



# FY 2019 Water Rate Recommendations

Ian Taylor, CEO

11/12/18



# FY 2019 Budget Approval

---

## Proposed Rate Increases

Per FY 2018 FOP				
	FY19	FY20	FY21	FY22
Electric*	0.0%	0.0%	1.6%	1.6%
Water	2.5%	2.5%	5.0%	5.0%
Wastewater	0.0%	0.0%	5.0%	5.0%

Proposed Rate Increases for FY 2019 FOP					
	FY19	FY20	FY21	FY22	FY23
Electric*	0.0%	0.0%	1.0%	1.0%	1.0%
Water	6.0%	6.0%	6.0%	6.0%	6.0%
Wastewater	0.0%	0.0%	6.0%	6.0%	6.0%

*\*Electric rate increases are only applied to the Distribution and Customer Charge, which results in the corresponding percentage increases.*

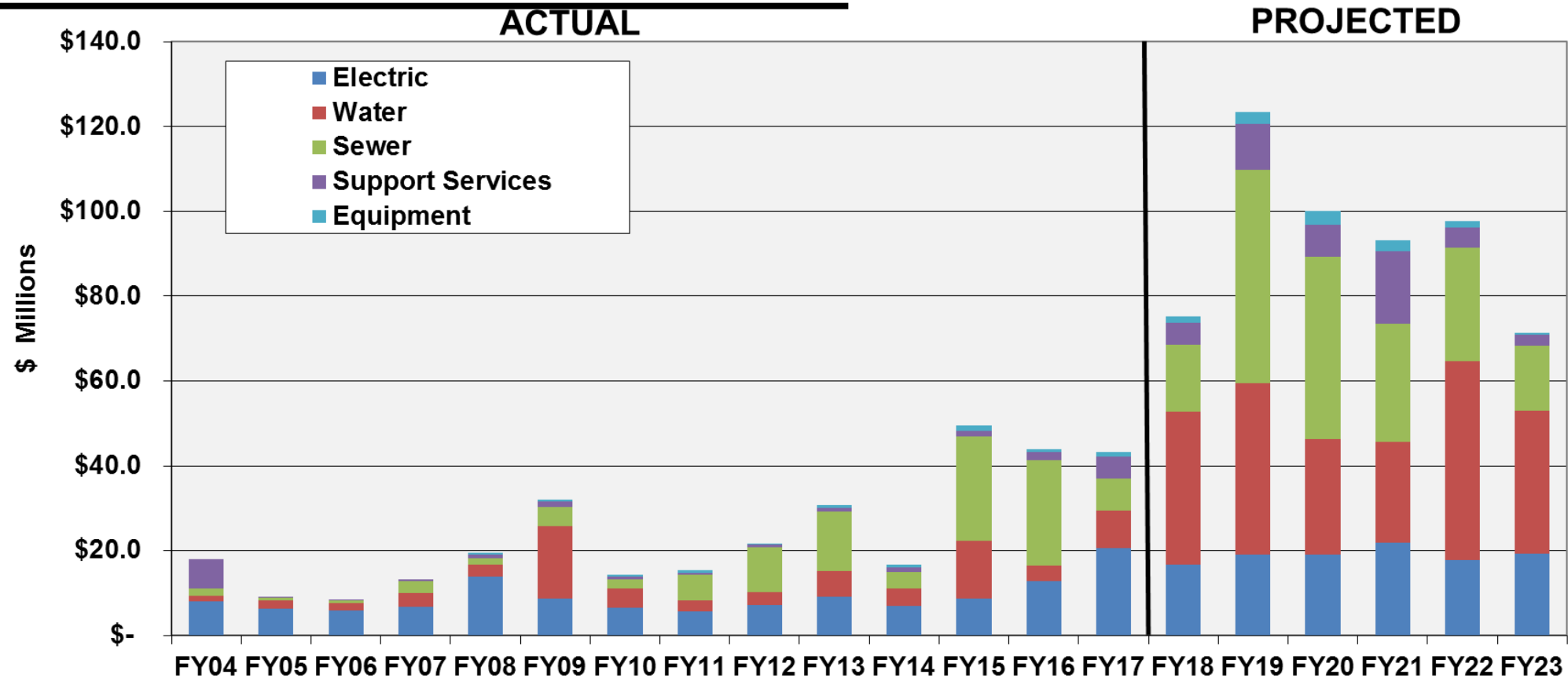


# Goals for Rate Design Development

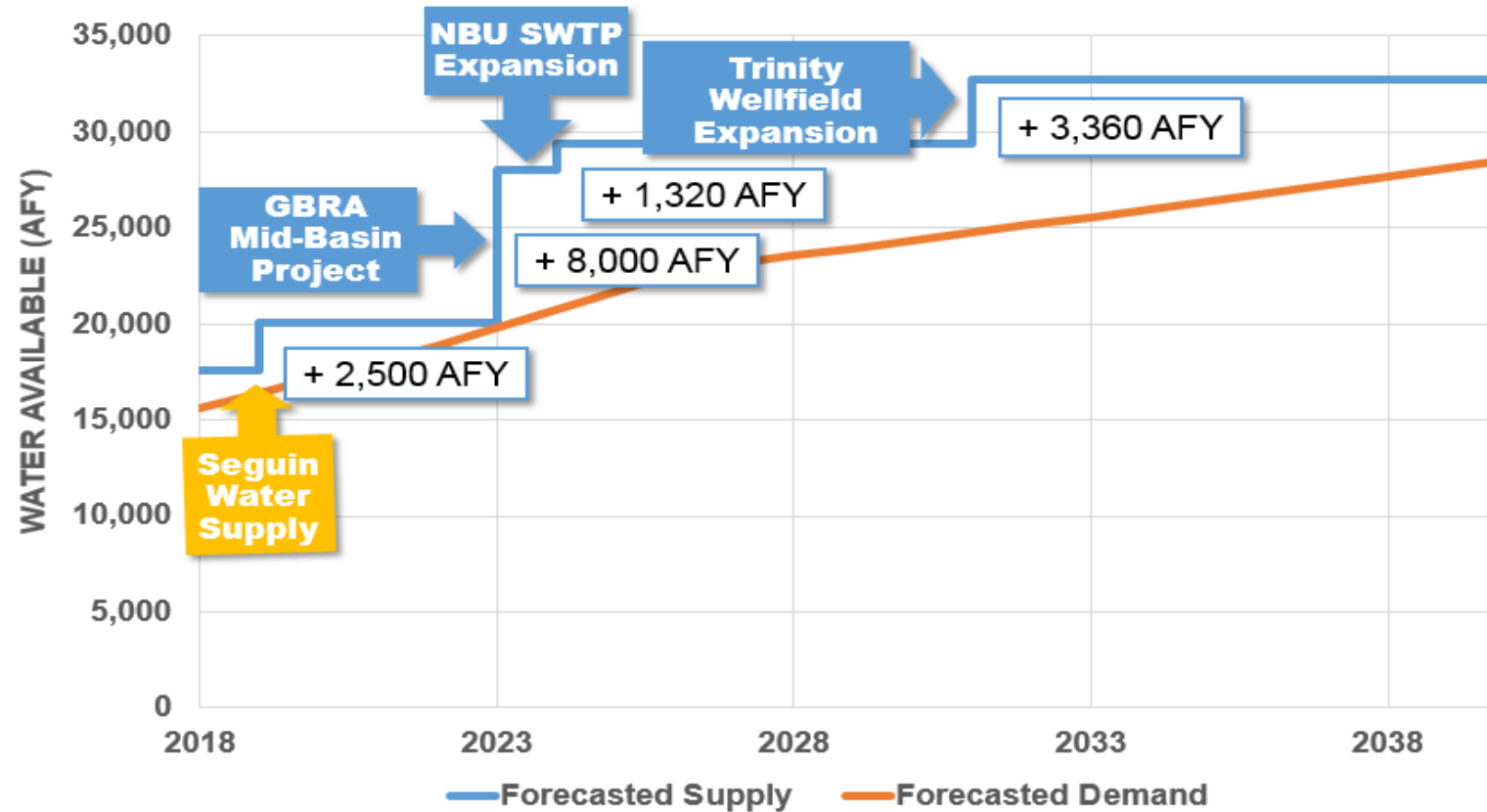
---

- Allocate costs and rates to appropriate classes driving need for new water supply
