

Incline Village General Improvement District
Wastewater Rate Study
Average Unit Costs
Exhibit 15

	Total	Residential	Multi-Family	Commercial
Volume - \$ / HCF	\$8.29	\$8.73	\$8.73	\$6.51
BOD - \$ / HCF	2.14	2.25	2.25	1.68
TSS - \$ / HCF	2.14	2.25	2.25	1.68
Total - \$ / HCF	\$12.57	\$13.24	\$13.24	\$9.86
Customer - \$ / Acct.	\$63.68	\$31.20	\$493.83	\$102.22
Total - \$ / Equiv. Unit	\$149.35	\$70.54	\$69.75	\$104.38
Total - \$ / HCF	\$21.91	\$23.74	\$23.95	\$14.07
Current Average Revenues	\$19.05	\$21.70	\$20.80	\$10.25
Customer Data				
Volume	342,729	131,863	142,843	68,023
Customer	4,189	3,698	258	233
Equivalent Units	8,549	3,698	4,087	764
ADA				

Incline Village General Improvement District
Wastewater Rate Study
Rate Structure - Alt 1

	<i>Present</i>	<i>Proposed</i>				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Residential						
Base Charge	\$19.54	\$25.90	\$30.30	\$32.90	\$36.40	\$36.50
Capital Improvement	31.45	\$31.45	33.92	36.39	38.13	41.08
Admin Fee	3.97	\$4.23	4.44	4.66	4.89	5.14
Multi-Family						
Base Charge	\$19.54	\$25.90	\$30.30	\$32.90	\$36.40	\$36.50
Capital Improvement	31.45	31.45	33.92	36.39	38.13	41.08
Admin Fee	3.97	4.23	4.44	4.66	4.89	5.14
Commercial						
<i>Base Charge</i>						
3/4"	\$19.54	\$25.90	\$30.30	\$32.90	\$36.40	\$36.50
1"	32.63	43.25	50.60	54.94	60.79	60.96
1 1/2"	65.07	86.25	100.90	109.56	121.21	121.55
2"	104.15	138.05	161.50	175.36	194.01	194.55
3"	195.40	259.00	303.00	329.00	364.00	365.00
4"	325.73	431.75	505.10	548.44	606.79	608.46
6"	651.27	863.25	1,009.90	1,096.56	1,213.21	1,216.55
8"	1,042.07	1,381.25	1,615.90	1,754.56	1,941.21	1,946.55
10"	1,498.13	1,985.75	2,323.10	2,522.44	2,790.79	2,798.46
<i>Capital Improvement</i>						
3/4"	\$31.45	\$31.45	\$33.92	\$36.39	\$38.13	\$41.08
1"	52.52	52.53	56.65	60.77	63.67	68.61
1 1/2"	104.73	104.74	112.96	121.18	126.96	136.81
2"	167.63	167.64	180.80	193.96	203.22	218.97
3"	314.50	314.53	339.21	363.89	381.27	410.83
4"	524.27	524.31	565.46	606.61	635.58	684.85
6"	1,048.23	1,048.31	1,130.59	1,212.86	1,270.77	1,369.29
8"	1,677.23	1,677.36	1,809.01	1,940.65	2,033.31	2,190.95
10"	2,411.27	2,411.47	2,600.72	2,789.98	2,923.19	3,149.82
<i>Admin Fee</i>						
	3.97	4.23	4.44	4.66	4.89	5.14
Sewer Use						
Residential	\$3.20	\$4.00	\$4.70	\$5.10	\$5.65	\$5.70
Multi-Family	3.20	4.00	4.70	5.10	5.65	5.70
Commercial	3.20	4.70	5.50	6.00	6.40	6.50

Incline Village General Improvement District
Wastewater Rate Study
Residential - Year 1 Rates

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$54.96	\$61.58	\$6.62	12.0%
2	\$61.36	\$69.58	\$8.22	13.4%
4	\$67.76	\$77.58	\$9.82	14.5%
6	\$74.16	\$85.58	\$11.42	15.4%
8	\$80.56	\$93.58	\$13.02	16.2%
10	\$86.96	\$101.58	\$14.62	16.8%
12	\$93.36	\$109.58	\$16.22	17.4%
14	\$99.76	\$117.58	\$17.82	17.9%
16	\$106.16	\$125.58	\$19.42	18.3%

<i>Present Rates</i>		<i>Proposed Rates</i>	
	<i>Rates</i>		<i>Rates</i>
Base Charge	\$19.54	Base Charge	\$25.90
Capital Improvement	31.45	Capital Improvement	31.45
Admin Fee	3.97	Admin Fee	4.23
Consumption	\$3.20	Consumption	\$4.00

Incline Village General Improvement District
Wastewater Rate Study
Residential - Year 2 Rates

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$61.58	\$68.66	\$7.08	11.5%
2	\$69.58	\$78.06	\$8.48	12.2%
4	\$77.58	\$87.46	\$9.88	12.7%
6	\$85.58	\$96.86	\$11.28	13.2%
8	\$93.58	\$106.26	\$12.68	13.5%
10	\$101.58	\$115.66	\$14.08	13.9%
12	\$109.58	\$125.06	\$15.48	14.1%
14	\$117.58	\$134.46	\$16.88	14.4%
16	\$125.58	\$143.86	\$18.28	14.6%

<i>Present Rates</i>		<i>Proposed Rates</i>	
	<i>Rates</i>		<i>Rates</i>
Base Charge	\$25.90	Base Charge	\$30.30
Capital Improvement	31.45	Capital Improvement	33.92
Admin Fee	4.23	Admin Fee	4.44
Consumption	\$4.00	Consumption	\$4.70

Incline Village General Improvement District
Wastewater Rate Study
Residential - Year 3 Rates

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$68.66	\$73.95	\$5.29	7.7%
2	\$78.06	\$84.15	\$6.09	7.8%
4	\$87.46	\$94.35	\$6.89	7.9%
6	\$96.86	\$104.55	\$7.69	7.9%
8	\$106.26	\$114.75	\$8.49	8.0%
10	\$115.66	\$124.95	\$9.29	8.0%
12	\$125.06	\$135.15	\$10.09	8.1%
14	\$134.46	\$145.35	\$10.89	8.1%
16	\$143.86	\$155.55	\$11.69	8.1%

Present Rates

	<i>Rates</i>
Base Charge	\$30.30
Capital Improvement	33.92
Admin Fee	4.44
Consumption	\$4.70

Proposed Rates

	<i>Rates</i>
Base Charge	\$32.90
Capital Improvement	36.39
Admin Fee	4.66
Consumption	\$5.10

Incline Village General Improvement District
Wastewater Rate Study
Residential - Year 4 Rates

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$73.95	\$79.42	\$5.47	7.4%
2	\$84.15	\$90.72	\$6.57	7.8%
4	\$94.35	\$102.02	\$7.67	8.1%
6	\$104.55	\$113.32	\$8.77	8.4%
8	\$114.75	\$124.62	\$9.87	8.6%
10	\$124.95	\$135.92	\$10.97	8.8%
12	\$135.15	\$147.22	\$12.07	8.9%
14	\$145.35	\$158.52	\$13.17	9.1%
16	\$155.55	\$169.82	\$14.27	9.2%

Present Rates

	<i>Rates</i>
Base Charge	\$32.90
Capital Improvement	36.39
Admin Fee	4.66
Consumption	\$5.10

