



The city is conducting this public meeting using a hybrid model. The public is welcome to attend tonight's meeting in-person at City Hall (Council Chambers), or virtually by using the meeting access link below.

Please click the link below to join the webinar:

<https://sumnerwa-gov.zoom.us/j/85238355948>

Or One tap mobile:

+12532050468,,85238355948# US

+12532158782,,85238355948# US (Tacoma)

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

+1 253 205 0468 US

Webinar ID: 852 3835 5948

## **CALL TO ORDER**

Roll Call: Bitetto, Bowman, Clerget, Cole, Elfers and Reinke

## **SPECIAL STUDY SESSION BUSINESS**

1. Utility Rate Discussion
2. Utility Rate Alternatives

## **ADJOURNMENT**

*This meeting is accessible to persons with disabilities. For individuals who may require special accommodations, please contact the City Clerk at (253) 299-5590, 24 hours in advance.*

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**SUBJECT:** Utility Rate Discussion

**CATEGORY:** Presentation

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**BUDGET IMPACT:**

Expenditure Required: None

Within Budget Allocation: N/A

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**ATTACHMENTS:**

1. Sumner Utility Rate Study

**STAFF CONTACT:** Michael Kosa, Public Works Director

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**SUMMARY BACKGROUND:**

The City of Sumner manages three utilities: water, sewer, and stormwater. The operations of the utilities are supported in large part by rate payers and system development changes. In 2023, the City contracted with the FCS Group to study rates and system development changes (SDC) for these utilities. FCS and staff will be reviewing the revenue requirement forecasts used to determine utility rates. Utility rates in 2024 were set based on the forecast of the utilities' revenue requirements. Now, FCS and staff will provide review recommended utility rates for 2025.

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|                                                              |
|--------------------------------------------------------------|
| <p><b>COUNCIL COMMITTEE/STUDY SESSION:</b> Study Session</p> |
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|                                                      |
|------------------------------------------------------|
| <p><b>MEETING/STUDY SESSION DATE:</b> 10/21/2024</p> |
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|                                                          |
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| <p><b>COMMITTEE RECOMMENDATION:</b> Information Only</p> |
|----------------------------------------------------------|

**STAFF RECOMMENDATIONS/MOTION:**

Information Only



# City of Sumner Utility Rate Study



**Chris Gonzalez, Principal**  
**October 21st, 2024**





# Agenda

- Background
- Utility Revenue Requirement Forecasts
- Combined Residential Bill Forecast
- Nearby Cities Utility Comparison
- Questions and Next Steps

