

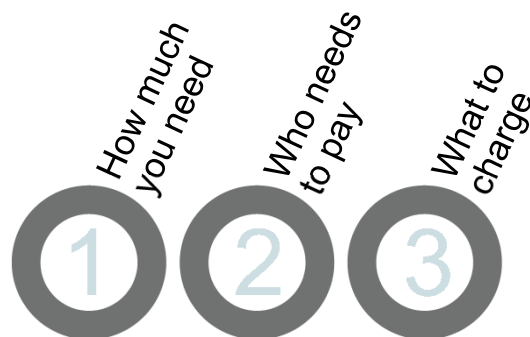


## Water & Wastewater Cost of Service Draft Results

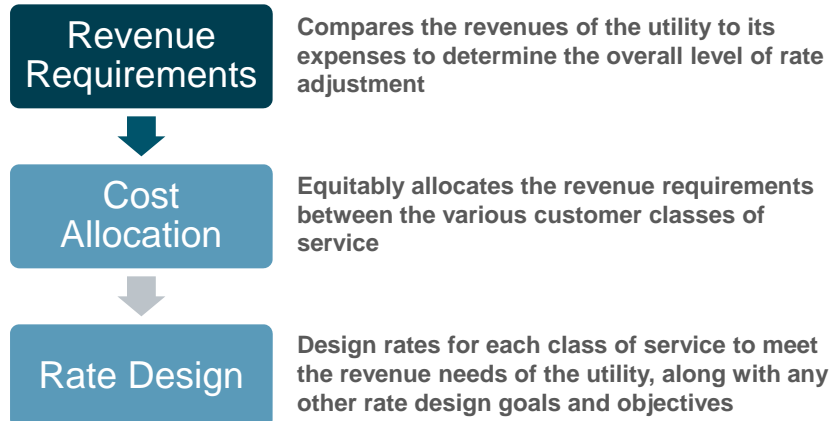


June 17, 2015

## WHAT IS A RATE STUDY?



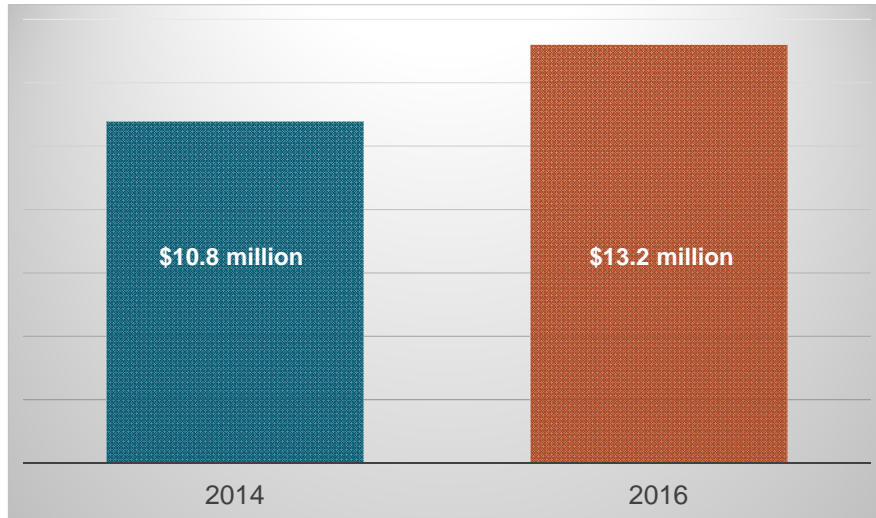
## Revenue Requirement



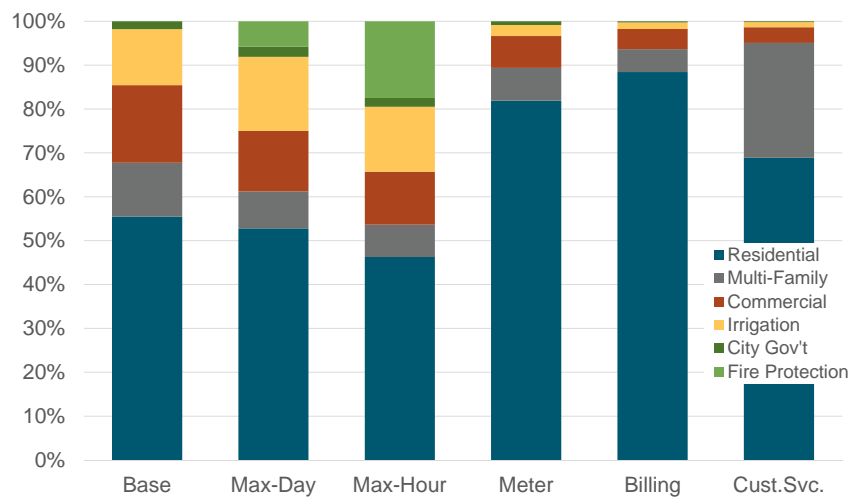
Cost of Service

## WATER RESULTS

## Revenue Requirement



## Cost of Service Results



## Cost of Service Results

Class	Cost of Service Revenue	Revenue w/ Existing Rates	Difference	Difference %
Residential	\$8,366,662	\$7,832,835	\$533,828	6.8%
Multi-Family	1,377,259	1,294,557	82,702	6.4%
Commercial	1,784,263	1,661,320	122,944	7.4%
Irrigation	1,456,436	1,305,721	150,715	11.5%
City Gov't	217,987	125,157	92,831	74.2%
<b>Total</b>	<b>\$13,202,608</b>	<b>\$12,219,588</b>	<b>\$983,020</b>	<b>8.0%</b>

## Findings

**Our analysis indicates a reduction in monthly service charges.**

Why?

**Decreasing costs for meter, billing, and customer service coupled with increasing customer units results in decreased average cost per unit.**

