



**PUBLIC NOTICE
THE ELOY CITY COUNCIL
Meets
MONDAY, SEPTEMBER 20, 2021
6:00 PM
ELOY CITY COUNCIL CHAMBERS
595 NORTH C STREET
ELOY, ARIZONA 85131
For a
WORK SESSION**

AGENDA

- I. Call to Order**
- II. Roll Call**
- III. Pledge of Allegiance**
- IV. Unscheduled Public Appearances**
- V. Discussion Items**

- A. Presentation and discussion from Dan Jackson of Willdan related to the utility rate study for Water and Wastewater services.

Brian Wright

VI. Adjournment

POSTED BY THURSDAY, SEPTEMBER 16, 2021, BY 5:00 P.M. AT ELOY CITY HALL, ELOY POST OFFICE, TROY THOMAS COMMUNITY CENTER, TOLTEC COMMUNITY/SENIOR CENTER AND CITY WEBSITE: www.elayaz.gov

Mary Myers, MMC, CPM
City Clerk

INDIVIDUALS WITH SPECIAL ACCESSIBILITY NEEDS MAY CONTACT LORENA LaSALDE-RIOS, ADA COORDINATOR FOR THE CITY OF ELOY AT 520-466-9201 OR 520-466-7455 (TDD). IF POSSIBLE, SUCH REQUESTS SHOULD BE MADE 72 HOURS IN ADVANCE. ONE OR MORE MEMBERS OF THE COUNCIL AND/OR STAFF MAY PARTICIPATE BY TELEPHONIC OR VIDEO MEANS.

CITY OF ELOY

REQUEST FOR COUNCIL ACTION

Agenda Item: **V.A.**

Date: **9/20/2021**

Date submitted:
09/14/2021

Action: Other

Subject: Presentation and discussion from Dan Jackson of Willdan related to the utility rate study for Water and Wastewater services.

Date requested:
9/20/2021

TO: Mayor and City Council

FROM: Brian Wright, Finance Director

RECOMMENDATION:

Council to receive a presentation from Dan Jackson and JoLynn Rains of Willdan regarding the utility rate study for Water and Wastewater services.

DISCUSSION:

At the November 25, 2019, Council meeting, the City Council approved a contract with Willdan to perform a utility rate study for Water and Wastewater services. However, due to the COVID-19 pandemic, the study was put on hold. In January 2021, Willdan started pulling data again for the study. Dan Jackson and JoLynn Rains, with Willdan, will present information and two (2) rate scenarios for Water and Wastewater.

Since 2000, the City Council has only approved two (2) rate plan increases for Water and Wastewater. In 2007, Council approved a three-year rate plan with an average rate increase for Water being 5% and Wastewater being 2.5% per year. The next rate plan the City Council approved was in 2013, with the implementation happening over three years. The average rate increase for Water was 16%, and Wastewater was 9% over the three years.

The 2021 rate plan implementation will be over five years. The study provides a rate structure that supports the operations and maintenance costs, debt service and provides a funding source to fund capital projects for the Water and Wastewater Systems. This rate plan will enable Water and Wastewater to operate as stand-alone utilities without General Fund support along with the ability to fund ongoing operations. Capital investments will be funded to improve the quality of service and provide for a well-functioning system for future generations.

The next step would be for the City Council to adopt a notice of intention to increase Water and Wastewater rates and set a public hearing date on the proposed increases. Per Arizona Revised Statutes 9-511.01, this notice of intention is required when increasing water or wastewater rates. The City Council is not increasing utility

rates by adopting a notice of intention but simply acknowledging that rates are being reviewed and considered. The notice of intention must be adopted at least 30 days before a public hearing can be held.

FISCAL IMPACT:

N/A

Approved as to Form:

A handwritten signature in blue ink, appearing to read "Stephen R. Cooper", is written over a solid black horizontal line.

Stephen R. Cooper, City Attorney



City of Eloy, Arizona

2021 Water and Wastewater Rate Study and Financial Forecast Council Workshop Session



September 20, 2021

Presentation Format



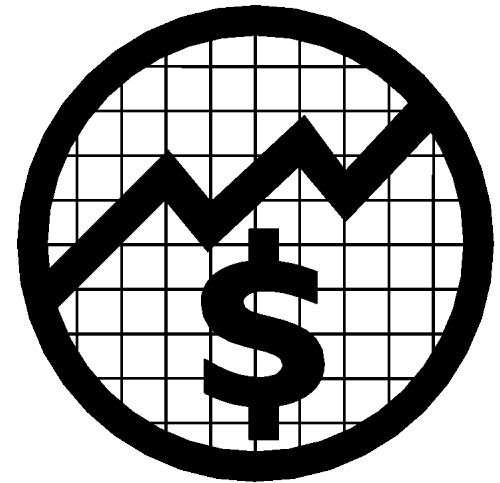
- ◆ Background on Rates
- ◆ Customers and Volumes
- ◆ Current and Forecast Cost of Service
- ◆ Rate Plan Scenarios
- ◆ Next Steps