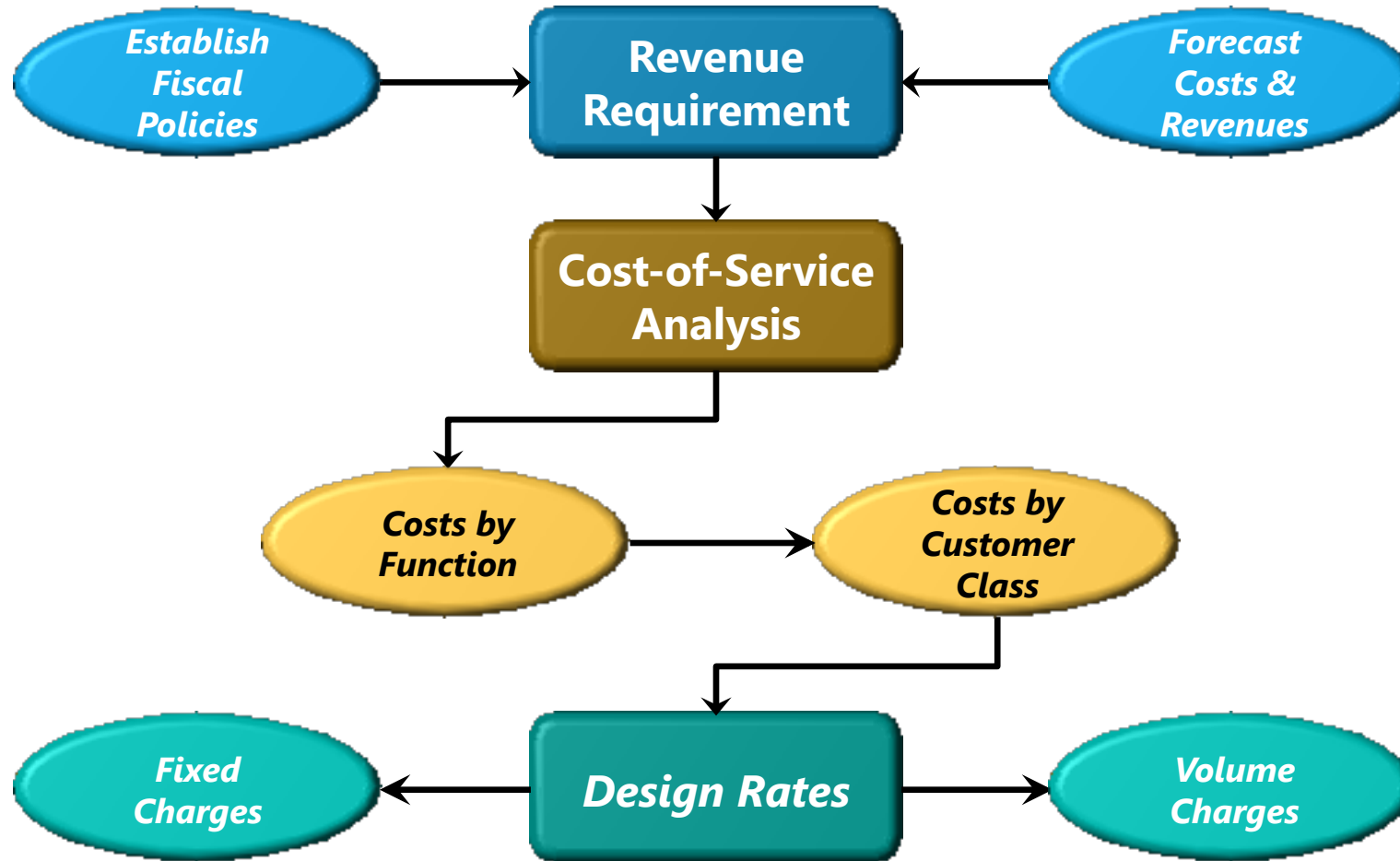


## Background

- Last comprehensive rate and SDC study completed in 2023
- Financial plan completed for the water/sewer/stormwater utilities
  - » Goal: Determine the amount of annual revenue necessary to fund each utility's financial obligations on a standalone basis
  - » Developed a five-year rate strategy (2024-2029)
- Updated System Development Charges (SDCs) for all utilities