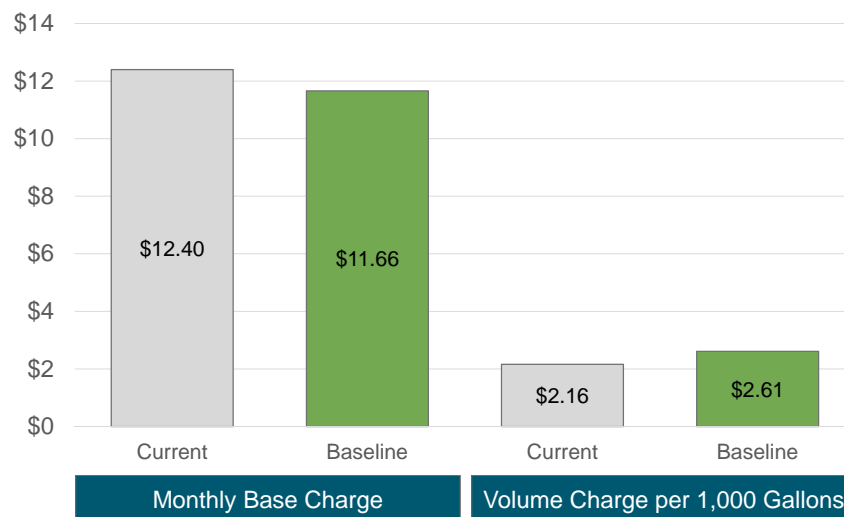
## Findings

**Costs allocated to average day demand (base) increase almost double.**

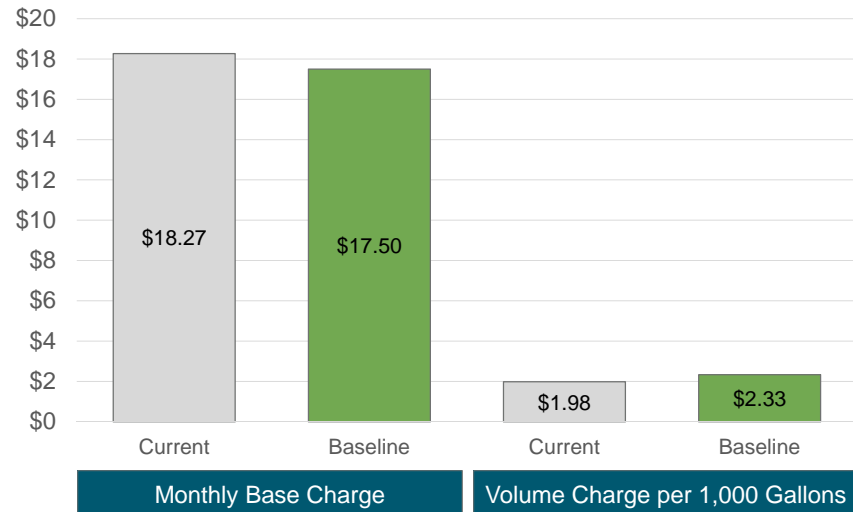
Why?