- Assure revenue recovery by assuring an appropriate balance between fixed and variable rates
- Evaluate revenue distribution and rate design for rating agency attributes
- Continue reducing inside vs outside City limit differentials

# Historical and Projected Capital



# Water Supply & Infrastructure



# Ratio of Peak Month to Average Month

---

	Average Monthly	Ratio July 2017	Ratio August 2016
Rate Class	Demand FY 2017	Demand to Average	Demand to Average
Residential	164,707,903	1.38	1.41
Irrigation	53,582,675	1.65	1.61
Multi Unit	20,093,188	1.11	1.00
General Service	62,268,170	1.24	1.24

# Summary of Rate Changes by Class

---

Summary of Rate Changes by Class		
Rate Class		FY 2019
Residential Inside City Limits		6.0%
Residential Outside City Limits		-5.9%
Irrigation Inside City Limits		15.1%
Irrigation Outside City Limits		5.3%
Multi Unit Inside City Limits		1.5%
Multi Unit Outside City Limits		-12.9%
General Service Inside City Limits		5.7%
General Service Outside City Limits		-6.8%
Monthly Unit Charge Inside City Limits		6.0%
Monthly Unit Charge Outside City Limits		-12.2%
Total All Rate Classes		6.0%

# Proposed 2019 Residential Rates

---

					%
Residential Bills		Current	Proposed	Difference	Inc
Customer Charge		\$ 11.12	\$ 12.80	\$ 1.68	15%
Usage Charge					
1st Block 0-7500		\$ 1.936	\$ 1.550	\$ (0.39)	-20%
2nd Block 7501-15,000		\$ 2.581	\$ 3.643	\$ 1.06	41%
3rd Block 15,001-25,000		\$ 3.227	\$ 4.263	\$ 1.04	32%
4th Block above 25,000		\$ 4.840	\$ 5.425	\$ 0.59	12%