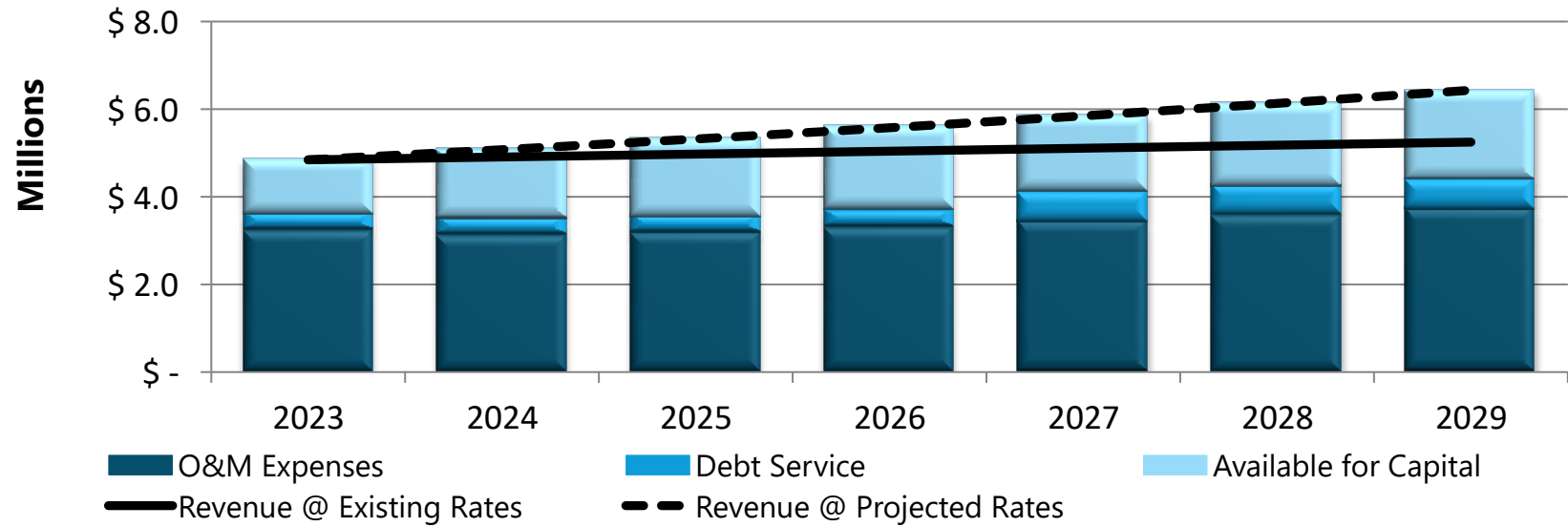


# Overview of the Utility Rate Study Process





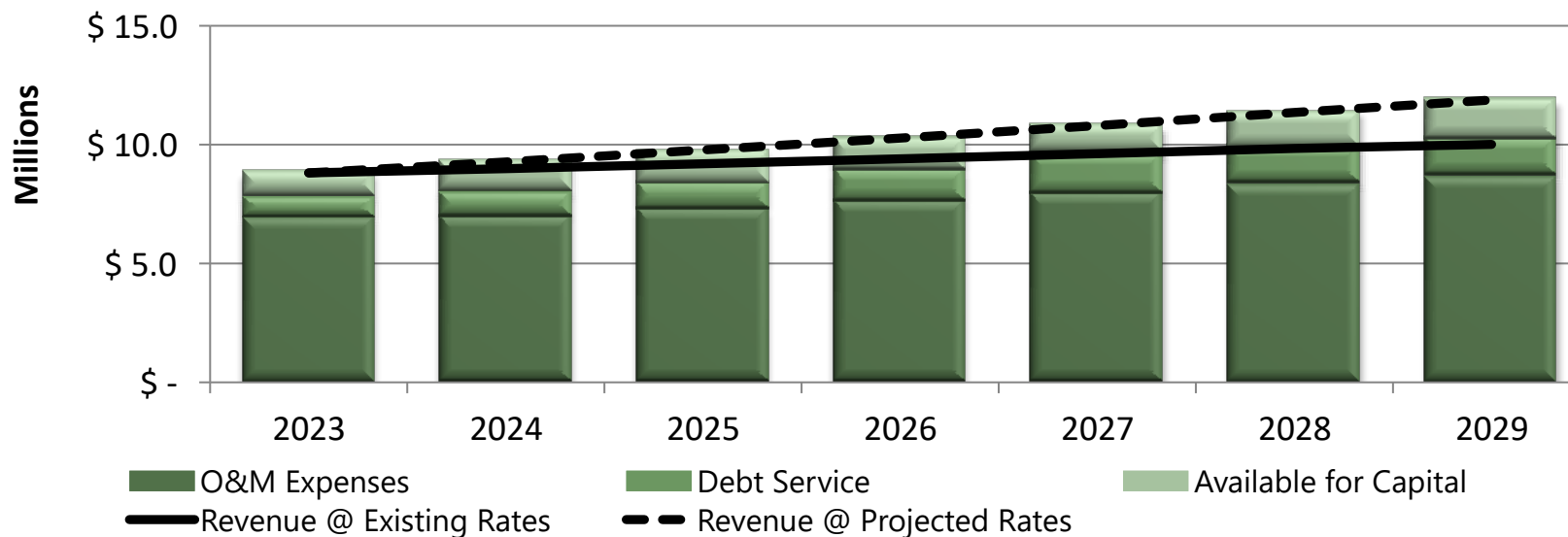
# Water Revenue Requirement Forecast



| Water Rate Forecast              | Existing |         | Proposed | Projected |         |         |         |
|----------------------------------|----------|---------|----------|-----------|---------|---------|---------|
|                                  | 2023     | 2024    |          | 2026      | 2027    | 2028    | 2029    |
| Annual Rate Increase             |          | 4.0%    | 4.0%     | 4.0%      | 4.0%    | 4.0%    | 4.0%    |
| Monthly Residential Bill @ 7 ccf | \$43.37  | \$45.15 | \$46.97  | \$48.83   | \$50.82 | \$52.85 | \$54.93 |
| Change From Prior Year           |          | +\$1.78 | +\$1.82  | +\$1.86   | +\$1.99 | +\$2.03 | +\$2.08 |



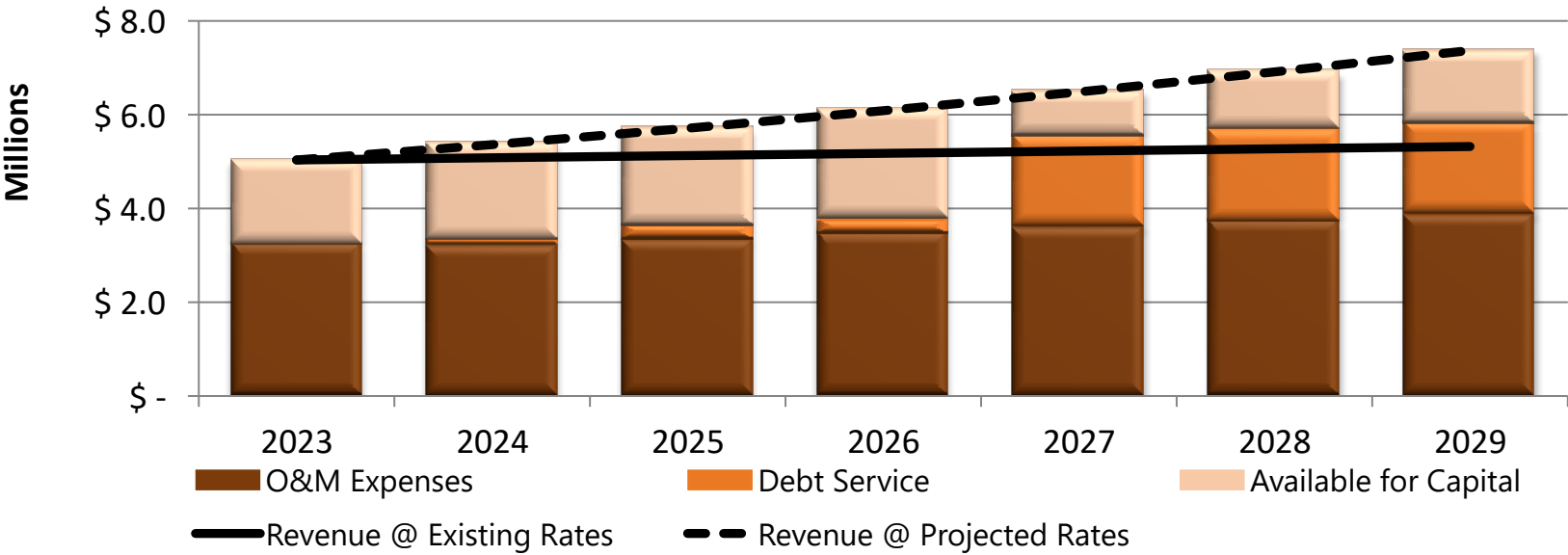
# Sewer Revenue Requirement Forecast



| Sewer Rate Forecast              | Existing |         | Proposed | Projected |         |         |          |
|----------------------------------|----------|---------|----------|-----------|---------|---------|----------|
|                                  | 2023     | 2024    |          | 2026      | 2027    | 2028    | 2029     |
| Annual Rate Increase             |          | 4.5%    | 4.5%     | 4.0%      | 4.0%    | 4.0%    | 4.0%     |
| Monthly Residential Bill @ 7 ccf | \$80.83  | \$84.46 | \$88.26  | \$91.79   | \$95.47 | \$99.28 | \$103.25 |
| Change From Prior Year           |          | +\$3.63 | +\$3.80  | +\$3.53   | +\$3.68 | +\$3.81 | +\$3.97  |