Proposed Rates

	<i>Rates</i>
Base Charge	\$36.40
Capital Improvement	38.13
Admin Fee	4.89
Consumption	\$5.65

Incline Village General Improvement District
Wastewater Rate Study
Residential - Year 5 Rates

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$79.42	\$82.72	\$3.30	4.2%
2	\$90.72	\$94.12	\$3.40	3.7%
4	\$102.02	\$105.52	\$3.50	3.4%
6	\$113.32	\$116.92	\$3.60	3.2%
8	\$124.62	\$128.32	\$3.70	3.0%
10	\$135.92	\$139.72	\$3.80	2.8%
12	\$147.22	\$151.12	\$3.90	2.6%
14	\$158.52	\$162.52	\$4.00	2.5%
16	\$169.82	\$173.92	\$4.10	2.4%

<i>Present Rates</i>		<i>Proposed Rates</i>	
	<i>Rates</i>		<i>Rates</i>
Base Charge	\$36.40	Base Charge	\$36.50
Capital Improvement	38.13	Capital Improvement	41.08
Admin Fee	4.89	Admin Fee	5.14
Consumption	\$5.65	Consumption	\$5.70

Incline Village General Improvement District
Wastewater Rate Study
Multi-Family - Year 1 Rates

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$54.96	\$61.58	\$6.62	12.0%
2	\$61.36	\$69.58	\$8.22	13.4%
4	\$67.76	\$77.58	\$9.82	14.5%
6	\$74.16	\$85.58	\$11.42	15.4%
8	\$80.56	\$93.58	\$13.02	16.2%
10	\$86.96	\$101.58	\$14.62	16.8%
12	\$93.36	\$109.58	\$16.22	17.4%
14	\$99.76	\$117.58	\$17.82	17.9%
16	\$106.16	\$125.58	\$19.42	18.3%

Present Rates

	<i>Rates</i>
Base Charge	\$19.54
Capital Improvement	31.45
Admin Fee	3.97
Consumption	\$3.20

Proposed Rates

	<i>Rates</i>
Base Charge	\$25.90
Capital Improvement	31.45
Admin Fee	4.23
Consumption	\$4.00

**Incline Village General Improvement District
Wastewater Rate Study
Multi-Family - Year 2 Rates**

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$61.58	\$68.66	\$7.08	11.5%
2	\$69.58	\$78.06	\$8.48	12.2%
4	\$77.58	\$87.46	\$9.88	12.7%
6	\$85.58	\$96.86	\$11.28	13.2%
8	\$93.58	\$106.26	\$12.68	13.5%
10	\$101.58	\$115.66	\$14.08	13.9%
12	\$109.58	\$125.06	\$15.48	14.1%
14	\$117.58	\$134.46	\$16.88	14.4%
16	\$125.58	\$143.86	\$18.28	14.6%

<i>Present Rates</i>		<i>Proposed Rates</i>	
	<i>Rates</i>		<i>Rates</i>
Base Charge	\$25.90	Base Charge	\$30.30
Capital Improvement	31.45	Capital Improvement	33.92
Admin Fee	4.23	Admin Fee	4.44
Consumption	\$4.00	Consumption	\$4.70

**Incline Village General Improvement District
Wastewater Rate Study
Multi-Family - Year 3 Rates**

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$68.66	\$73.95	\$5.29	7.7%
2	\$78.06	\$84.15	\$6.09	7.8%
4	\$87.46	\$94.35	\$6.89	7.9%
6	\$96.86	\$104.55	\$7.69	7.9%
8	\$106.26	\$114.75	\$8.49	8.0%
10	\$115.66	\$124.95	\$9.29	8.0%
12	\$125.06	\$135.15	\$10.09	8.1%
14	\$134.46	\$145.35	\$10.89	8.1%
16	\$143.86	\$155.55	\$11.69	8.1%

Present Rates

Rates

Base Charge	\$30.30
Capital Improvement	33.92
Admin Fee	4.44
Consumption	\$4.70

Proposed Rates

Rates

Base Charge	\$32.90
Capital Improvement	36.39
Admin Fee	4.66
Consumption	\$5.10

Incline Village General Improvement District
Wastewater Rate Study
Multi-Family - Year 4 Rates

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$73.95	\$79.42	\$5.47	7.4%
2	\$84.15	\$90.72	\$6.57	7.8%
4	\$94.35	\$102.02	\$7.67	8.1%
6	\$104.55	\$113.32	\$8.77	8.4%
8	\$114.75	\$124.62	\$9.87	8.6%
10	\$124.95	\$135.92	\$10.97	8.8%
12	\$135.15	\$147.22	\$12.07	8.9%
14	\$145.35	\$158.52	\$13.17	9.1%
16	\$155.55	\$169.82	\$14.27	9.2%

<i>Present Rates</i>		<i>Proposed Rates</i>	
	<i>Rates</i>		<i>Rates</i>
Base Charge	\$32.90	Base Charge	\$36.40
Capital Improvement	36.39	Capital Improvement	38.13
Admin Fee	4.66	Admin Fee	4.89
Consumption	\$5.10	Consumption	\$5.65

Incline Village General Improvement District
Wastewater Rate Study
Multi-Family - Year 5 Rates

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$79.42	\$82.72	\$3.30	4.2%
2	\$90.72	\$94.12	\$3.40	3.7%
4	\$102.02	\$105.52	\$3.50	3.4%
6	\$113.32	\$116.92	\$3.60	3.2%
8	\$124.62	\$128.32	\$3.70	3.0%
10	\$135.92	\$139.72	\$3.80	2.8%
12	\$147.22	\$151.12	\$3.90	2.6%
14	\$158.52	\$162.52	\$4.00	2.5%
16	\$169.82	\$173.92	\$4.10	2.4%

Present Rates

	<i>Rates</i>
Base Charge	\$36.40
Capital Improvement	38.13
Admin Fee	4.89
Consumption	\$5.65

Proposed Rates

	<i>Rates</i>
Base Charge	\$36.50
Capital Improvement	41.08
Admin Fee	5.14
Consumption	\$5.70

Incline Village General Improvement District
Wastewater Rate Study
Commercial - Year 1 Rates

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$54.96	\$61.58	\$6.62	12.0%
2	\$61.36	\$70.98	\$9.62	15.7%
4	\$67.76	\$80.38	\$12.62	18.6%
6	\$74.16	\$89.78	\$15.62	21.1%
8	\$80.56	\$99.18	\$18.62	23.1%
10	\$86.96	\$108.58	\$21.62	24.9%
12	\$93.36	\$117.98	\$24.62	26.4%
14	\$99.76	\$127.38	\$27.62	27.7%
16	\$106.16	\$136.78	\$30.62	28.8%

<i>Present Rates</i>		<i>Proposed Rates</i>	
	<i>Rates</i>		<i>Rates</i>
Base Charge - 3/4"	\$19.54	Base Charge - 3/4"	\$25.90
Capital Improvement	31.45	Capital Improvement	31.45
Admin Fee	3.97	Admin Fee	4.23
Consumption	\$3.20	Consumption	\$4.70

Incline Village General Improvement District
Wastewater Rate Study
Commercial - Year 2 Rates

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$61.58	\$68.66	\$7.08	11.5%
2	\$70.98	\$79.66	\$8.68	12.2%
4	\$80.38	\$90.66	\$10.28	12.8%
6	\$89.78	\$101.66	\$11.88	13.2%
8	\$99.18	\$112.66	\$13.48	13.6%
10	\$108.58	\$123.66	\$15.08	13.9%
12	\$117.98	\$134.66	\$16.68	14.1%
14	\$127.38	\$145.66	\$18.28	14.4%
16	\$136.78	\$156.66	\$19.88	14.5%