Facts about Water and WW Rates in the 21st Century



- ◆ Average utility has been increasing rates 5-6% per year; trend expected to continue
- ◆ AWWA forecasts that water and wastewater rates across the U.S. will triple in the next 15 years
- ◆ Rate adjustments are primarily due to inflation, system replacement and debt issuances to cover cost of capital improvements
- ◆ 30-40% of utilities charge rates that do not cover their costs



City of Eloy Utility Background



- ◆ Last Water and Wastewater rate increase was in October 2015
- ◆ Over the past 20 years, Eloy Council's have approved only two Rate Plan increases
- ◆ City has flat water sales and very little customer growth
- ◆ Capital Improvement Plan (CIP) expenditures and debt issuance decisions will drive rate plan



City of Eloy

Current Water/Wastewater Rate Structure



Water Rates

All City Customers

Monthly Service Charges:

3/4"	Res/Comm	\$	19.13
1"	Res/Comm		28.70
1 1/2"	Res/Comm		57.38
2"	Res/Comm		95.64
3"	Commercial		191.30
4"	Commercial		382.61
6"	Commercial		801.65

Volume Rate (per 1,000 Gallons)

0 - 10,000	3.06
10,001 - 20,000	3.83
20,001 - Above	4.78

Wastewater Rates

Residential Wastewater Rates

Sewer Base Charge:	\$	35.76
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Commercial

Sewer Base Charge:

3/4"	\$	37.29
1"		61.45
1 1/2"		124.17
2"		198.75
3"		372.91
4"		745.80
6"		1,491.61

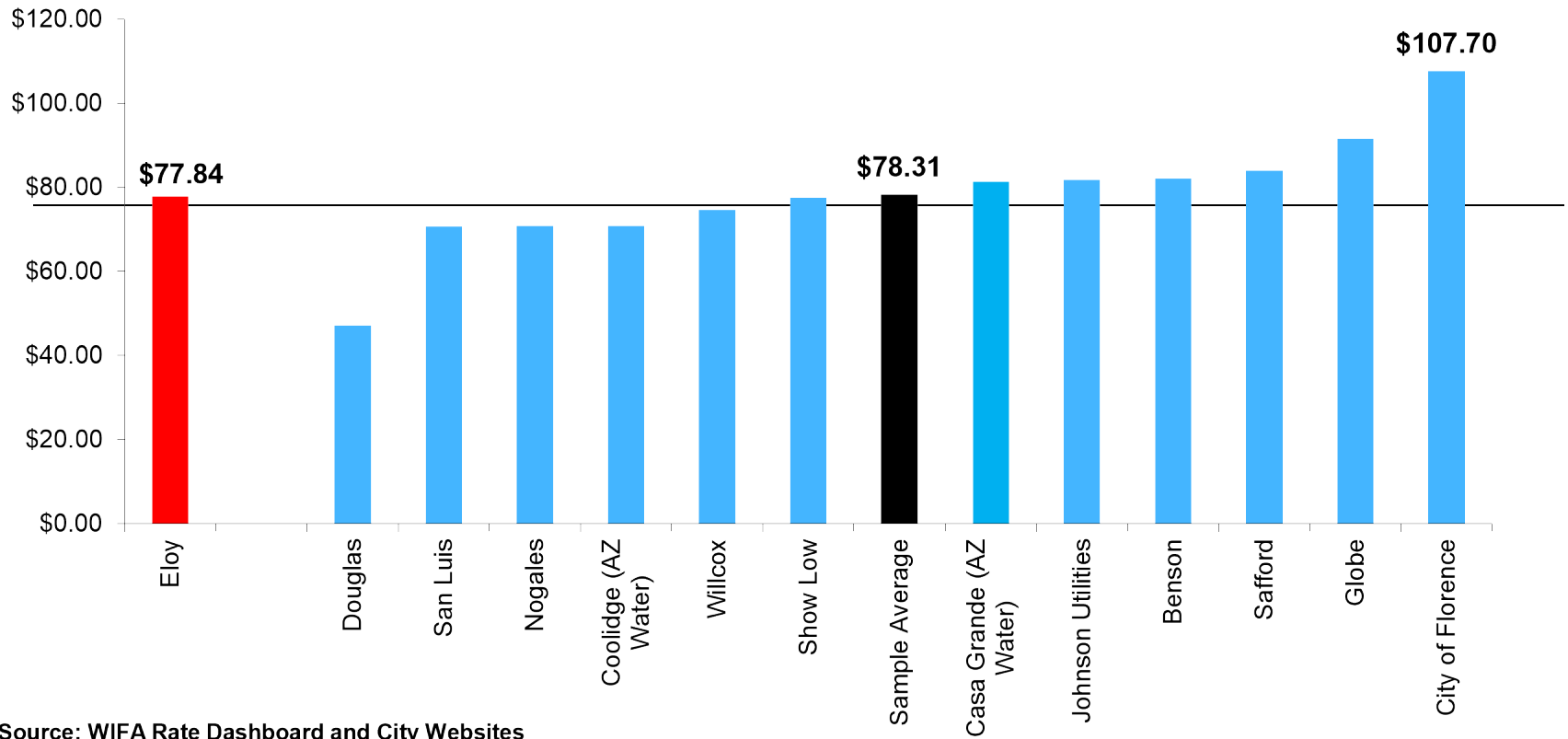
Volume Rate (per 1,000 Gallons)