**Lower customer usage is one reason. Another reason is a large reduction in non-rate revenue (\$7 million).**

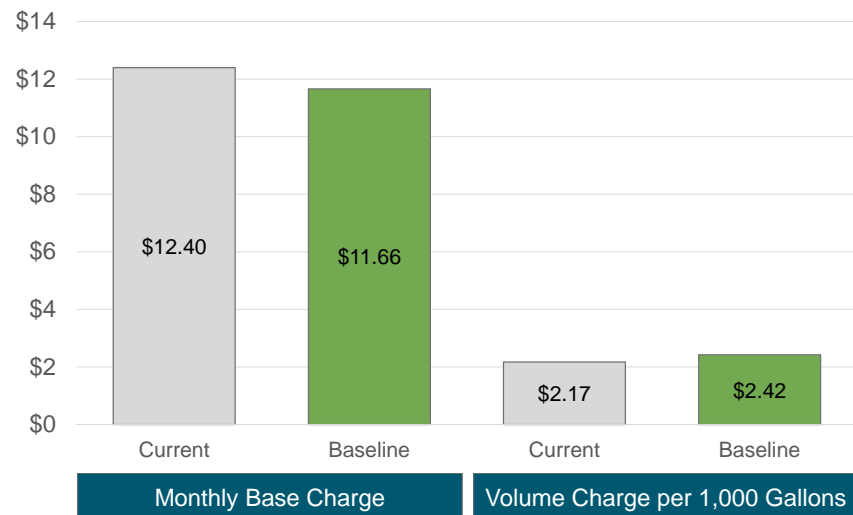
## Residential Rates



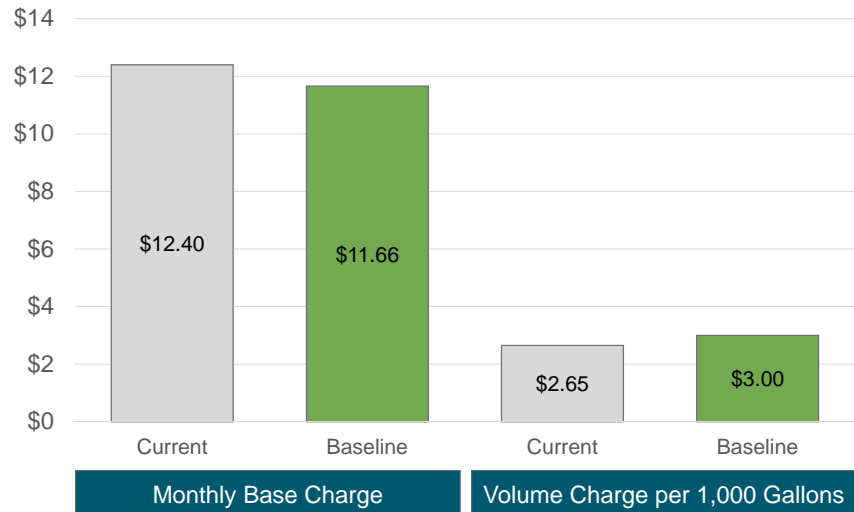
## Multi-Family Rates



## Commercial Rates

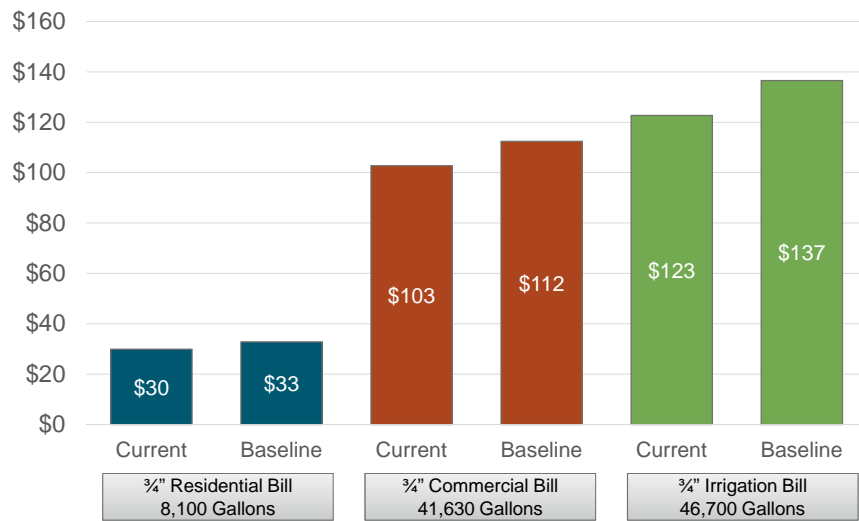


## Irrigation Rates

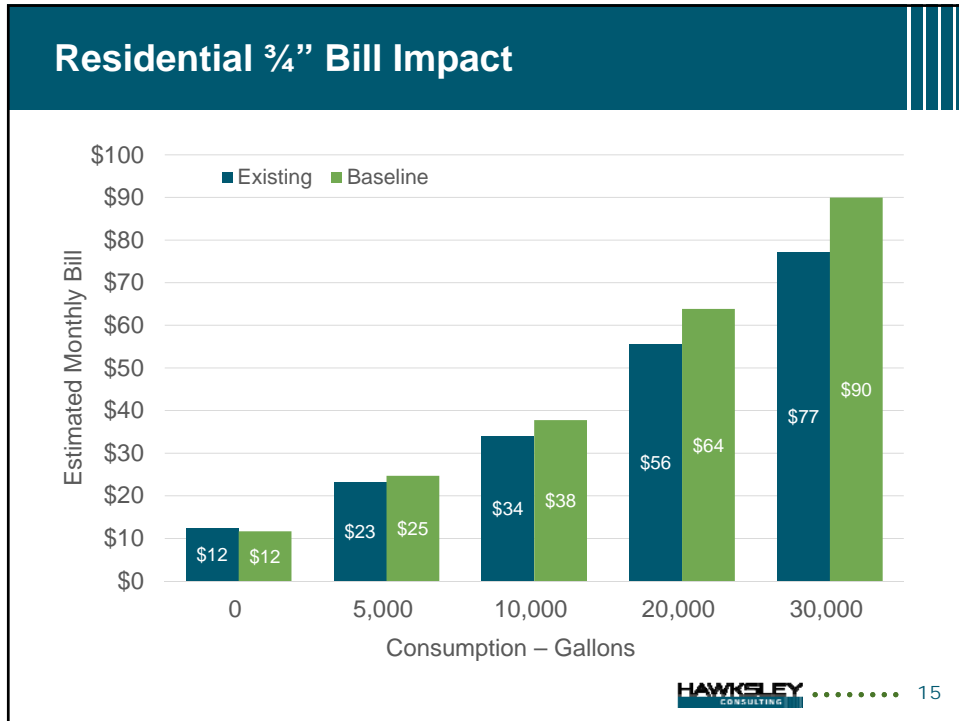


HAWKLEY CONSULTING ..... 13

## Monthly Bill Impact



HAWKLEY CONSULTING ..... 14