<i>Base Charge</i>		<i>Proposed Rates</i>	
	<i>Rates</i>		<i>Rates</i>
Base Charge - 3/4"	\$25.90	Base Charge - 3/4"	\$30.30
Capital Improvement	31.45	Capital Improvement	33.92
Admin Fee	4.23	Admin Fee	4.44
Consumption	\$4.70	Consumption	\$5.50

**Incline Village General Improvement District
Wastewater Rate Study
Commercial - Year 3 Rates**

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$68.66	\$73.95	\$5.29	7.7%
2	\$79.66	\$85.95	\$6.29	7.9%
4	\$90.66	\$97.95	\$7.29	8.0%
6	\$101.66	\$109.95	\$8.29	8.2%
8	\$112.66	\$121.95	\$9.29	8.2%
10	\$123.66	\$133.95	\$10.29	8.3%
12	\$134.66	\$145.95	\$11.29	8.4%
14	\$145.66	\$157.95	\$12.29	8.4%
16	\$156.66	\$169.95	\$13.29	8.5%

<i>Base Charge</i>		<i>Proposed Rates</i>	
	<i>Rates</i>		<i>Rates</i>
Base Charge - 3/4"	\$30.30	Base Charge - 3/4"	\$32.90
Capital Improvement	33.92	Capital Improvement	36.39
Admin Fee	4.44	Admin Fee	4.66
Consumption	\$5.50	Consumption	\$6.00

Incline Village General Improvement District
Wastewater Rate Study
Commercial - Year 4 Rates

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$73.95	\$79.42	\$5.47	7.4%
2	\$85.95	\$92.22	\$6.27	7.3%
4	\$97.95	\$105.02	\$7.07	7.2%
6	\$109.95	\$117.82	\$7.87	7.2%
8	\$121.95	\$130.62	\$8.67	7.1%
10	\$133.95	\$143.42	\$9.47	7.1%
12	\$145.95	\$156.22	\$10.27	7.0%
14	\$157.95	\$169.02	\$11.07	7.0%
16	\$169.95	\$181.82	\$11.87	7.0%

<i>Base Charge</i>		<i>Proposed Rates</i>	
	<i>Rates</i>		<i>Rates</i>
Base Charge - 3/4"	\$32.90	Base Charge - 3/4"	\$36.40
Capital Improvement	36.39	Capital Improvement	38.13
Admin Fee	4.66	Admin Fee	4.89
Consumption	\$6.00	Consumption	\$6.40

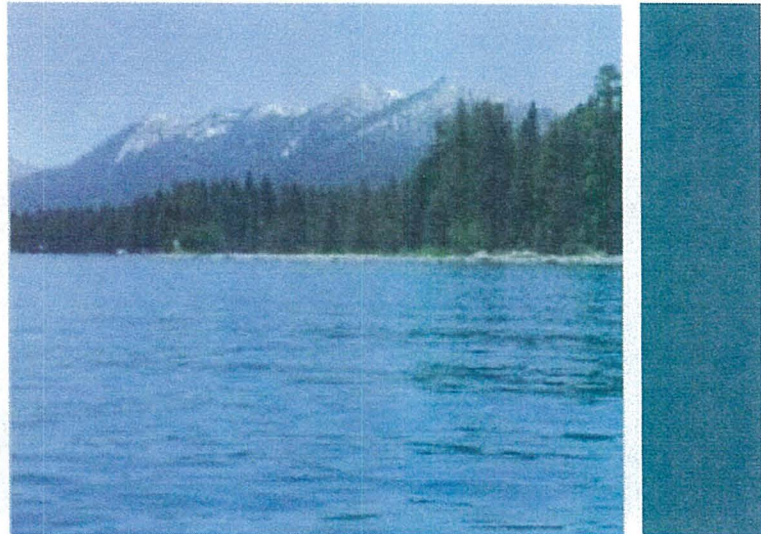
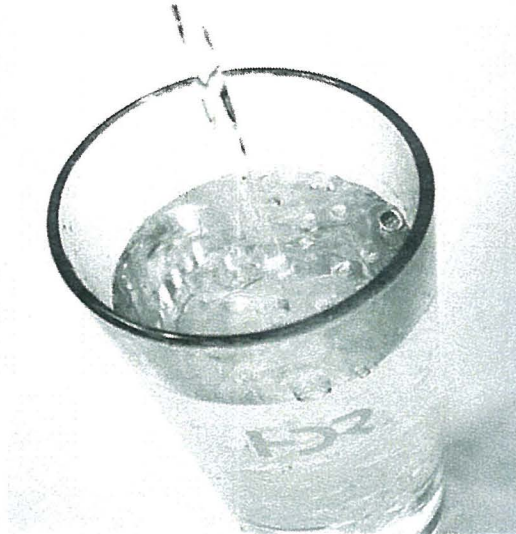
**Incline Village General Improvement District
Wastewater Rate Study
Commercial - Year 5 Rates**

Consumption (1,000 gal)	Present Rates	Proposed Rates	Difference	
			\$	%
0	\$79.42	\$82.72	\$3.30	4.2%
2	\$92.22	\$95.72	\$3.50	3.8%
4	\$105.02	\$108.72	\$3.70	3.5%
6	\$117.82	\$121.72	\$3.90	3.3%
8	\$130.62	\$134.72	\$4.10	3.1%
10	\$143.42	\$147.72	\$4.30	3.0%
12	\$156.22	\$160.72	\$4.50	2.9%
14	\$169.02	\$173.72	\$4.70	2.8%
16	\$181.82	\$186.72	\$4.90	2.7%

Base Charge		Proposed Rates	
	Rates		Rates
Base Charge - 3/4"	\$36.40	Base Charge - 3/4"	\$36.50
Capital Improvement	38.13	Capital Improvement	41.08
Admin Fee	4.89	Admin Fee	5.14
Consumption	\$6.40	Consumption	\$6.50

Alternative 1

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Residential						
Fixed	\$2,436,267	\$2,732,475	\$3,049,671	\$3,287,940	\$3,534,695	\$3,685,275
Variable	\$421,961	527,978	620,995	674,519	748,009	755,383
	\$2,858,228	\$3,260,453	\$3,670,666	\$3,962,459	\$4,282,704	\$4,440,658
Multi-Family						
Fixed	\$2,510,597	\$2,825,959	\$3,166,641	\$3,419,577	\$3,681,362	\$3,836,284
Variable	\$457,099	571,945	672,707	730,689	810,298	818,286
	\$2,967,696	\$3,397,904	\$3,839,348	\$4,150,266	\$4,491,660	\$4,654,570
Commercial						
Fixed	\$478,534	\$538,119	\$602,340	\$650,168	\$699,677	\$743,090
Variable	\$217,674	320,028	374,875	409,364	437,091	444,365
	\$696,207	\$858,147	\$977,215	\$1,059,531	\$1,136,768	\$1,187,454
		\$34,046	\$40,895	\$47,759	\$37,563	\$54,889
Total	\$6,522,131	\$7,516,504	\$8,487,228	\$9,172,257	\$9,911,132	\$10,282,682
		15.2%	12.9%	8.1%	8.1%	3.7%
Rev Req	\$6,522,131	\$7,507,951	\$8,454,891	\$9,140,414	\$9,881,518	\$10,237,599
	\$0	\$8,553	\$32,337	\$31,843	\$29,613	\$45,083
	0.0%	0.1%	0.4%	0.3%	0.3%	0.4%