# Stormwater Revenue Requirement Forecast



| Stormwater Rate Forecast | Existing |         | Proposed | Projected |         |         |         |
|--------------------------|----------|---------|----------|-----------|---------|---------|---------|
|                          | 2023     | 2024    |          | 2026      | 2027    | 2028    | 2029    |
| Annual Rate Increase     |          | 6.0%    | 6.0%     | 6.0%      | 6.0%    | 6.0%    | 6.0%    |
| Monthly Residential Bill | \$17.32  | \$18.36 | \$19.46  | \$20.63   | \$21.87 | \$23.18 | \$24.57 |
| Change From Prior Year   |          | +\$1.04 | +\$1.10  | +\$1.17   | +\$1.24 | +\$1.31 | +\$1.39 |



# Combined Residential Bill Forecast

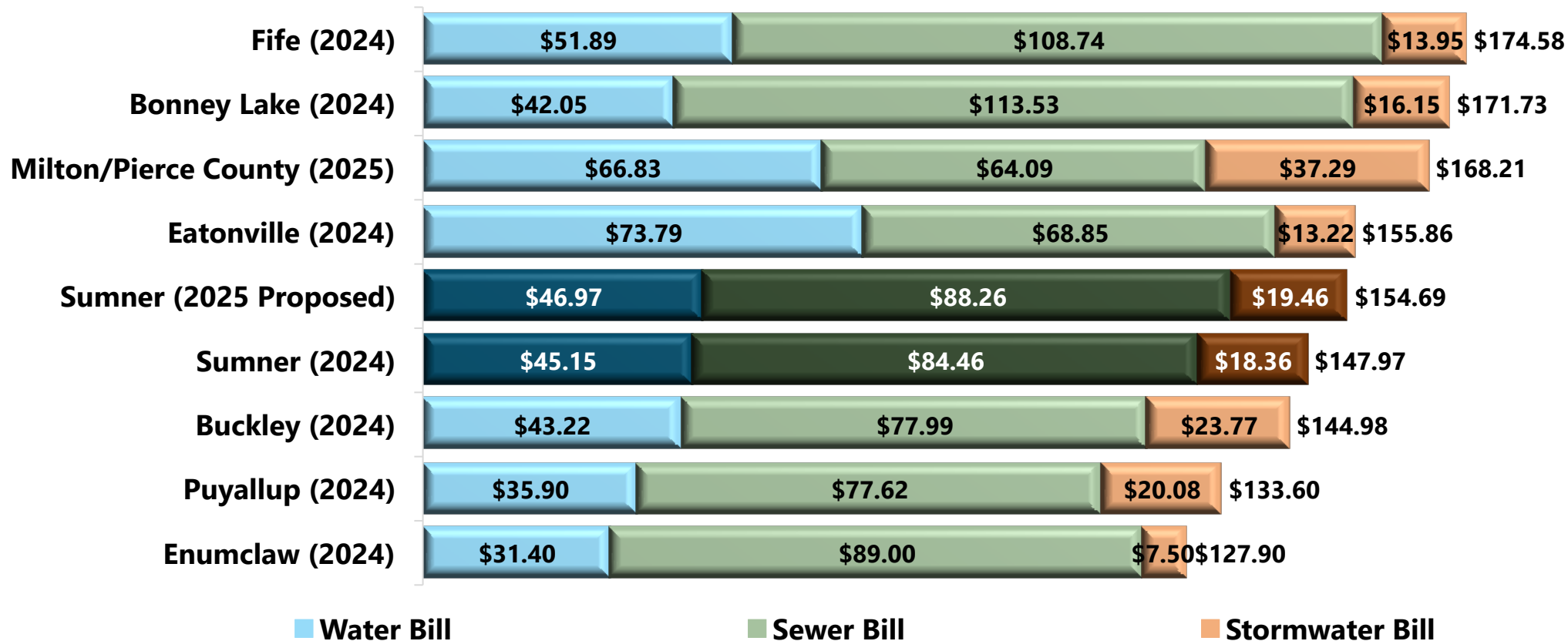
| Monthly Residential Bill @ 7 ccf | Existing     |              | Proposed     | Projected    |              |              |              |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                  | 2023         | 2024         |              | 2026         | 2027         | 2028         | 2029         |
| Water Bill                       | \$ 43.37     | \$ 45.15     | \$ 46.97     | \$ 48.83     | \$ 50.84     | \$ 52.85     | \$ 54.93     |
| Sewer Bill                       | 80.83        | 84.46        | 88.26        | 91.79        | 95.47        | 99.28        | 103.25       |
| Stormwater Bill                  | <u>17.32</u> | <u>18.36</u> | <u>19.46</u> | <u>20.63</u> | <u>21.87</u> | <u>23.18</u> | <u>24.57</u> |
| Total Monthly Bill               | \$141.52     | \$147.97     | \$154.69     | \$161.25     | \$168.18     | \$175.31     | \$182.75     |
| Δ From Prior Year                |              | +\$6.45      | +\$6.72      | +\$6.56      | +\$6.93      | +\$7.13      | +\$7.44      |
| % Δ From Prior Year              |              | +4.6%        | +4.5%        | +4.2%        | +4.3%        | +4.2%        | +4.2%        |

- Inflationary rate increases intend to keep rates current with ongoing costs and generate cash for capital projects



# How Do Other Utilities Compare?

## Combined Single-Family Utility Bill @ 7 ccf per Month\*



\*Includes applicable utility taxes.