0 - 10,000	3.72
10,001 - 20,000	4.66
20,001 - Above	5.82

Monthly Residential Charge Comparison 7,500 Gal W; 7,500 Gal WW



Average Monthly Residential Usage = 7,700 Gal



*Source: WIFA Rate Dashboard and City Websites

Test Year 2022

Water and Wastewater Accounts



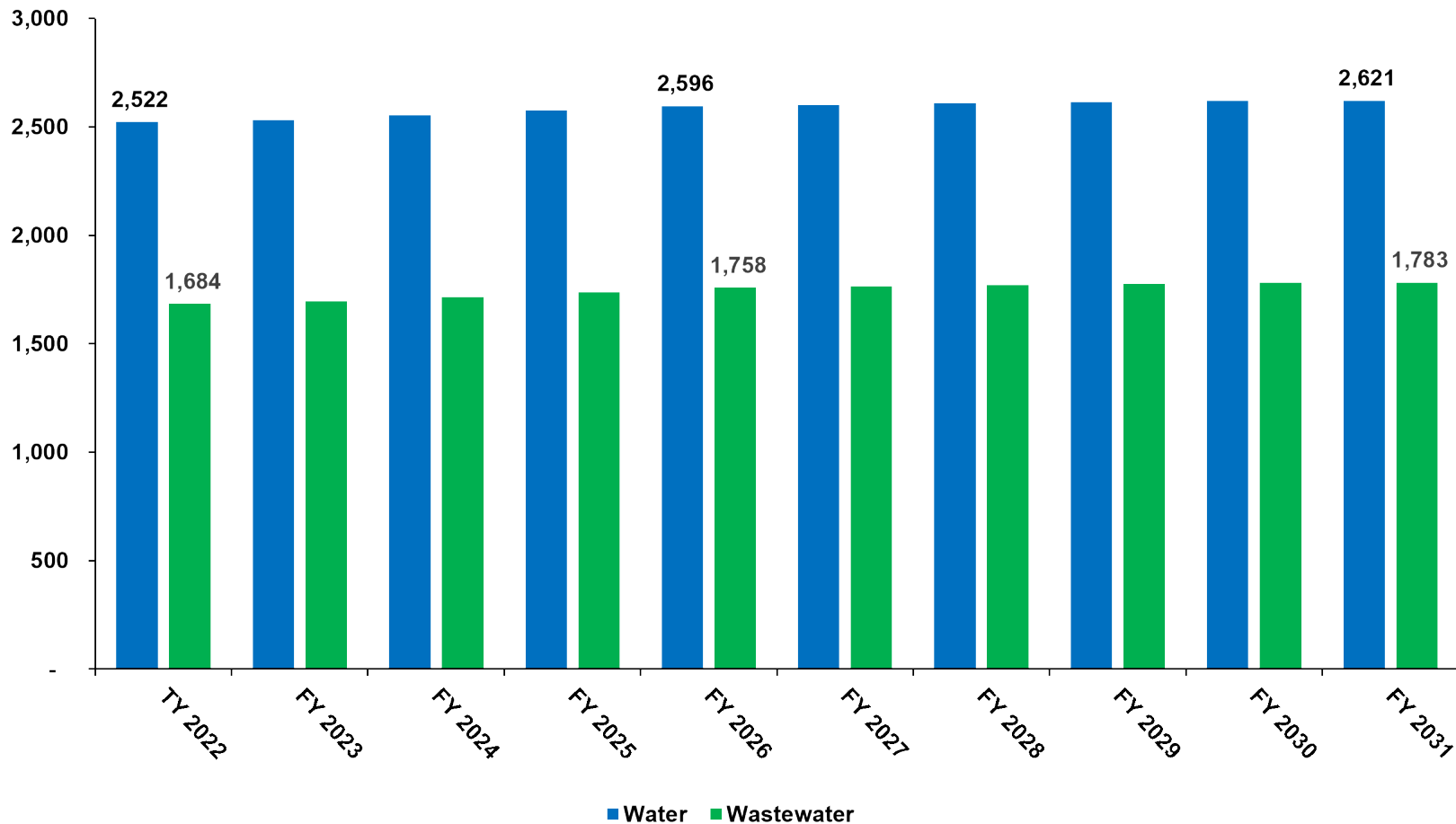
WATER Customer Accounts

Residential	2,174
Comm/Churches	179
Schools	38
Industrial	20
Multi-Family	72
Government	32
Construction	7
Total Accounts	2,522