Utility Rate Study Results

March 9, 2022



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Purpose of the Presentation

Update the Board on the final study recommendations

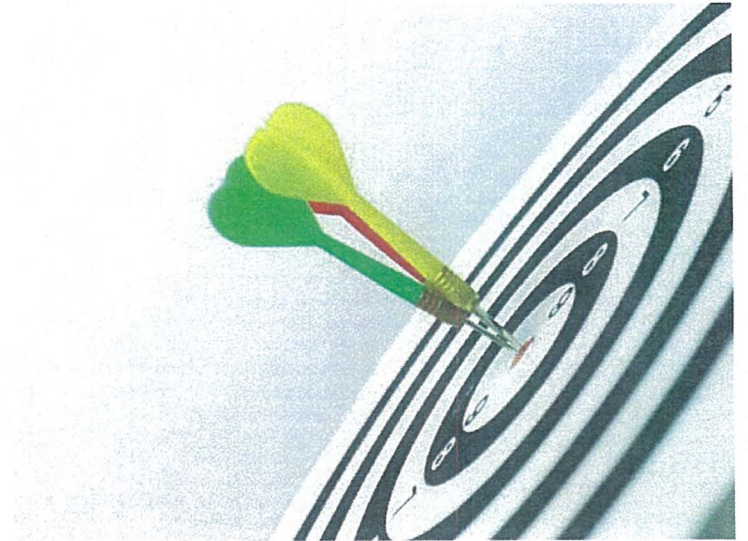
Gain final Board feedback and input on the study recommendations

- ✓ Rate revenue adjustments
- ✓ Cost of service results
- ✓ Proposed water and sewer

Set public hearing

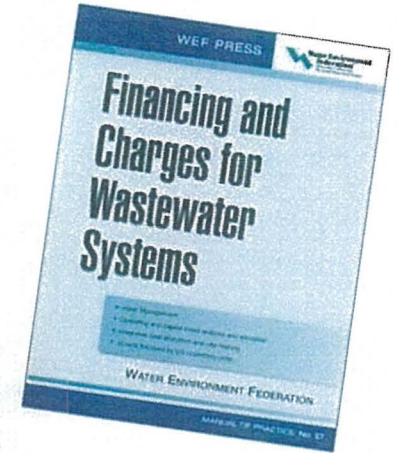
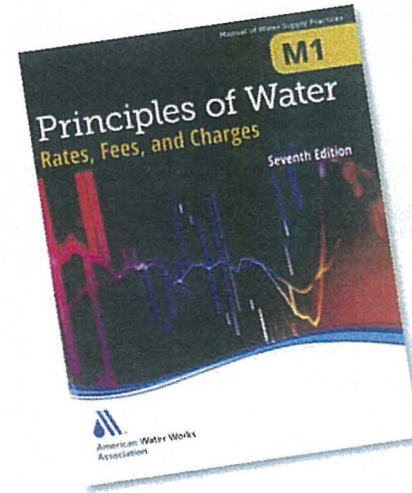
- ✓ April 27

Discuss study next steps and schedule

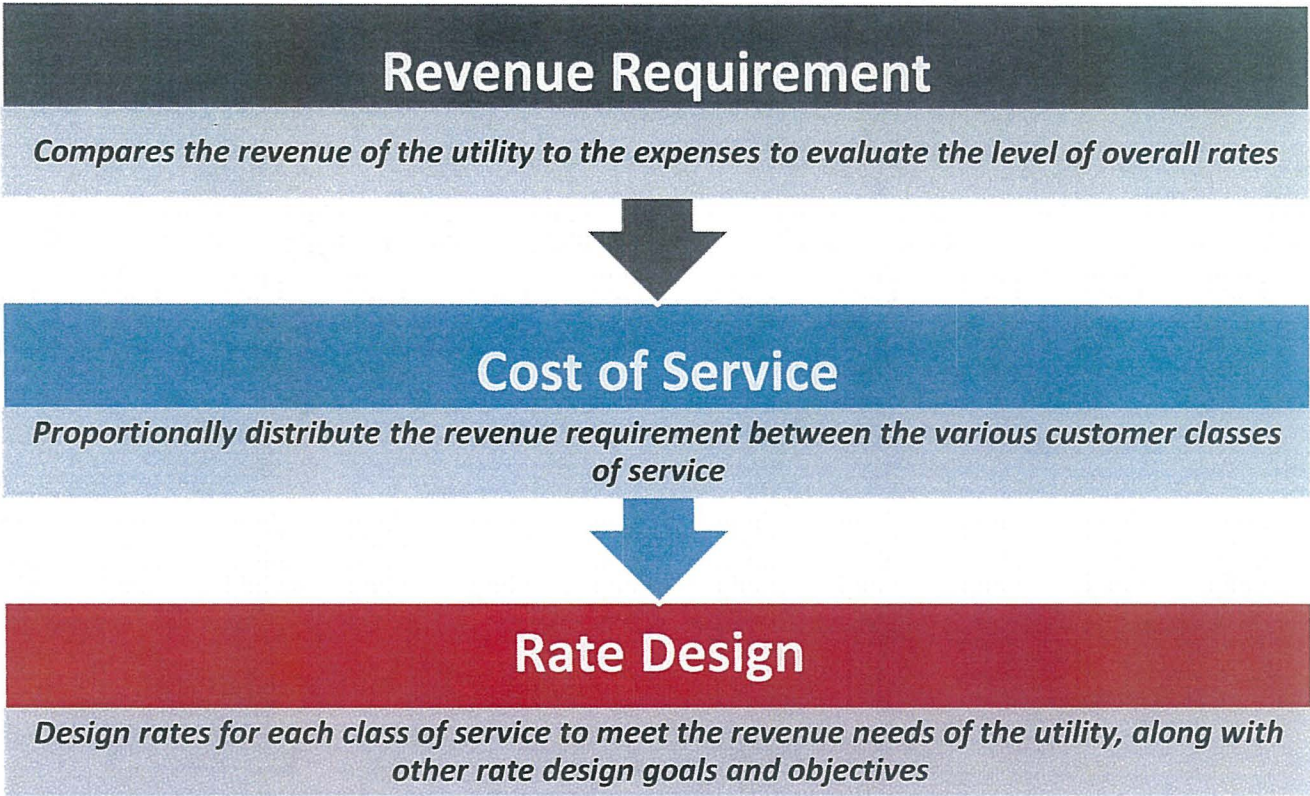


Rate Study Goals and Objectives

- Provides sufficient revenue to operate and maintain District's water and sewer infrastructure
- Develop equitable, proportional, and cost-based water and sewer rates
- Develop the study using generally accepted methodologies
 - ✓ Tailored to the District's systems and customer characteristics
- Reflect prudent financial planning criteria
 - ✓ Appropriate levels of capital funded through rates
 - ✓ Maintain adequate debt service coverage ratios (DSC)
 - ✓ Meet target reserve balances



Establishing Cost-Based Rates



**Revenue
Requirement**



Overview of the Revenue Requirement

Compares utility revenues to expenses

- Determines the level of revenue (rate) adjustment necessary

Uses prudent financial planning criteria

- Maintaining sufficient ending reserve balances
- Attaining target debt service coverage (DSC) ratio