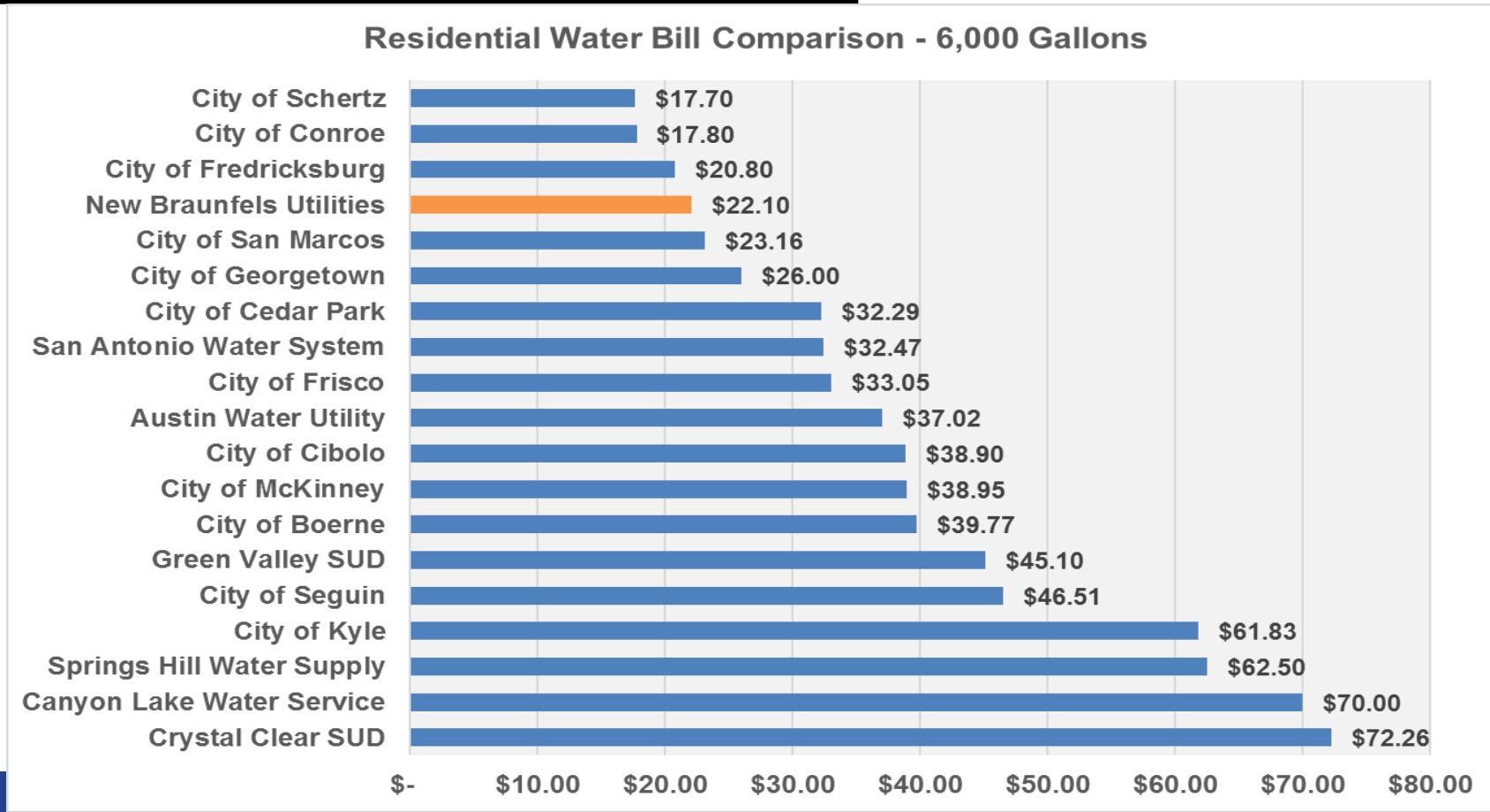
# Proposed 2019 Residential Rates

## Various Usage Scenarios

	Current	FY2019	%
6,000 Gallons	Monthly Bill	Monthly Bill	Increase
NBU Monthly Water Bill	22.74	22.10	-3%
Dollar Increase		-0.64	
8,900 Gallons	Current	FY2019	%
	Monthly Bill	Monthly Bill	Increase
NBU Monthly Water Bill	29.25	29.53	1%
Dollar Increase		0.28	
25,000 Gallons	Current	FY2019	%
	Monthly Bill	Monthly Bill	Increase
NBU Monthly Water Bill	77.27	94.38	22%
Dollar Increase		17.11	
40,000 Gallons	Current	FY2019	%
	Monthly Bill	Monthly Bill	Increase
NBU Monthly Water Bill	149.87	175.75	17%
Dollar Increase		25.88	