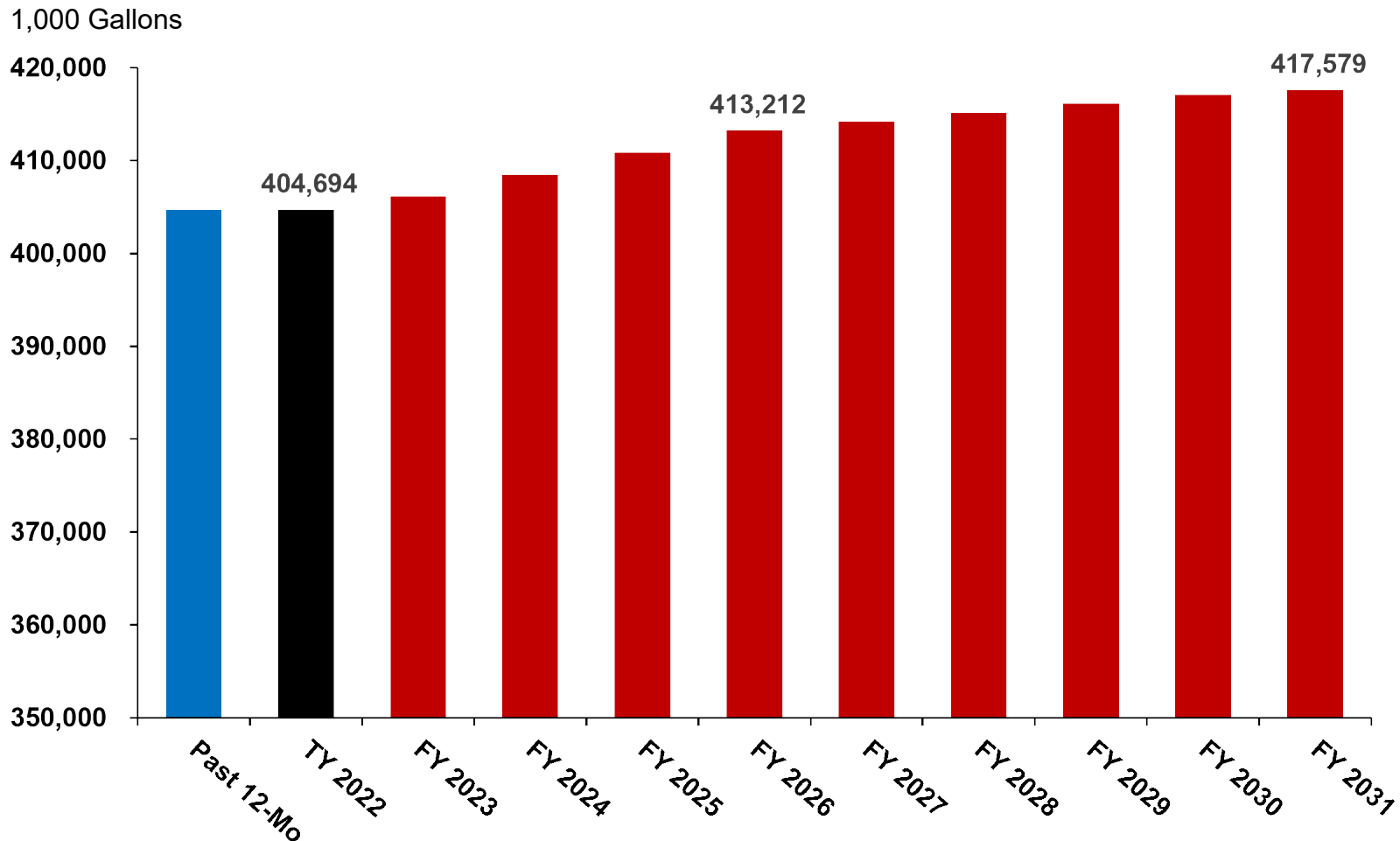
WASTEWATER Customer Accounts

Residential	1,480
Comm/Churches	114
Schools	18
Industrial	15
Multi-Family	41
Government	16
Total Accounts	1,684

Forecast Annual Water and Wastewater Accounts



Actual and Forecast Water Billed Consumption ('000 Gallons)



Components Cost of Service



- ◆ Operating Expenses
- ◆ Central Arizona Project (CAP) and Central Arizona Groundwater Replenishment District (CAGRD) Water
- ◆ Capital Outlays
- ◆ CIP
- ◆ Debt Principal and Interest
 - ❖ Current
 - ❖ Forecast



Key Assumptions Driving Forecast Financial and Rate Plan



- ◆ Most personnel and operating expenses increase 2 ½ - 3% per year
- ◆ Certain expenses increase at higher rates (utilities and group insurance)
- ◆ CAP and CAGRD escalate at rates forecast by Central Arizona Project
- ◆ City forecast to implement **\$20,088,950** Capital Improvement Plan (CIP) over next 5 years
 - ❖ American Rescue Funds applied to CIP costs:
 - ◆ Water = \$2,018,500
 - ◆ Wastewater = \$2,002,000
- ◆ **Biggest financial impact on rate plan:** New debt service required to fund CIP

