	2.7%	\$29.32	2.9%
FY 2022-23*	\$30.20	3.0%	\$30.20	2.6%	\$30.20	2.8%	\$30.20	2.9%
FY 2023-24*	\$31.11	3.0%	\$31.11	2.6%	\$31.11	2.8%	\$87.81	8.3%
FY 2024-25*	\$32.04	3.0%	(\$80.10)	(6.6%)	(\$19.62)	(1.7%)	\$46.21	4.0%
FY 2025-26*	\$33.00	3.0%	\$33.00	2.9%	\$33.00	2.9%	(\$6.06)	(0.5%)
FY 2026-27*	\$52.51	4.6%	\$33.99	2.9%	\$33.99	2.9%	\$33.99	2.9%
FY 2027-28*	\$64.17	5.4%	\$35.01	2.9%	\$35.01	2.9%	\$35.01	2.9%
Outside City								
FY 2018-19	(\$116.73)	(9.9%)	(\$2.07)	(0.2%)	(\$2.07)	(0.2%)	(\$58.77)	(5.0%)
FY 2019-20	\$31.83	3.0%	\$30.74	2.6%	\$30.74	2.6%	\$30.74	2.7%
FY 2020-21	\$32.79	3.0%	\$31.66	2.6%	\$31.66	2.6%	\$31.66	2.8%
FY 2021-22	\$33.77	3.0%	\$32.61	2.6%	\$32.61	2.6%	\$32.61	2.8%
FY 2022-23*	\$34.79	3.0%	\$33.59	2.6%	\$33.59	2.6%	\$33.59	2.8%
FY 2023-24*	\$35.83	3.0%	\$34.60	2.7%	\$34.60	2.7%	\$34.60	2.8%
FY 2024-25*	\$36.90	3.0%	(\$76.51)	(5.7%)	(\$76.51)	(5.7%)	\$35.63	2.8%
FY 2025-26*	\$38.01	3.0%	\$36.70	2.9%	\$36.70	2.9%	(\$2.36)	(0.2%)
FY 2026-27*	\$39.15	3.0%	\$37.80	2.9%	\$37.80	2.9%	\$37.80	2.9%
FY 2027-28*	\$40.33	3.0%	\$38.94	2.9%	\$38.94	2.9%	\$38.94	2.9%

* assumes 3% inflationary increase in the service charge rate and quantity charge rates