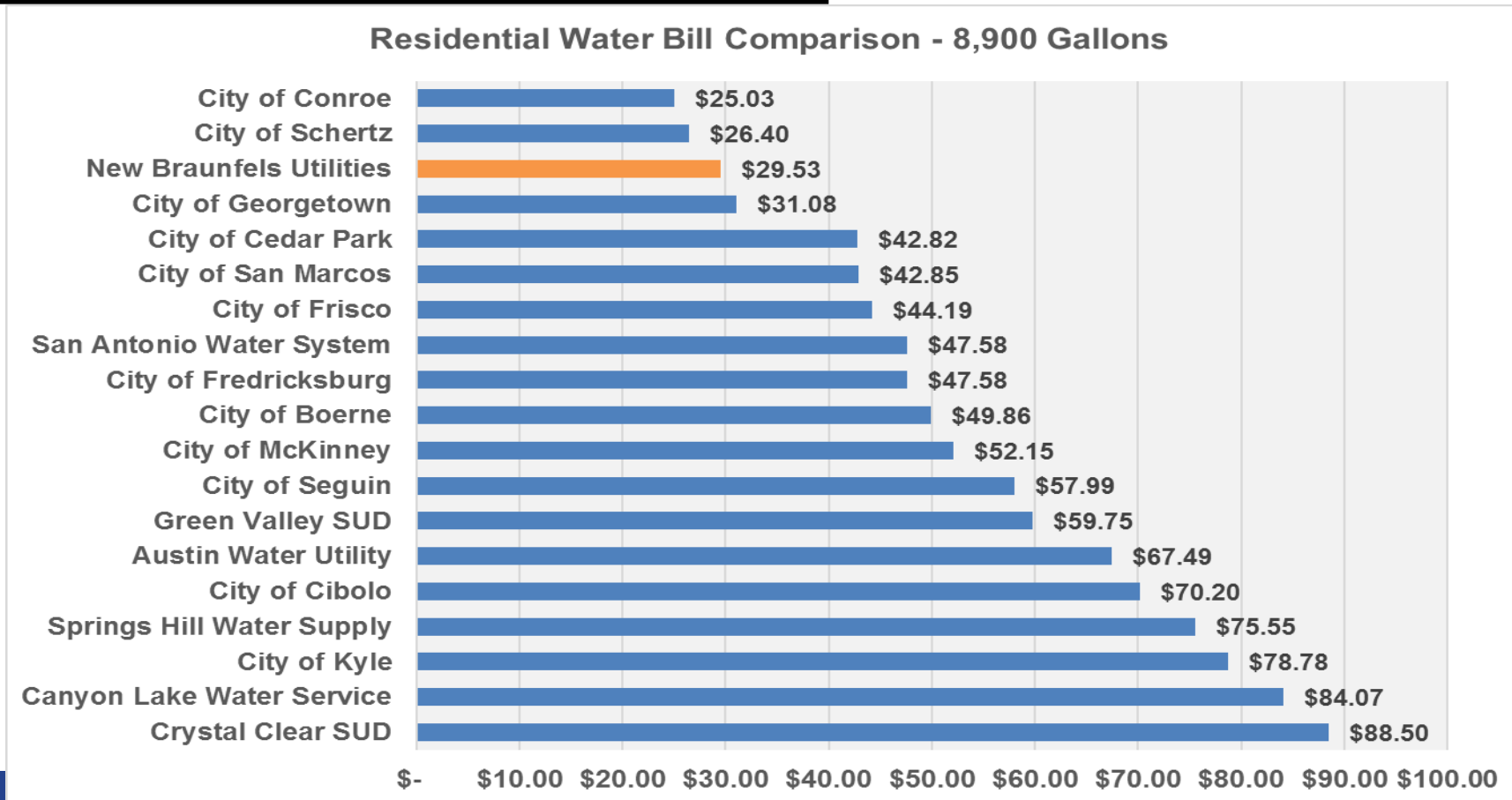
# Residential Bill Comparisons

(6,000 gallons, domestic use)