Reviews a specific time period

- Five-year rate schedule; ten-year financial plan

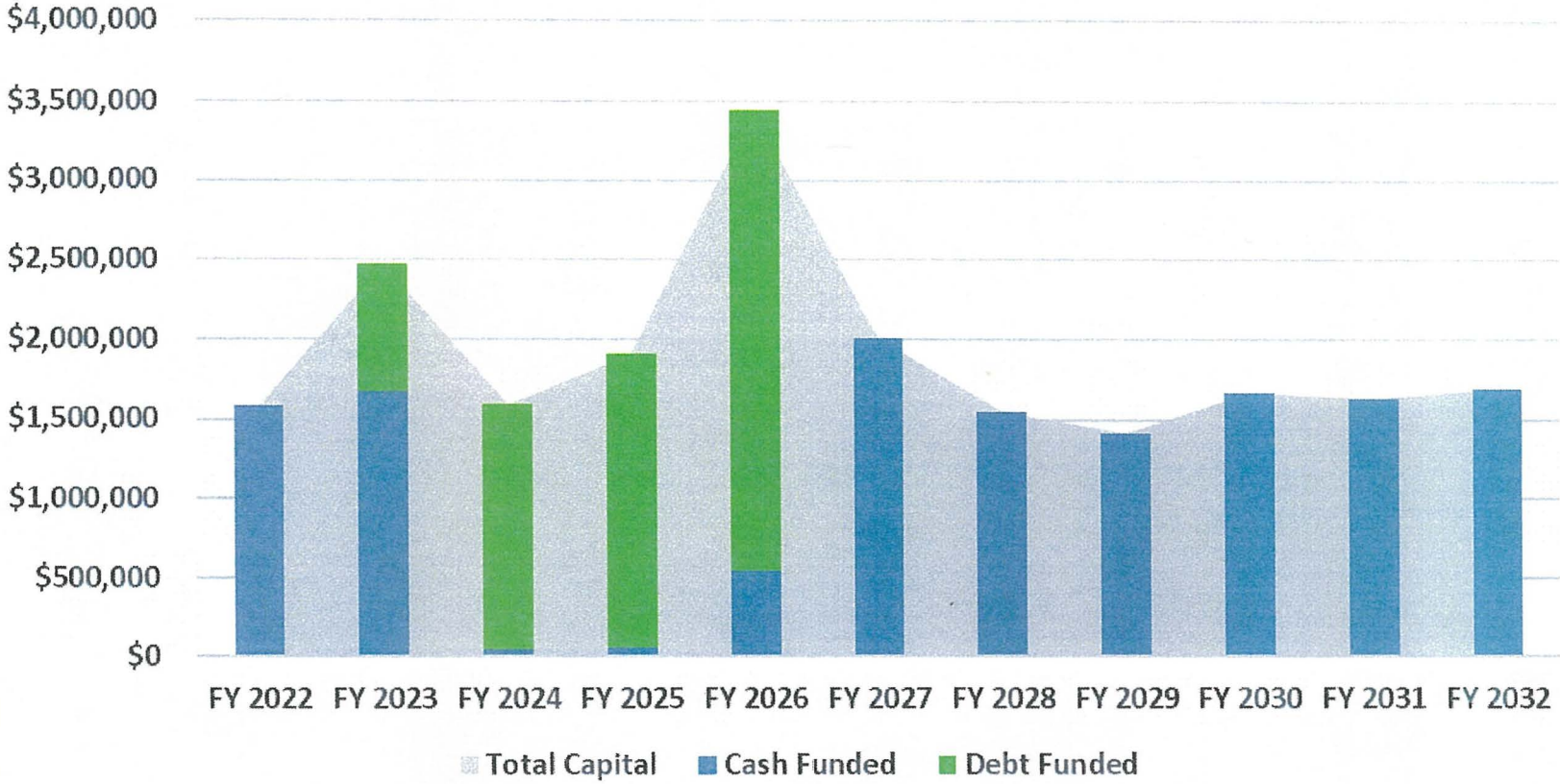
Utility is analyzed on a “stand-alone basis”

- No transfer of funds from other District funds
- Rates need to support operations and capital

Utilizes the “cash basis” methodology

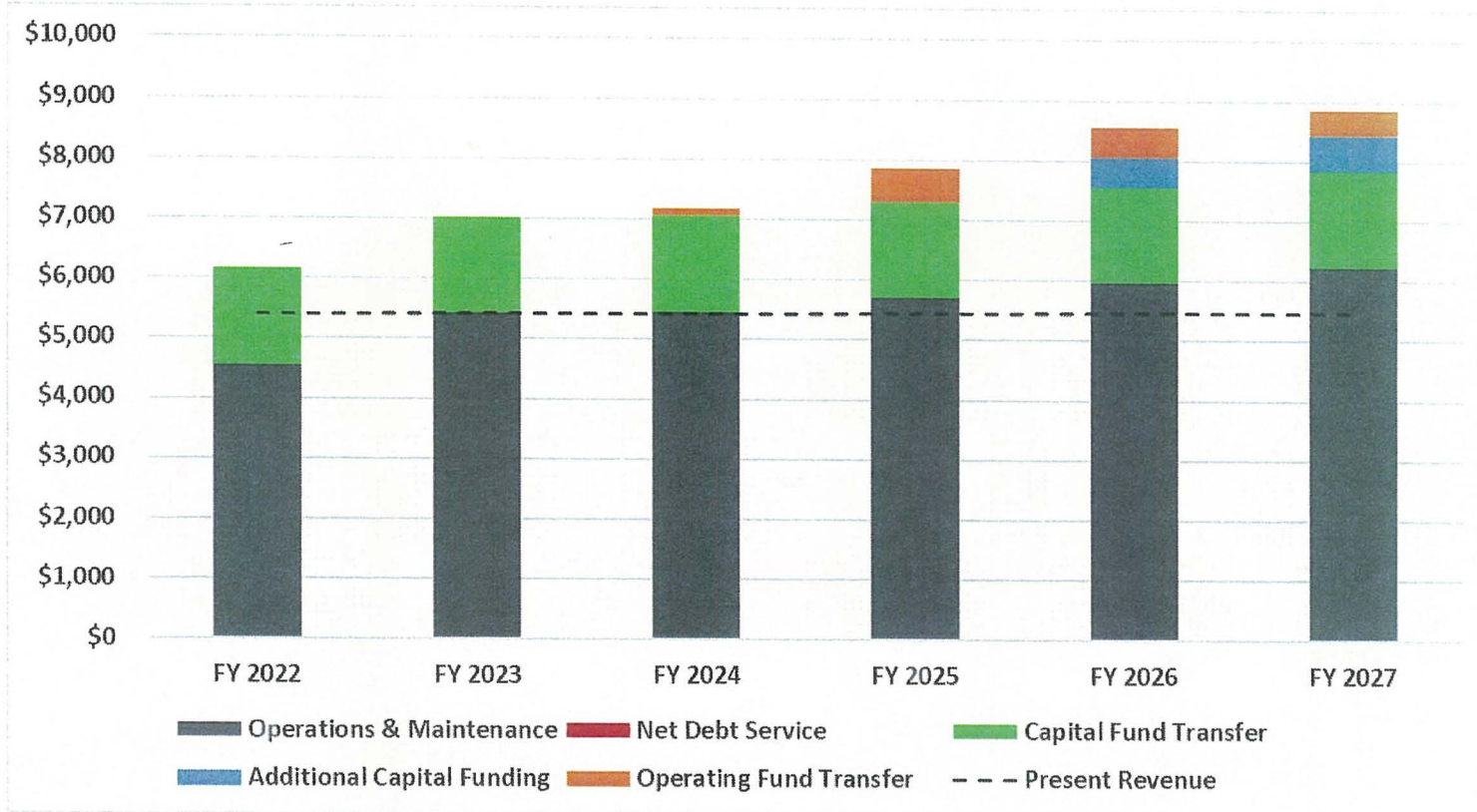
- Generally accepted method for municipal utilities