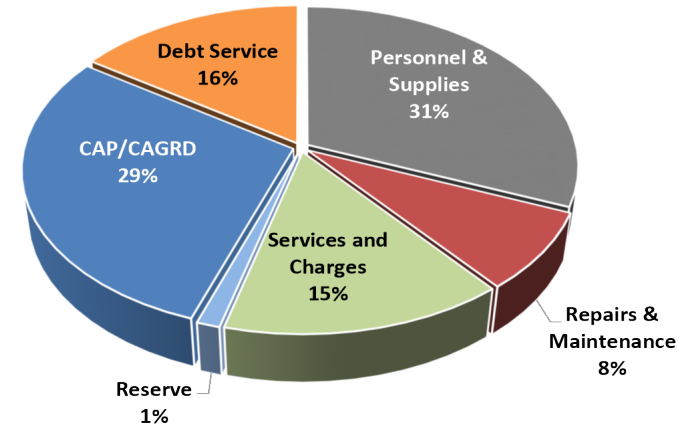


TY 2022 Water/WW Cost of Service



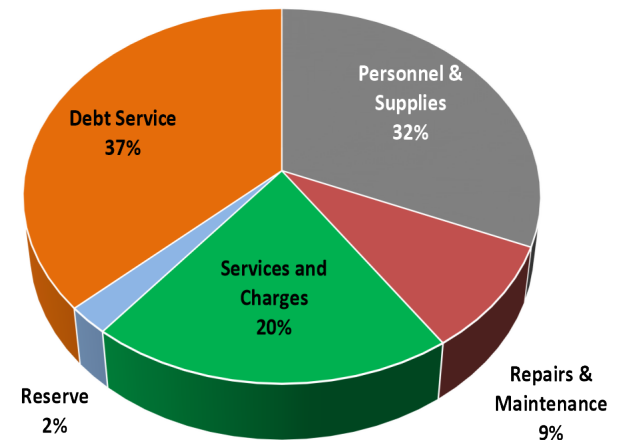
WATER COST OF SERVICE

PS	Personnel Services	\$	839,030	29%
S	Supplies		71,500	2%
RM	Repairs & Maintenance		232,775	8%
SC	Services and Charges		436,300	15%
CR	Reserve		35,935	1%
CAP	CAP/CAGR		853,155	29%
	Total Operating		2,468,695	
DS	Debt Service		451,234	15%
	Total Water Cost of Service	\$	2,919,929	100%



WASTEWATER COST OF SERVICE

PS	Personnel Services	\$	403,615	27%
S	Supplies		62,300	4%
RM	Repairs & Maintenance		135,655	9%
SC	Services and Charges		298,480	20%
CR	Reserve		35,395	2%
	Total Operating		935,445	
DS	Debt Service		546,479	37%
	Total Wastewater Cost of Service	\$	1,481,924	100%



Total Water and Wastewater Cost of Service \$ 4,401,853

5-Year Capital Improvement Plan

Water



WATER PROJECTS	COST	TIMING
AUTO - 057 - Front End Loader with Gannon Unit	\$ 198,000	FY 2026
AUTO - 083 - Tryon Avenue Water Line	632,500	FY 2024 - FY 2025
AUTO - 118 - Waterline replacements between Estrella and Toltec, north of Frontier St.	264,000	FY 2024 - FY 2025
AUTO - 119 - Waterline replacements between Estrella and Tumbleweed	690,800	FY 2026
AUTO - 120 - Replace Waterlines throughout the City	990,000	FY 2023 - FY 2026
AUTO - 144 - New Well at Airport with Connecting Line	2,200,000	FY 2023 - FY 2024
AUTO - 193 - Water Meter Replacement	132,000	FY 2023 - FY 2026
AUTO - 197 - ATV Vehicle for Utilities	22,000	FY 2023
AUTO - 249 - Dump Truck - 6YD	132,000	FY 2025
AUTO - 292 - Tank Inspection & Cleaning Pump 3 1MG	22,000	FY 2023
AUTO - 293 - Water Line Locate	220,000	FY 2023 - FY 2026
AUTO - 298 - Water Line Extension - 3rd Place	27,500	FY 2023
AUTO - 299 - Construction of 3rd Place Water Line Extension	385,000	FY 2023
AUTO - 300 - Houser Road Waterline Extension	33,000	FY 2022
AUTO - 301 - Houser Road Waterline -Construction	517,000	FY 2022 - FY 2023
AUTO - 302 - Airport Waterline Extension-Design	55,000	FY 2022
AUTO - 305 - Airport Waterline Extension - Construction	572,000	FY 2022 - FY 2025
AUTO - 331 - 100K Gal Steel Tank Res. & Booster PS	1,100,000	FY 2026
AUTO - 347 - Install New Fire Hydrants	330,000	FY 2022 - FY 2026
AUTO - 123 - Valve Replacement	220,000	FY 2023 - FY 2026
AUTO - 143 - Rehabilitate Water Reservoir at Pump Station #2	385,000	FY 2022
AUTO - 195 - Nitrate Treatment Facilities	2,255,000	FY 2023 - FY 2026
AUTO - 297 - Water Sampling Stations	16,500	FY 2023
AUTO - 320 - Chlorine/Chlinator Building	44,000	FY 2023
AUTO - 321 - Sensus FlexNet SESS Renewal	33,000	FY 2023
AUTO - 323 - Perimeter Security Fencing w/Gates	55,000	FY 2026
AUTO - 340 - Water Resource Master Plan/Study	110,000	FY 2023
AUTO - 330 - Replacement of Meter Reader Vehicle #550	44,000	FY 2026
Total Water Projects	\$ 11,685,300	