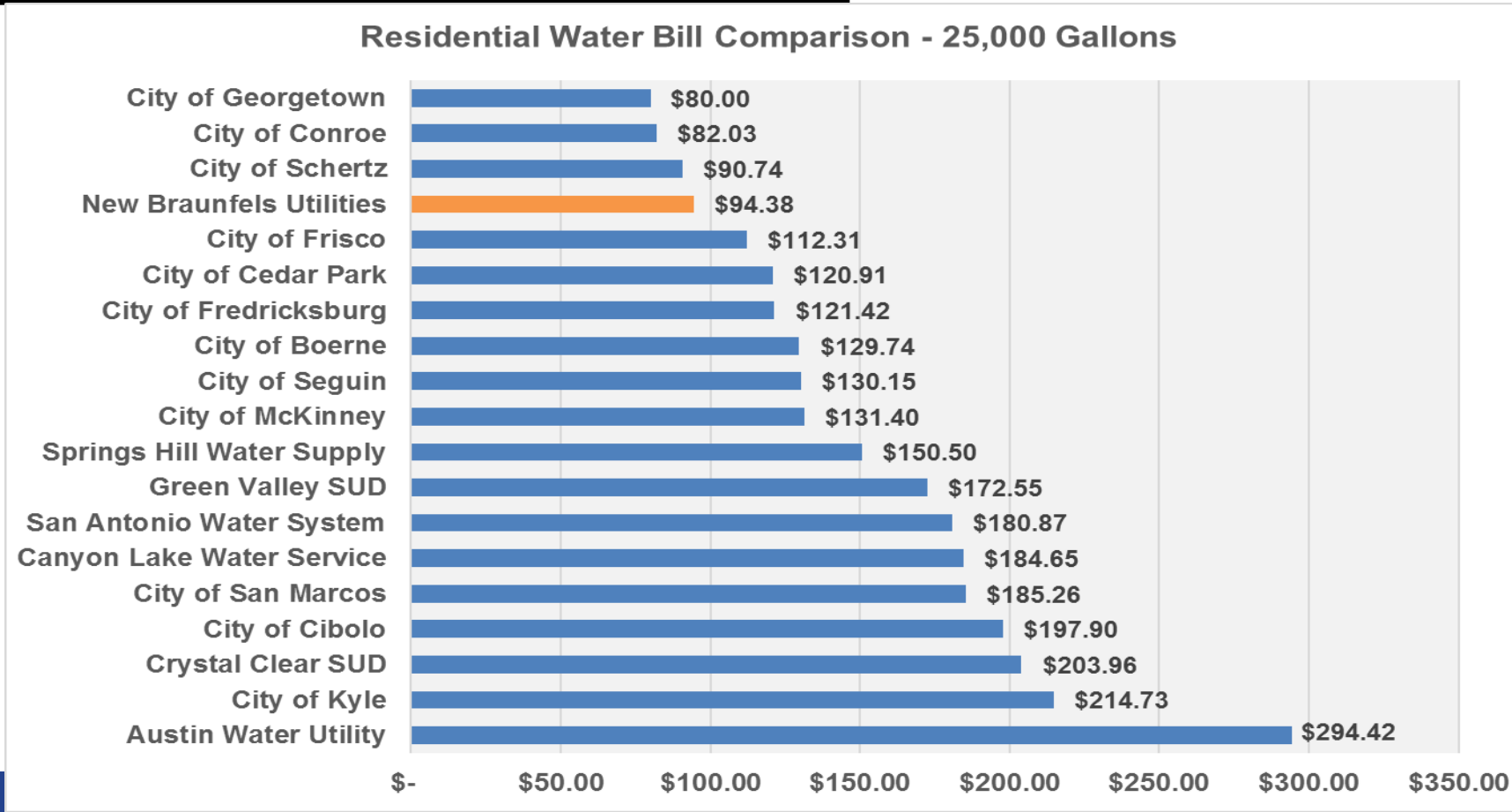
# Residential Bill Comparisons

(8,900 gallons, average use)