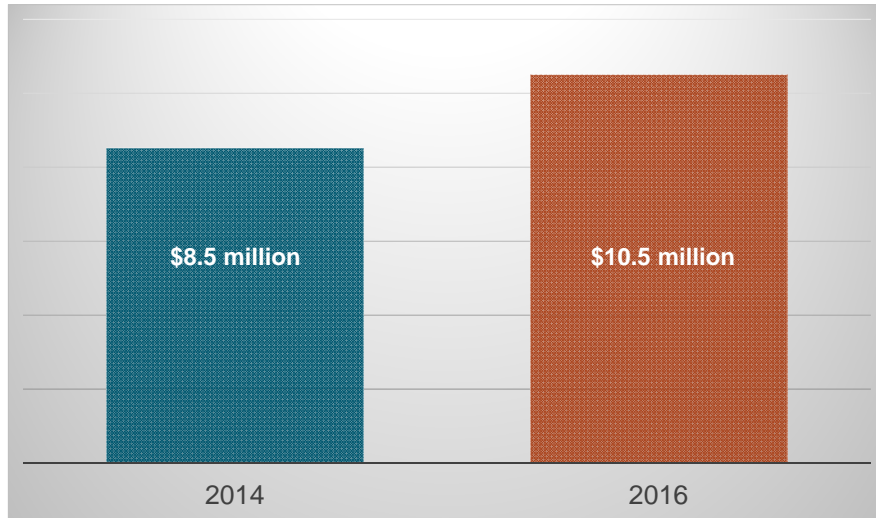


## Cost of Service

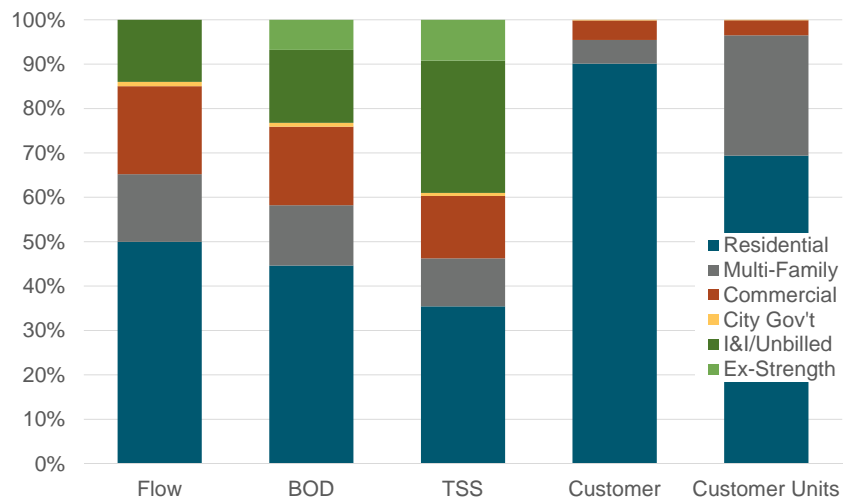
# WASTEWATER RESULTS



## Revenue Requirement



## Cost of Service Results



## Cost of Service Results

Class	Cost of Service Revenue	Revenue w/ Existing Rates	Difference	Difference %
Residential	\$6,847,419	\$6,688,670	\$158,750	2.4%
Multi-Family	1,567,323	1,224,367	342,956	28.0%
Commercial	1,641,440	1,520,084	121,357	8.0%
City Gov't	77,076	68,956	8,119	11.8%
Ex-Strength	357,498	441,599	- 84,101	- 19.0%
<b>Total</b>	<b>\$10,490,756</b>	<b>\$9,943,675</b>	<b>\$547,081</b>	<b>5.5%</b>

## Findings

**Our analysis indicates an increase in monthly service charges for multi-family accounts.**

Why?

**Increasing costs for meter, billing, and customer service coupled with charges applied to the customer accounts, rather than the dwelling units.**

## Findings

**Our analysis indicates an a decrease in extra-strength surcharges.**

Why?