# Thank You! Questions?

**Chris Gonzalez, Principal**  
**(425) 502-6280**  
**[chrisg@fcsgroup.com](mailto:chrisg@fcsgroup.com)**

**[www.fcsgroup.com](http://www.fcsgroup.com)**



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**SUBJECT:** Utility Rate Alternatives

**CATEGORY:** Presentation

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**BUDGET IMPACT:**

Expenditure Required: None

Within Budget Allocation: N/A

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**ATTACHMENTS:**

1. Sumner 2024 Utility Rate Alternatives

**STAFF CONTACT:** Jeff Steffens, Administrative Services Director

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**SUMMARY BACKGROUND:**

As part of the 2023-24 Utility Rate Analysis, the City included a project phase to review our current utility billing practices to determine if there were alternative methods that would increase equity among rate payers while also providing greater transparency. Chris Gonzalez and Devin Tryon from the FCS Group will present their findings, which outline alternative billing strategies for both water and sewer utilities. Also included in the presentation is the creation of a Low-Income discount program for senior residential customers.

The proposed alternatives will have no impact on forecast utility revenue projections. There is also no shifting of revenue from one customer class to another, i.e. lower residential rates by increasing commercial rates.

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**COUNCIL COMMITTEE/STUDY SESSION:**

**MEETING/STUDY SESSION DATE:**

**COMMITTEE RECOMMENDATION:**

**STAFF RECOMMENDATIONS/MOTION:**

For information only.



# Water Rate Alternatives





# 2025 Water Rate Structure Alternatives

- Status Quo: 4.0% increase over 2024 rates
- Alternative: revenue neutral to status quo
  - » Recalibrate single-family volume tiers based on water usage of a typical single-family home

| Tier   | Existing Structure    | Proposed Structure   | Basis                |
|--------|-----------------------|----------------------|----------------------|
| Tier 1 | 0 – 10 ccf per month  | 0 – 5 ccf per month  | Winter-average usage |
| Tier 2 | 10 – 20 ccf per month | 5 – 16 ccf per month | Maximum-day demand   |
| Tier 3 | > 20 ccf per month    | > 16 ccf per month   |                      |

- » Uniform multifamily and non-residential usage rates
  - Most of these users do not see bill directly
  - Most of these users do not peak as much as single-family users



# Water Rate Schedule with Alternatives

- Existing Volume Charges (All Classes):
  - » Tier 1: 1 - 10 ccf
  - » Tier 2: 10 - 20 ccf
  - » Tier 3: > 20 ccf
- Alternative Volume Charge Structure:
  - » Single-Family:
    - Tier 1: 1-5 ccf
    - Tier 2: 5-16 ccf
    - Tier 3: 16+ ccf
  - » Multi-Family and Non-Residential
    - Uniform volume charge per ccf (all usage)

| 2025 Water Rates                  | Status Quo | Alternative |
|-----------------------------------|------------|-------------|
| <b>Fixed Charge (all classes)</b> |            |             |
| 3/4" Meter                        | \$29.12    | \$29.12     |
| 1" Meter                          | \$70.52    | \$70.52     |
| 1-1/2" Meter                      | \$141.03   | \$141.03    |
| 2" Meter                          | \$225.58   | \$225.58    |
| 3" Meter                          | \$423.02   | \$423.02    |
| 4" Meter                          | \$704.95   | \$704.95    |
| 6" Meter                          | \$1,446.26 | \$1,446.26  |
| 8" Meter                          | \$2,255.92 | \$2,255.92  |
| <b>Volume Charge (per CCF)</b>    |            |             |
| <b>Single-Family</b>              |            |             |
| Tier 1                            | \$2.55     | \$2.16      |
| Tier 2                            | \$3.35     | \$3.24      |
| Tier 3                            | \$4.00     | \$4.31      |
| <b>Multi-Family</b>               |            | \$3.47      |
| Tier 1                            | \$2.55     |             |
| Tier 2                            | \$3.35     |             |
| Tier 3                            | \$4.00     |             |
| <b>Non-Residential</b>            |            | \$3.75      |
| Tier 1                            | \$2.55     |             |
| Tier 2                            | \$3.35     |             |
| Tier 3                            | \$4.00     |             |



# Water Bill Impacts – Single Family

| Dollar Change in Average Monthly Bill | Number of Single-Family Accounts | Percent of Single-Family Accounts |
|---------------------------------------|----------------------------------|-----------------------------------|
| > \$100 Increase                      | -                                | 0.00%                             |
| \$50 – \$100 Increase                 | -                                | 0.00%                             |
| \$25 – \$50 Increase                  | 1                                | 0.04%                             |
| \$10 – \$25 Increase                  | 16                               | 0.58%                             |
| < \$10 Increase                       | 1,012                            | 36.46%                            |
| < \$10 Decrease                       | 1,747                            | 62.93%                            |
| \$10 – \$25 Decrease                  | -                                | 0.00%                             |
| \$25 – \$50 Decrease                  | -                                | 0.00%                             |
| > \$50 Decrease                       | -                                | 0.00%                             |
| <b>Total</b>                          | <b>2,776</b>                     | <b>100.0%</b>                     |