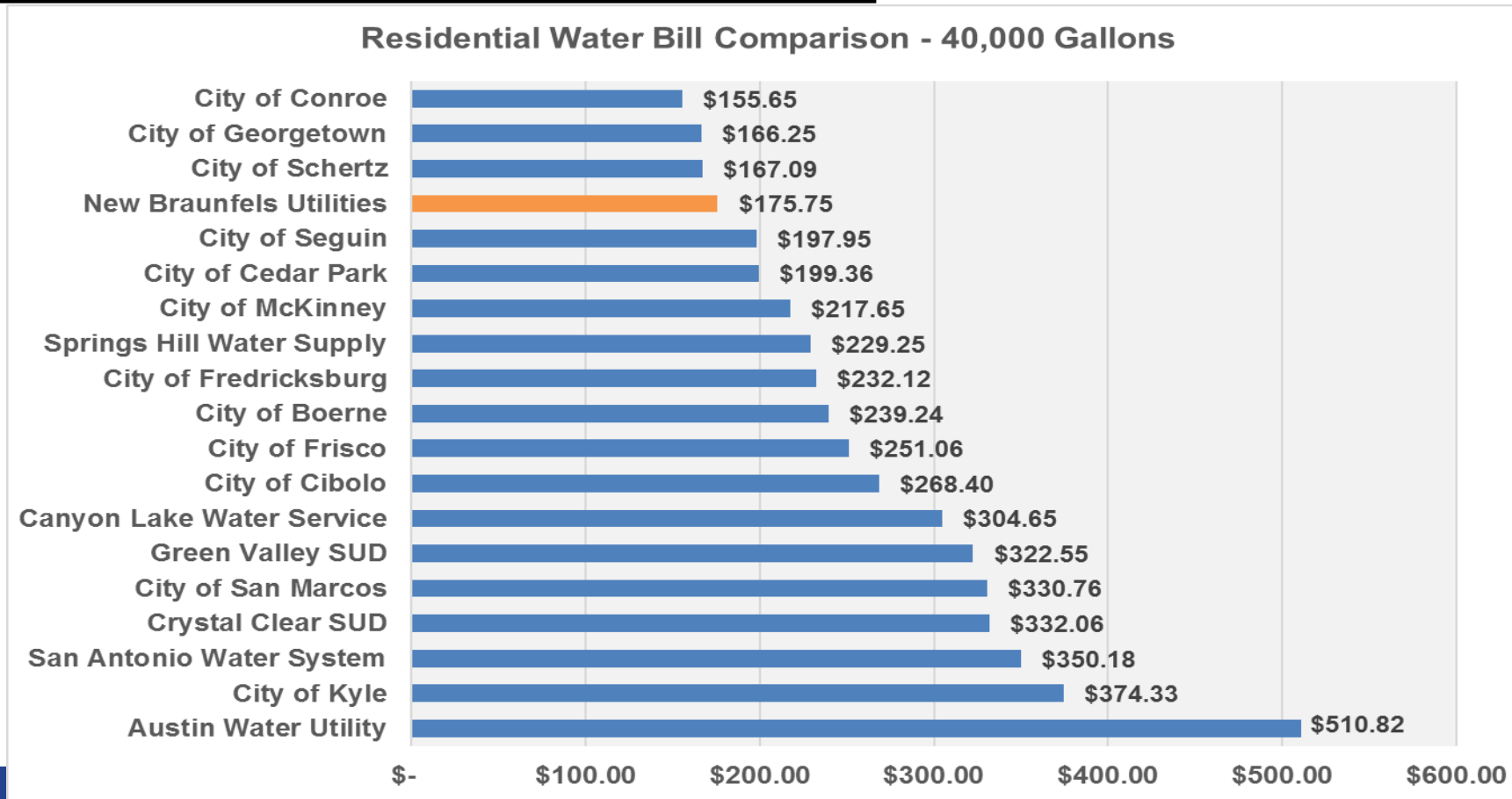
# Residential Bill Comparisons

(25,000 gallons, moderate irrigation)