Water Capital Improvement Funding Plan



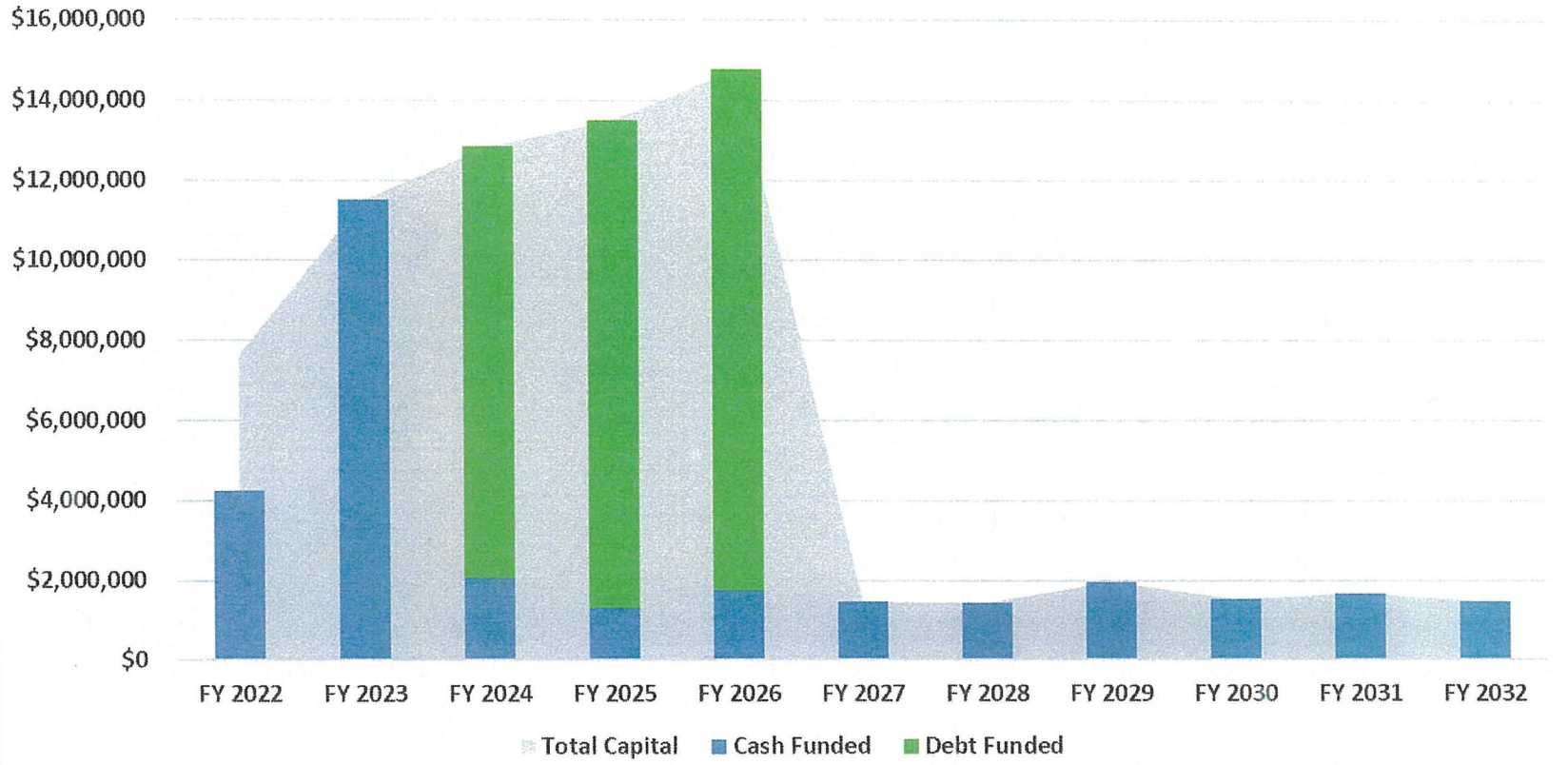
Additional long-term debt for disinfection plant improvements, main replacements, and pump station improvements

Water Revenue Requirement Summary (\$'000's)



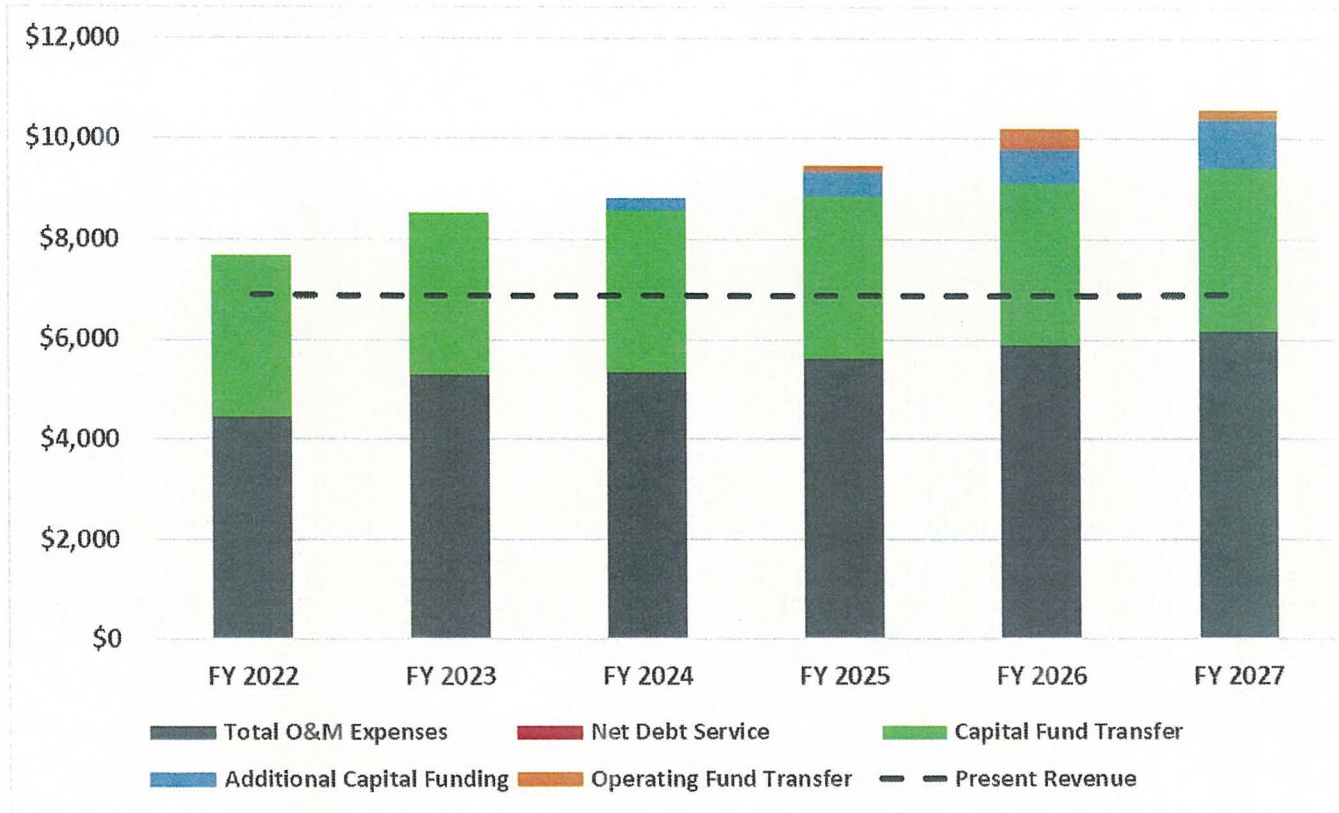
* Annual Debt Service Payments are funded through the annual capital charge