# Water Bill Impacts – Multi-Family

| Dollar Change in Average Monthly Bill | Number of Multi-Family Accounts | Percent of Multi-Family Accounts |
|---------------------------------------|---------------------------------|----------------------------------|
| > \$100 Increase                      | -                               | 0.00%                            |
| \$50 – \$100 Increase                 | -                               | 0.00%                            |
| \$25 – \$50 Increase                  | -                               | 0.00%                            |
| \$10 – \$25 Increase                  | 31                              | 6.03%                            |
| < \$10 Increase                       | 428                             | 83.27%                           |
| < \$10 Decrease                       | 17                              | 3.31%                            |
| \$10 – \$25 Decrease                  | 12                              | 2.33%                            |
| \$25 – \$50 Decrease                  | 9                               | 1.75%                            |
| > \$50 Decrease                       | 17                              | 3.31%                            |
| <b>Total</b>                          | <b>514</b>                      | <b>100.0%</b>                    |



# Water Bill Impacts – Non-Residential

| Dollar Change in Average Monthly Bill | Number of Non-Residential Accounts | Percent of Non-Residential Accounts |
|---------------------------------------|------------------------------------|-------------------------------------|
| > \$100 Increase                      | -                                  | 0.00%                               |
| \$50 – \$100 Increase                 | -                                  | 0.00%                               |
| \$25 – \$50 Increase                  | -                                  | 0.00%                               |
| \$10 – \$25 Increase                  | 132                                | 21.15%                              |
| < \$10 Increase                       | 363                                | 58.17%                              |
| < \$10 Decrease                       | 55                                 | 8.81%                               |
| \$10 – \$25 Decrease                  | 30                                 | 4.81%                               |
| \$25 – \$50 Decrease                  | 24                                 | 3.85%                               |
| > \$50 Decrease                       | 20                                 | 3.21%                               |
| <b>Total</b>                          | <b>624</b>                         | <b>100.0%</b>                       |



# Water Bill Impacts by Usage

| Usage Amount                      | Status Quo Monthly Bill | Alternative Monthly Bill | \$ Difference | % Difference |
|-----------------------------------|-------------------------|--------------------------|---------------|--------------|
| Single Family – Low (4 ccf)       | \$39.31                 | \$37.75                  | -\$1.56       | -3.98%       |
| Single Family – Medium (8 ccf)    | \$46.96                 | \$46.37                  | -\$0.58       | -1.24%       |
| Single Family – High (11 ccf)     | \$57.95                 | \$59.32                  | \$1.37        | 2.36%        |
| Multi-Family – Low (4 ccf)        | \$39.31                 | \$43.02                  | \$3.71        | 9.42%        |
| Multi-Family – Medium (8 ccf)     | \$49.50                 | \$56.91                  | \$7.41        | 14.97%       |
| Multi-Family – High (19 ccf)      | \$84.74                 | \$95.13                  | \$10.39       | 12.26%       |
| Non-Residential – Low (4 ccf)     | \$42.71                 | \$44.12                  | \$1.41        | 3.30%        |
| Non-Residential – Medium (18 ccf) | \$104.88                | \$96.60                  | -\$8.28       | -7.89%       |
| Non-Residential – High (73 ccf)   | \$323.79                | \$302.80                 | -\$20.99      | -6.48%       |

*Assumes 3/4 " Meter for all classes*



# Sewer Rate Alternatives





# Sewer Rate Structure Alternatives

- Status Quo: 4.5% increase over 2024 rates
- Alternative 1:
  - » Recalibrated multi-family fixed charge (80% of single-family rate, per unit)
  - » Winter averaging period changed from Nov-May to Nov-Apr
  - » Flat rate for outside city single-family customers
    - Eliminates the administrative burden of water usage data collection
- Alternative 2:
  - » Recalibrated multi-family fixed charge (80% of single-family rate per unit)
  - » Flat residential rates
    - Eliminates the administrative burden of winter averaging period adjustments



# Sewer Rate Schedule with Alternatives

| 2025 Sewer Rates                   | Status Quo      | Alternative 1 | Alternative 2 |
|------------------------------------|-----------------|---------------|---------------|
| <b>Fixed Charge - Inside City</b>  |                 |               |               |
| Single-Family                      | \$68.18         | \$69.10       | \$83.48       |
| Multi-Family                       | \$58.15         | \$55.28       | \$66.78       |
| Non-Residential                    | \$68.18         | \$69.10       | \$68.18       |
| <b>Volume Charge - Inside City</b> |                 |               |               |
| Per ccf                            | \$10.04         | \$9.94        | \$10.04       |
| <b>Outside City Charges</b>        |                 |               |               |
| Out-of-City Residential            | 1.25 Multiplier | \$98.80       | \$104.35      |