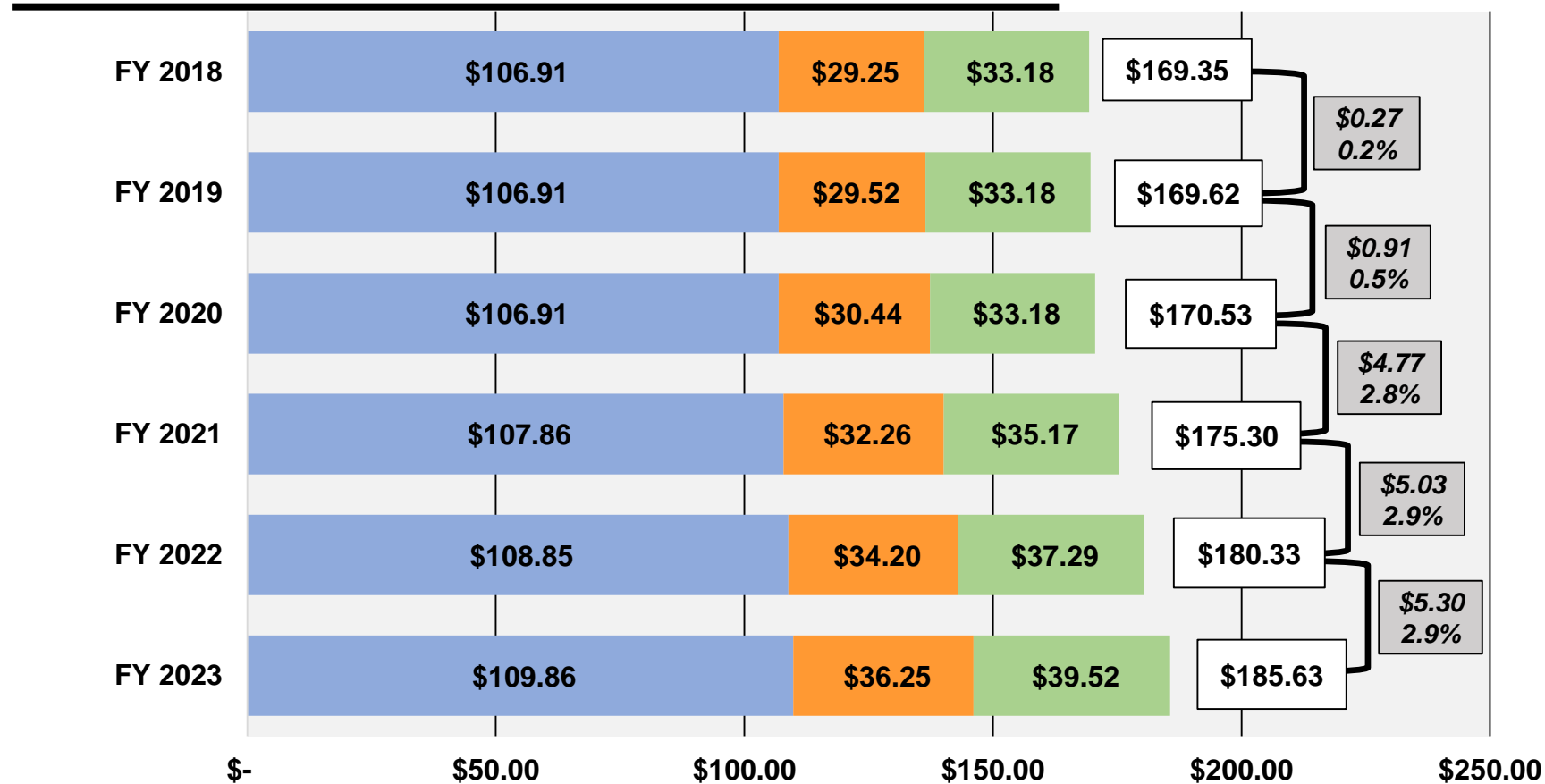
# Residential Bill Comparisons

(40,000 gallons, high irrigation)



# Residential Total Bill Impact

Average Use (8,900 gallons) Residential Rates - FY 2018-2023



# Commercial Bill Comparisons

(30,300 gallons)



# Summary

---

- Asking for approval of the 6% rate increase, effective December 1, 2018
- Costs have been assigned equitably to the appropriate rate classes
- Achieved a reasonable balance between fixed and variable rates to assure revenue recovery and alignment with rating agency attributes
- Have reduced inside/outside rate differential with rate design



# Questions

---

?