5-Year Capital Improvement Plan

Wastewater



WASTEWATER PROJECTS	COST	TIMING
AUTO - 042 - Portable Sewer Pump	\$ 33,000	FY 2023
AUTO - 204 - Curiel Sewer Lift Station	110,000	FY 2022
AUTO - 205 - Sunland Gin Sewer Lift Station	440,000	FY 2023 - FY 2024
AUTO - 206 - Toltec Sewer Lift Station	440,000	FY 2024
AUTO - 208 - Love's Sewer Lift Station	440,000	FY 2025
AUTO - 209 - Sunshine Blvd Sewer Lift Station	440,000	FY 2026
AUTO - 245 - Rehabilitate existing manholes	506,000	FY 2023 - FY 2026
AUTO - 276 - Sludge Handling Belt Press	418,000	FY 2022 - FY 2023
AUTO - 277 - Electrical upgrades to Control Panel/ S.C.A.D.A. System	187,000	FY 2022
AUTO - 279 - Stationary Dissolve Oxygen Probe	55,000	FY 2023
AUTO - 281 - Primary Screen and Grit Removal	220,000	FY 2023
AUTO - 282 - Aeration Basin-Airline and Electrical Wire/Conduit Replacement	825,000	FY 2024
AUTO - 283 - South Aeration Basin Rehab	440,000	FY 2025
AUTO - 289 - New Manhole Installations	132,000	FY 2023
AUTO - 290 - 2 Ton Portable Aluminum Gantry Crane	9,350	FY 2023
AUTO - 291 - Bio-Barge Pontoon	27,500	FY 2023
AUTO - 294 - John Deer Gator UTV	19,800	FY 2023
AUTO - 296 - Replace Vermeer E550 Hydro Excavator	110,000	FY 2024
AUTO - 304 - Pump Replacements for Lift Stations	220,000	FY 2023 - FY 2026
AUTO - 332 - Sewer Camera	110,000	FY 2026
AUTO - 334 - Vac-con, Vac/Jetter, TK Fan Blower Repair	88,000	FY 2026
AUTO - 342 - Sewer main Extensions in Toltec Area	2,000,000	FY 2026
AUTO - 349 - Misc Sewerline Extensions and Relocations	220,000	FY 2022 - FY 2026
AUTO - 247 - WWTP Basin Rehabilitation and Controls Upgrade	495,000	FY 2023 - FY 2024
AUTO - 275 - WWTP Improvements Design for Sludge, grit, SCADA	99,000	FY 2022
AUTO - 280 - Replace 200 ft of 10" PVC within WWTP	44,000	FY 2023
AUTO - 284 - WWTP Air Blowers	33,000	FY 2023
AUTO - 286 - WWTP Influent Wet Well Recoating	110,000	FY 2023
AUTO - 333 - WWTP Furniture Replacement	22,000	FY 2026
AUTO - 341 - Wastewater Master Plan Update	110,000	FY 2025
Total Wastewater Projects	\$ 8,403,650	

Long-Term Financing Forecast W/WW Bond Issues



Term = 25 Years
Interest = 3.0%

Year	Water	Wastewater	Total
TY 2022	\$ -	\$ -	\$ -
FY 2023	5,750,000	4,000,000	9,750,000
FY 2024	-	-	-
FY 2025	-	-	-
FY 2026	4,000,000	2,500,000	6,500,000
FY 2027	-	-	-
FY 2028	-	-	-
FY 2029	-	-	-
FY 2030	-	-	-
FY 2031	-	-	-
Total	\$ 9,750,000	\$ 6,500,000	\$ 16,250,000

Current and Forecast Debt Service



Year	Water			Wastewater			Total
	Current	Forecast	Total	Current	Forecast	Total	
TY 2022	\$ 451,234	\$ -	\$ 451,234	\$ 546,479	\$ -	\$ 546,479	\$ 997,713
FY 2023	426,627	-	426,627	568,394	-	568,394	995,022
FY 2024	426,631	330,210	756,841	565,662	229,711	795,374	1,552,214
FY 2025	426,634	330,210	756,844	570,344	229,711	800,055	1,556,900
FY 2026	426,638	330,210	756,848	566,068	229,711	795,779	1,552,628
FY 2027	426,642	527,454	954,096	561,707	426,955	988,662	1,942,758
FY 2028	426,647	527,454	954,101	557,260	426,955	984,215	1,938,316
FY 2029	426,653	527,454	954,106	552,725	426,955	979,680	1,933,786
FY 2030	421,290	527,454	948,744	111,034	426,955	537,989	1,486,733
FY 2031	393,833	527,454	921,287	111,071	426,955	538,026	1,459,312