**Status Quo:** Fixed charge includes 4 ccf allowance per multi-family dwelling unit, 5 ccf for all others.

**Alternative 1:** Same allowance as status quo, flat rate for out-of-City residential

**Alternative 2:** Flat rate for all residential classes, 5 ccf fixed charge allowance for non-residential users.



# Sewer Bill Impacts – Single-Family

|                                | Alternative 1 – Adjusted Winter Avg. |                        | Alternative 2 – “Flat Residential” |                        |
|--------------------------------|--------------------------------------|------------------------|------------------------------------|------------------------|
| Change in Average Monthly Bill | Number of SF Accounts                | Percent of SF Accounts | Number of SF Accounts              | Percent of SF Accounts |
| > \$100 Increase               | -                                    | 0.00%                  | -                                  | 0.00%                  |
| \$50 – \$100 Increase          | 1                                    | 0.04%                  | -                                  | 0.00%                  |
| \$25 – \$50 Increase           | 2                                    | 0.08%                  | -                                  | 0.00%                  |
| \$10 – \$25 Increase           | 16                                   | 0.68%                  | 1435                               | 60.68%                 |
| < \$10 Increase                | 1,705                                | 72.09%                 | 343                                | 14.50%                 |
| < \$10 Decrease                | 611                                  | 25.84%                 | 168                                | 7.10%                  |
| \$10 – \$25 Decrease           | 26                                   | 1.10%                  | 181                                | 7.65%                  |
| \$25 – \$50 Decrease           | 3                                    | 0.13%                  | 141                                | 5.96%                  |
| > \$50 Decrease                | 1                                    | 0.04%                  | 97                                 | 4.10%                  |
| <b>Total</b>                   | <b>2,365</b>                         | <b>100%</b>            | <b>2,365</b>                       | <b>100%</b>            |



# Sewer Bill Impacts – Multi-Family

|                                | Alternative 1 – Adjusted Winter Avg. |                        | Alternative 2 – “Flat Residential” |                        |
|--------------------------------|--------------------------------------|------------------------|------------------------------------|------------------------|
| Change in Average Monthly Bill | Number of MF Accounts                | Percent of MF Accounts | Number of MF Accounts              | Percent of MF Accounts |
| > \$100 Increase               | 2                                    | 0.41%                  | 14                                 | 2.87%                  |
| \$50 – \$100 Increase          | -                                    | 0.00%                  | 17                                 | 3.48%                  |
| \$25 – \$50 Increase           | 1                                    | 0.20%                  | 50                                 | 10.25%                 |
| \$10 – \$25 Increase           | 3                                    | 0.61%                  | 36                                 | 7.38%                  |
| < \$10 Increase                | 9                                    | 1.84%                  | 166                                | 34.02%                 |
| < \$10 Decrease                | 311                                  | 63.73%                 | 41                                 | 8.40%                  |
| \$10 – \$25 Decrease           | 108                                  | 22.13%                 | 29                                 | 5.94%                  |
| \$25 – \$50 Decrease           | 30                                   | 6.15%                  | 61                                 | 12.50%                 |
| > \$50 Decrease                | 24                                   | 4.92%                  | 74                                 | 15.16%                 |
| <b>Total</b>                   | <b>488</b>                           | <b>100%</b>            | <b>488</b>                         | <b>100%</b>            |



# Sewer Bill Impacts – Non-Residential

|                                | Alternative 1 – Adjusted Winter Avg. |                        | Alternative 2 – “Flat Residential” * |                        |
|--------------------------------|--------------------------------------|------------------------|--------------------------------------|------------------------|
| Change in Average Monthly Bill | Number of NR Accounts                | Percent of NR Accounts | Number of NR Accounts                | Percent of NR Accounts |
| > \$100 Increase               | -                                    | 0.00%                  | -                                    | 0.00%                  |
| \$50 – \$100 Increase          | 2                                    | 0.50%                  | -                                    | 0.00%                  |
| \$25 – \$50 Increase           | 20                                   | 4.95%                  | -                                    | 0.00%                  |
| \$10 – \$25 Increase           | 56                                   | 13.86%                 | -                                    | 0.00%                  |
| < \$10 Increase                | 276                                  | 68.32%                 | -                                    | 0.00%                  |
| < \$10 Decrease                | 36                                   | 8.91%                  | -                                    | 0.00%                  |
| \$10 – \$25 Decrease           | 10                                   | 2.48%                  | -                                    | 0.00%                  |
| \$25 – \$50 Decrease           | 3                                    | 0.74%                  | -                                    | 0.00%                  |
| > \$50 Decrease                | 1                                    | 0.25%                  | -                                    | 0.00%                  |
| <b>Total</b>                   | <b>404</b>                           | <b>100.0%</b>          | <b>404</b>                           | <b>100.0%</b>          |

\* No change to Non-Residential rate structure under alternative 2



# Sewer Bill Impacts by Usage – Alternative 1 (Winter Average Adjustment & Flat Outside City Rate)

| Usage Amount                      | Status Quo Monthly Bill | Alternative1 Monthly Bill | \$ Difference | % Difference |
|-----------------------------------|-------------------------|---------------------------|---------------|--------------|
| Single Family – Low (4 ccf)       | \$68.18                 | \$69.10                   | \$0.93        | 1.36%        |
| Single Family – Medium (8 ccf)    | \$98.30                 | \$98.91                   | \$0.61        | 0.62%        |
| Single Family – High (11 ccf)     | \$128.43                | \$128.72                  | \$0.29        | 0.22%        |
| Multi-Family – Low (4 ccf)        | \$58.15                 | \$55.28                   | -\$2.87       | -4.94%       |
| Multi-Family – Medium (8 ccf)     | \$98.32                 | \$95.03                   | \$3.30        | -3.35%       |
| Multi-Family – High (19 ccf)      | \$208.79                | \$204.32                  | -\$4.47       | -2.14%       |
| Non-Residential – Low (4 ccf)     | \$68.18                 | \$69.10                   | \$0.93        | 1.36%        |
| Non-Residential – Medium (18 ccf) | \$198.73                | \$198.27                  | -\$0.46       | -0.23%       |
| Non-Residential – High (73 ccf)   | \$751.06                | \$744.74                  | -\$6.32       | -0.84%       |