Sewer Capital Improvement Funding Plan



Additional long-term debt for effluent pipeline funding

Sewer Revenue Requirement Summary (\$000's)



* Annual Debt Service Payments are funded through the annual capital charge

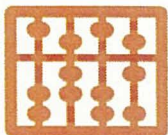
Summary of the Revenue Requirement Analyses

- Rate revenue adjustments are necessary to:
 - Water utility
 - ✓ Adequately fund annual O&M
 - ✓ debt financing capital needs to transition rate adjustments and capital funding needs
 - Sewer utility
 - ✓ Financing of the effluent pipeline
 - ✓ Adequately fund annual O&M
- Revenue requirement alternatives were developed to provide the Board with an understanding of the revenue impacts of alternative funding approaches

Annual Water and Sewer Revenue Adjustments

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Water – Recommendation	20.0%	12.0%	9.5%	9.0%	3.5%
Water – Loan Alternative	20.0%	12.0%	9.5%	7.0%	3.0%
Sewer – Recommendation	15.0%	12.5%	8.0%	8.0%	3.5%
Sewer – Loan Alternative	15.0%	10.0%	8.0%	5.0%	4.0%
Sewer - \$5 M Grant	15.0%	9.5%	6.5%	6.5%	4.5%
Sewer - \$10 M Grant	15.0%	9.5%	5.0%	5.0%	4.0%

Cost of Service



Purpose of the Cost of Service

- Reflects usage and facility requirements of each customer class
- Results in proportional rates for each customer class of service
- Provides the District with information for rate structure policy decisions
- District should review periodically to reflect changes in customer and system characteristics

Cost of Service Summary

- Some cost differences exist between the customer classes of service
 - ✓ Reflects customer and system characteristics
 - ✓ Characteristics change over time (e.g., demographics, COVID pandemic)
- Water utility impacts
 - ✓ Driven by peak use by customer classes (irrigation customers)
- Sewer utility Impacts
 - ✓ Appears to be driven by change in commercial customer characteristics since prior studies
- Cost of service is a single point in time
 - ✓ First comprehensive cost of service in some time
- Recommend transition to cost of service results
 - ✓ Water irrigation customer class of service
 - ✓ Sewer commercial customer class of service

Rate Design

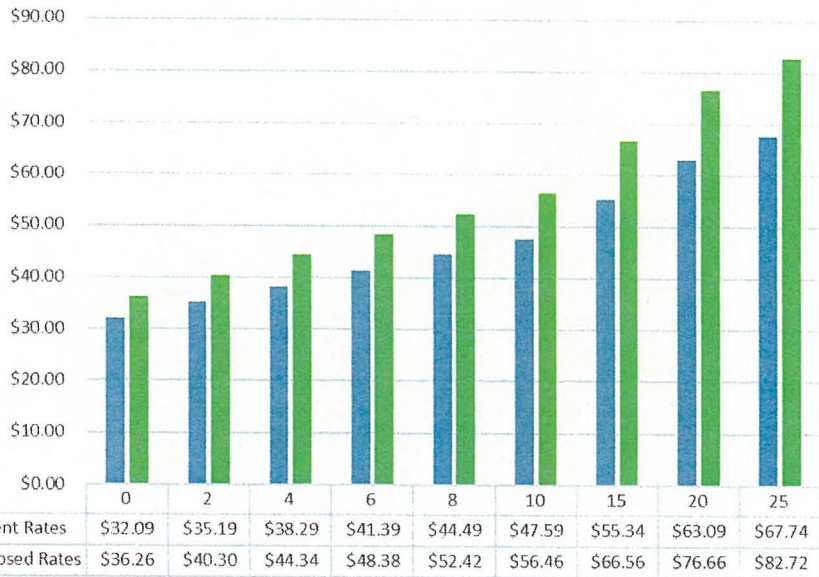


Rate Design Overview

- › Cost of service results showed cost differences
 - ✓ Water irrigation customers and commercial sewer customers
- › Recommend maintaining current rate structure
- › Recommend implementing cost of service adjustments
 - ✓ Proposed rate designs were developed to transition irrigation and commercial sewer customers to the cost of service results over the five year period
 - ✓ Results in separate consumption/volume rate for irrigation and sewer commercial customers

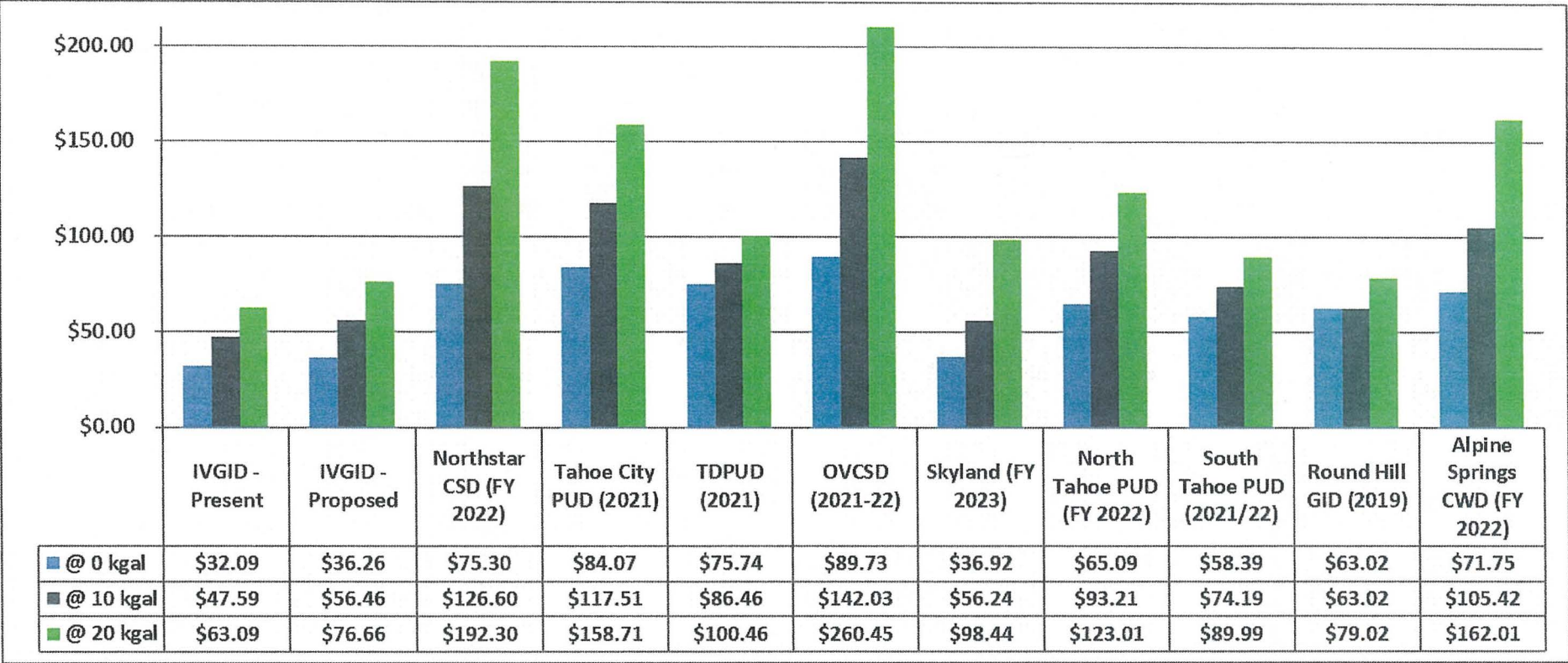
Present and Proposed Water Rates and Bill Comparison