Forecast Cost of Service and Net Revenue Requirement



Fiscal Year	Operating Expenses	Cap Water	Debt Service	Total Cost of Service	Less Non-Rate Revenues	Net Revenue Requirement
WATER Revenue Requirement						
2022	\$ 1,615,540	\$ 853,155	\$ 451,234	\$ 2,919,929	\$ 498,950	\$ 2,420,979
2023	1,672,770	883,744	426,627	2,983,142	498,950	2,484,192
2024	1,725,117	915,482	756,841	3,397,440	498,950	2,898,490
2025	1,776,455	948,414	756,844	3,481,713	498,950	2,982,763
2026	1,829,903	982,585	756,848	3,569,336	498,950	3,070,386
2027	1,885,571	1,018,045	954,096	3,857,711	498,950	3,358,761
2028	1,943,577	1,054,843	954,101	3,952,521	498,950	3,453,571
2029	2,004,046	1,093,032	954,106	4,051,185	498,950	3,552,235
2030	2,067,112	1,132,667	948,744	4,148,523	498,950	3,649,573
2031	2,132,918	1,173,803	921,287	4,228,007	498,950	3,729,057
WASTEWATER Revenue Requirement						
2022	935,445	-	546,479	1,481,924	15,450	1,466,474
2023	969,453	-	568,394	1,537,848	15,450	1,522,398
2024	1,002,740	-	795,374	1,798,114	15,450	1,782,664
2025	1,034,483	-	800,055	1,834,539	15,450	1,819,089
2026	1,067,446	-	795,779	1,863,225	15,450	1,847,775
2027	1,101,689	-	988,662	2,090,351	15,450	2,074,901
2028	1,137,275	-	984,215	2,121,490	15,450	2,106,040
2029	1,174,273	-	979,680	2,153,953	15,450	2,138,503
2030	1,212,755	-	537,989	1,750,744	15,450	1,735,294
2031	1,252,797	-	538,026	1,790,823	15,450	1,775,373

Notes on Rate Proposals



- ◆ Rate Adjustments required to fund operating expense increases and forecast new debt issues
- ◆ Recommended 5-year plan with adjustments in February 2022 and January of each year 2023 - 2026
- ◆ **Scenario 1 – Status Quo**
 - ❖ Water Debt = \$9,750,000
 - ❖ WW Debt = \$6,500,000
- ◆ **Scenario 2 – Lower Debt**
 - ❖ Water Debt = \$5,000,000
 - ❖ WW Debt = \$3,000,000



Scenario 1 – Status Quo

Proposed Water/WW Rate Plan



		Current	Effective				
			Feb-22	Jan-23	Jan-24	Jan-25	Jan-26
WATER							
Monthly Minimum Charge							
3/4"		\$ 19.13	\$ 20.85	\$ 22.73	\$ 24.77	\$ 26.01	\$ 27.31
1"		28.70	31.28	34.10	37.17	39.03	40.98
1 1/2"		57.38	62.54	68.17	74.31	78.02	81.93
2"		95.64	104.25	113.63	123.86	130.05	136.55
3"		191.30	208.52	227.28	247.74	260.13	273.13
4"		382.61	417.04	454.58	495.49	520.27	546.28
6"		801.65	873.80	952.44	1,038.16	1,090.07	1,144.57
Volume Rate Per 1,000 Gal							
1	10,000	3.06	3.34	3.64	3.96	4.16	4.37
10,001	20,000	3.83	4.17	4.55	4.96	5.21	5.47
20,001	Above	4.78	5.21	5.68	6.19	6.50	6.82
WASTEWATER							
Residential							
Monthly Minimum Charge							
3/4"		\$ 35.76	\$ 38.62	\$ 41.71	\$ 45.05	\$ 46.85	\$ 48.26
Commercial							
Monthly Minimum Charge							
3/4"		37.29	40.27	43.49	46.97	48.85	50.32
1"		61.45	66.37	71.68	77.41	80.51	82.92
1 1/2"		124.17	134.10	144.83	156.42	162.68	167.56
2"		198.75	214.65	231.82	250.37	260.38	268.19
3"		372.91	402.74	434.96	469.76	488.55	503.21
4"		745.80	805.46	869.90	939.49	977.07	1,006.39
6"		1,491.61	1,610.94	1,739.81	1,879.00	1,954.16	2,012.78
Volume Rate Per 1,000 Gal							
1	10,000	3.72	4.02	4.34	4.69	4.87	5.02
10,001	20,000	4.66	5.03	5.44	5.87	6.11	6.29
20,001	Above	5.82	6.29	6.79	7.33	7.62	7.85

Scenario 1 – Status Quo

Impact on Monthly Charges –Residential



		Current	Feb-22	Jan-23	Jan-24	Jan-25	Jan-26
Water - Residential Monthly Charges -- 3/4"							
5,000 Water		\$ 34.43	\$ 37.53	\$ 40.91	\$ 44.59	\$ 46.82	\$ 49.16
Increase -- \$			3.10	3.38	3.68	2.23	2.34
7,500 Water		42.08	45.87	50.00	54.49	57.22	60.08
Increase -- \$			3.79	4.13	4.50	2.72	2.86
10,000 Water		53.58	58.40	63.66	69.39	72.86	76.50
Increase -- \$			4.82	5.26	5.73	3.47	3.64
			Effective				
		Current	Feb-22	Jan-23	Jan-24	Jan-25	Jan-26
Wastewater - Residential							
All Wastewater Usage		\$ 35.76	\$ 38.62	\$ 41.71	\$ 45.05	\$ 46.85	\$ 48.26
Increase -- \$			2.86	3.09	3.34	1.80	1.41