*Assumes 1 ERU for all classes*



## Sewer Bill Impacts by Usage – Alternative 2 (Flat Residential Sewer Rates)

| Usage Amount                      | Status Quo<br>Monthly Bill | Alternative 2<br>Monthly Bill | \$ Difference | % Difference |
|-----------------------------------|----------------------------|-------------------------------|---------------|--------------|
| Single Family – Low (4 ccf)       | \$68.18                    | \$83.48                       | \$15.30       | 22.45%       |
| Single Family – Medium (8 ccf)    | \$98.30                    | \$83.48                       | -\$14.82      | -15.08%      |
| Single Family – High (11 ccf)     | \$128.43                   | \$83.48                       | -\$44.95      | -35.00%      |
| Multi-Family – Low (4 ccf)        | \$58.15                    | \$66.78                       | \$8.63        | 14.84%       |
| Multi-Family – Medium (8 ccf)     | \$98.32                    | \$66.78                       | -\$31.54      | -32.08%      |
| Multi-Family – High (19 ccf)      | \$208.79                   | \$66.78                       | -\$142.01     | -68.01%      |
| Non-Residential – Low (4 ccf)     | \$68.18                    | \$68.18                       | -             | -            |
| Non-Residential – Medium (18 ccf) | \$198.73                   | \$198.73                      | -             | -            |
| Non-Residential – High (73 ccf)   | \$751.06                   | \$751.06                      | -             | -            |

*Assumes 1 ERU for all classes*

*No change to Non-Residential rate structure under alternative 2*



# **Low-Income Discount Program Impacts**





# Summary of Local Low-Income Discount Programs

- Survey included the following jurisdictions:
  - » Bonney Lake
  - » Enumclaw
  - » Milton (Water)
  - » Puyallup
  - » Buckley
  - » Fife
  - » Pierce County (Sewer)
- Summary of findings:
  - » Discounts generally limited to low-income senior/disabled customers
  - » 3 included a discount on the total utility bill
    - Dependent on Household Income, discounts range from 15% to 50% of total bill
  - » 3 included a discount on base charges only
    - Discounts range from 20% to 50% of base charges
  - » 1 jurisdiction had a fixed dollar discount on the total bill



# Estimated Impacts of Low-Income Discount Program for City of Sumner

- Eligibility defined by Pierce County property tax exemption
- Staff estimates 165 residential customers would be eligible
- Analysis: Impacts of discounts for all utilities
  - » Assumes 2025 status quo rates
  - » 25-50% discounted base charge
  - » 25-50% discounted total bill @ 5 ccf per month
  - » Bill impacts on single-family home @ 7 ccf

| Impact of Low Income Customers<br>(165 Residential Users) | Reduction in Annual Revenue |          |          | Rate Increase Needed |       |       | Monthly Bill Impact (Single Family @7ccf) |        |        |               |
|-----------------------------------------------------------|-----------------------------|----------|----------|----------------------|-------|-------|-------------------------------------------|--------|--------|---------------|
|                                                           | Water                       | Sewer    | Storm    | Water                | Sewer | Storm | Water                                     | Sewer  | Storm  | Total         |
| 25% of Base Charge                                        | \$14,414                    | \$33,749 | \$9,633  | 0.28%                | 0.45% | 0.17% | \$0.15                                    | \$0.41 | \$0.03 | <b>\$0.59</b> |
| 50% of Base Charge                                        | \$28,829                    | \$67,498 | \$19,265 | 0.56%                | 0.90% | 0.34% | \$0.23                                    | \$0.80 | \$0.07 | <b>\$1.10</b> |
| 25% of Total Bill @5 ccf per Month                        | \$20,726                    | \$33,749 | \$9,633  | 0.41%                | 0.45% | 0.17% | \$0.19                                    | \$0.41 | \$0.03 | <b>\$0.63</b> |
| 50% of Total Bill @5 ccf per Month                        | \$41,451                    | \$67,498 | \$19,265 | 0.81%                | 0.90% | 0.34% | \$0.38                                    | \$0.80 | \$0.07 | <b>\$1.25</b> |



# Summary

- **Water Alternatives:**
  - » Recalibration of single-family volume tiers
  - » Uniform volume rate for other users
- **Discount Program Impacts:**
  - » Implementation of various discount levels analyzed
  - » Impact to average single-family bill ranges from \$0.59 to \$1.25
- **Sewer Alternatives:**
  - » **Alternative 1:**
    - Recalibration of MF base rate
    - Change in winter-averaging period
    - Flat rate for outside-City customers
  - » **Alternative 2:**
    - Recalibration of MF base rate
    - Flat residential rate

# Thank You! Questions?

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