**The City currently bills for some but not all of the extra strengths indicated in the analysis – the “unaccounted” for strengths have to be reallocated.**

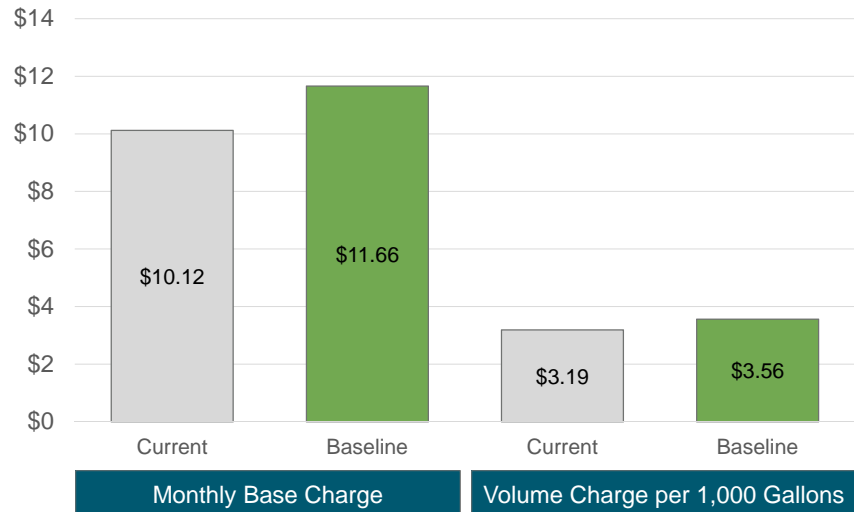
## Findings

**Our analysis indicates that multi-family base charges need to be increased substantially.**

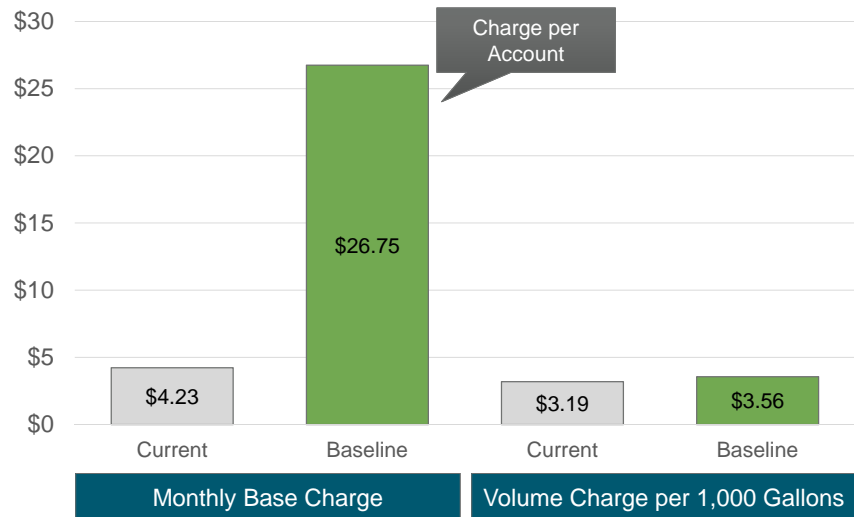
Why?

**The previous understanding was that multi-family customers were billed based on no. of units, but actual practice is based on number of connections.**