Scenario 2 – Lower Debt Issued Proposed Water/WW Rate Plan



		Current	Effective				
			Feb-22	Jan-23	Jan-24	Jan-25	Jan-26
WATER							
Monthly Minimum Charge							
3/4"		\$ 19.13	\$ 20.47	\$ 21.90	\$ 23.44	\$ 24.37	\$ 25.35
1"		28.70	30.71	32.86	35.16	36.57	38.03
1 1/2"		57.38	61.40	65.69	70.29	73.10	76.03
2"		95.64	102.33	109.50	117.16	121.85	126.72
3"		191.30	204.69	219.02	234.35	243.72	253.47
4"		382.61	409.39	438.05	468.71	487.46	506.96
6"		801.65	857.77	917.81	982.06	1,021.34	1,062.19
Volume Rate Per 1,000 Gal							
1	10,000	3.06	3.27	3.50	3.75	3.90	4.05
10,001	20,000	3.83	4.10	4.38	4.69	4.88	5.07
20,001	Above	4.78	5.11	5.47	5.86	6.09	6.33
WASTEWATER							
Residential							
Monthly Minimum Charge							
3/4"		\$ 35.76	\$ 38.26	\$ 40.94	\$ 43.40	\$ 44.70	\$ 45.59
Commercial							
Monthly Minimum Charge							
3/4"		37.29	39.90	42.69	45.25	46.61	47.54
1"		61.45	65.75	70.35	74.58	76.81	78.35
1 1/2"		124.17	132.86	142.16	150.69	155.21	158.32
2"		198.75	212.66	227.55	241.20	248.44	253.41
3"		372.91	399.01	426.94	452.56	466.14	475.46
4"		745.80	798.01	853.87	905.10	932.25	950.90
6"		1,491.61	1,596.02	1,707.74	1,810.21	1,864.52	1,901.81
Volume Rate Per 1,000 Gal							
1	10,000	3.72	3.98	4.26	4.51	4.65	4.74
10,001	20,000	4.66	4.99	5.34	5.66	5.83	5.94
20,001	Above	5.82	6.23	6.66	7.06	7.28	7.42

Scenario 2 – Lower Debt Issued Impact on Monthly Charges - Residential



			Effective					
Current			Feb-22	Jan-23	Jan-24	Jan-25	Jan-26	
Water - Residential Monthly Charges -- 3/4"								
5,000 Water		\$ 34.43	\$ 36.84	\$ 39.42	\$ 42.18	\$ 43.87	\$ 45.62	
Increase -- \$			2.41	2.58	2.76	1.69	1.75	
7,500 Water		42.08	45.03	48.18	51.55	53.61	55.76	
Increase -- \$			2.95	3.15	3.37	2.06	2.14	
10,000 Water		53.58	57.33	61.34	65.64	68.26	70.99	
Increase -- \$			3.75	4.01	4.29	2.63	2.73	
			Effective					
Current			Feb-22	Jan-23	Jan-24	Jan-25	Jan-26	
Wastewater - Residential								
All Wastewater Usage		\$ 35.76	\$ 38.26	\$ 40.94	\$ 43.40	\$ 44.70	\$ 45.59	
Increase -- \$			2.50	2.68	2.46	1.30	0.89	

Scenario Comparisons

Impact on Ratepayers Monthly Charges



Water and Wastewater Utility

	Effective					
	Current	Feb-22	Jan-23	Jan-24	Jan-25	Jan-26
5,000 Gal W, 5,000 WW						
Scenario 1	\$ 70.19	\$ 76.15	\$ 82.62	\$ 89.64	\$ 93.67	\$ 97.42
Scenario 2	70.19	75.10	80.36	85.58	88.57	91.21
		(1.05)	(2.26)	(4.06)	(5.10)	(6.21)
7,500 Gal W, 7,500 WW						
Scenario 1	\$ 77.84	\$ 84.49	\$ 91.71	\$ 99.54	\$ 104.07	\$ 108.34
Scenario 2	77.84	83.29	89.12	94.95	98.31	101.35
		(1.20)	(2.59)	(4.60)	(5.76)	(6.99)
10,000 Gal W, 10,000 WW						
Scenario 1	\$ 89.34	\$ 97.02	\$ 105.37	\$ 114.44	\$ 119.71	\$ 124.76
Scenario 2	89.34	95.59	102.28	109.04	112.96	116.58
		(1.43)	(3.08)	(5.40)	(6.74)	(8.18)

Presentation Summary

Benefits of Proposed Rate Plan



- ◆ Will fund increased operating costs due to inflation and other factors beyond City's control (CAP/CAGRD)
- ◆ Will enable each utility to operate on a stand-alone basis
- ◆ Will result in financially-healthy utility that has ability to fund operations
- ◆ Will ensure that ratepayers paying only what it costs to provide water and wastewater service
- ◆ Will allow capital investment into system to improve quality of service and provide a well-functioning system for future generations



Questions?