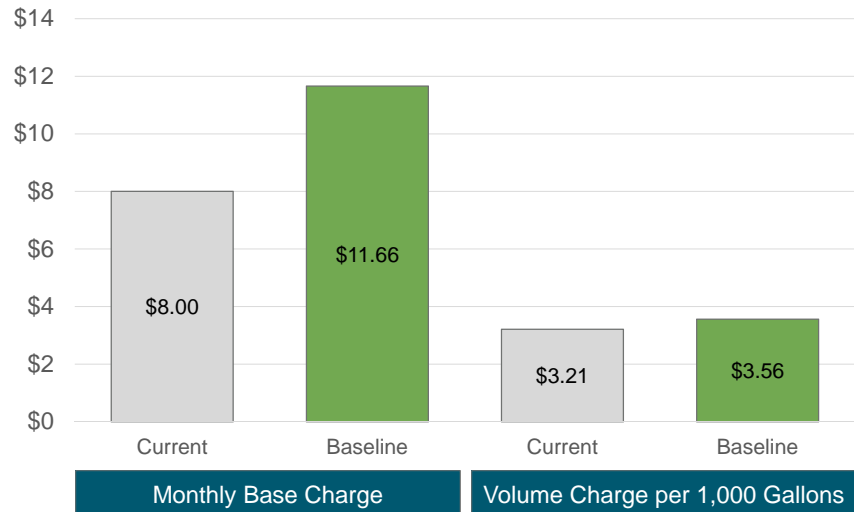
## Residential Rates



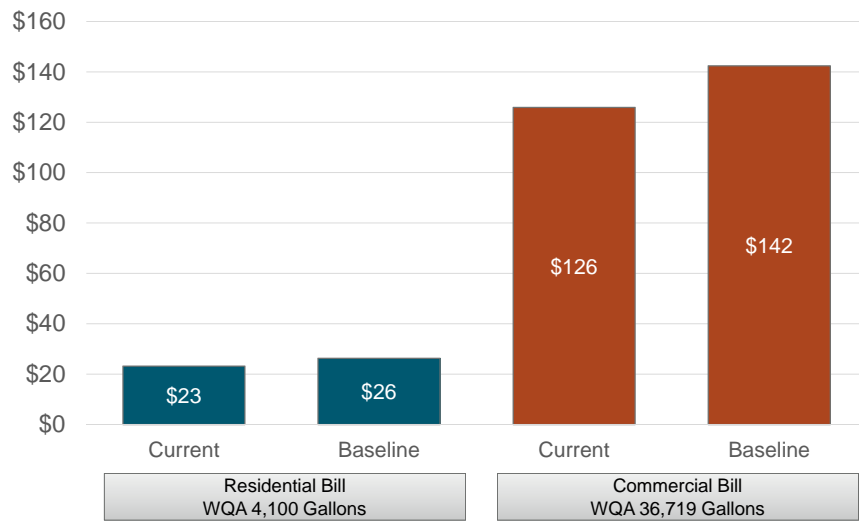
## Multi-Family Rates



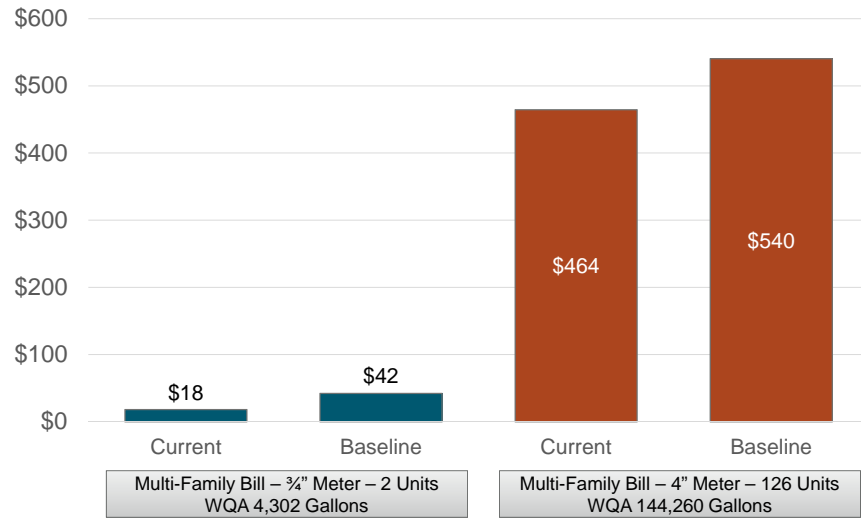
## Commercial Rates



## Monthly Bill Impact



## Monthly Bill Impact



HAWKLEY CONSULTING ..... 27

## Other Wastewater Rates

Extra-Strength		
	Existing	Proposed
BOD	\$0.54	\$0.45
TSS	\$0.32	\$0.25

Wholesale City		
	Existing	Proposed
Base	\$40.43	\$45.85
Volume	\$2.49	\$2.76

HAWKLEY CONSULTING ..... 28