Present and FY 23 Proposed Rate Alternative



	Present Rates	Proposed				
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Meter Fee						
3/4"	\$11.97	\$15.88	\$18.70	\$21.15	\$21.85	\$22.40
1"	19.99	26.52	31.23	35.32	36.49	37.41
1 1/2"	39.86	52.88	62.27	70.43	72.76	74.59
2"	63.80	84.64	99.67	112.73	116.46	119.39
3"	119.70	158.80	187.00	211.50	218.50	224.00
4"	199.54	264.72	311.73	352.57	364.24	373.41
6"	398.96	529.28	623.27	704.93	728.26	746.59
8"	638.36	846.88	997.27	1,127.93	1,165.26	1,194.59
10"	917.50	1,217.20	1,433.35	1,621.15	1,674.80	1,716.96
Capital Improvement Fee						
3/4"	\$15.10	\$15.10	\$15.10	\$15.10	\$19.70	\$20.64
1"	25.22	25.22	25.22	25.22	32.89	34.47
1 1/2"	50.28	50.28	50.28	50.28	65.58	68.74
2"	80.48	80.48	80.48	80.48	104.98	110.03
3"	151.00	151.00	151.00	151.00	196.95	206.43
4"	251.72	251.72	251.72	251.72	328.32	344.12
6"	503.28	503.28	503.28	503.28	656.44	688.04
8"	805.28	805.28	805.28	805.28	1,050.34	1,100.90
10"	1,157.42	1,157.41	1,157.41	1,157.41	1,509.63	1,582.29
Admin Fee	\$3.97	\$4.23	\$4.44	\$4.66	\$4.89	\$5.14
Defensible Space	1.05	1.05	1.05	1.05	1.05	1.05
Residential and Commercial Water Use						
All Use	\$1.55	\$2.02	\$2.35	\$2.62	\$2.66	\$2.70
Tier 1	0.93	1.21	1.41	1.57	1.60	1.62
Tier 2	2.27	2.96	3.44	3.84	3.90	3.95
Irrigation Water Use						
All Use	\$1.55	\$2.20	\$2.76	\$3.20	\$3.60	\$3.85
Tier 1	0.93	1.32	1.66	1.92	2.16	2.31
Tier 2	2.27	3.22	4.04	4.69	5.27	5.64

Local Monthly Residential Water Bill Comparison

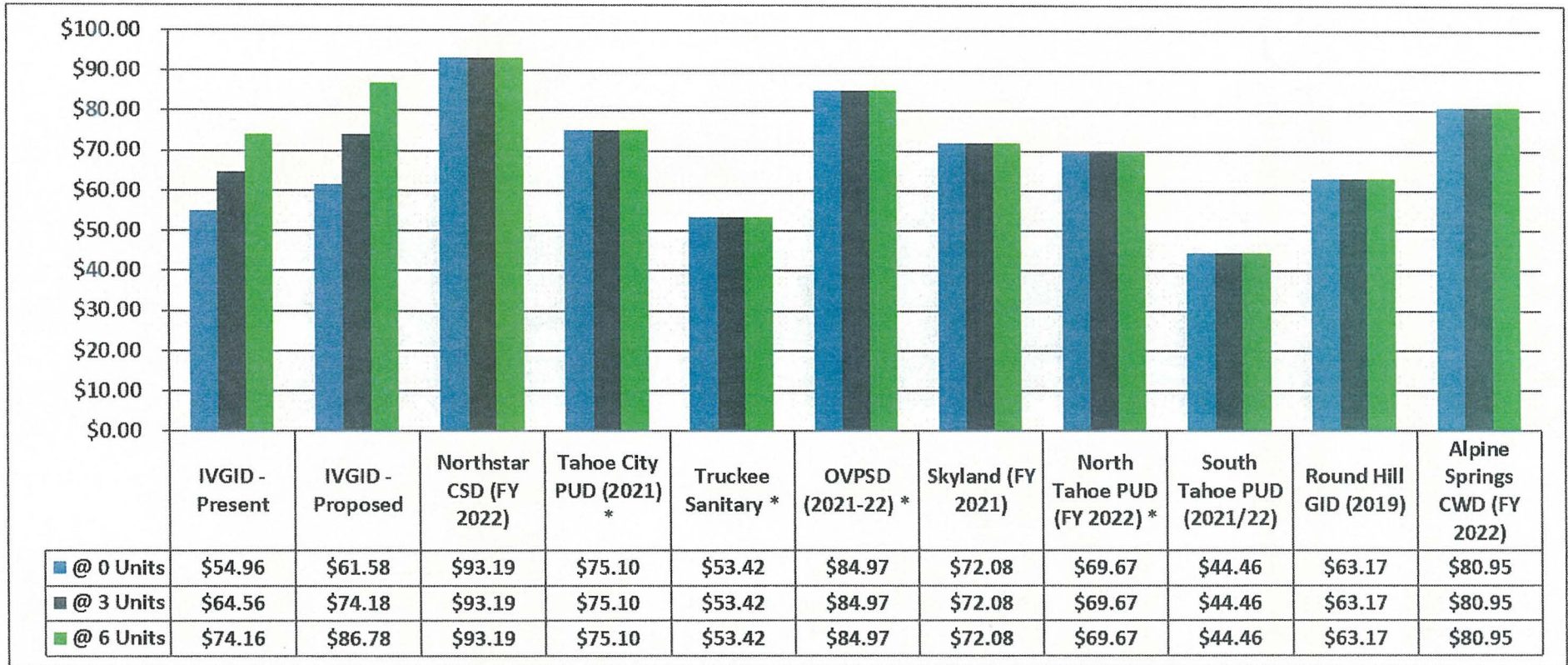


Present and Proposed Sewer Rates

	<i>Present</i>	<i>Proposed</i>				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Residential						
Base Charge	\$19.54	\$25.90	\$30.30	\$32.90	\$36.40	\$36.50
Capital Improvement	31.45	\$31.45	33.92	36.39	38.13	41.08
Admin Fee	3.97	\$4.23	4.44	4.66	4.89	5.14
Multi-Family						
Base Charge	\$19.54	\$25.90	\$30.30	\$32.90	\$36.40	\$36.50
Capital Improvement	31.45	31.45	33.92	36.39	38.13	41.08
Admin Fee	3.97	4.23	4.44	4.66	4.89	5.14
Sewer Use						
Residential	\$3.20	\$4.00	\$4.70	\$5.10	\$5.65	\$5.70
Multi-Family	3.20	4.00	4.70	5.10	5.65	5.70

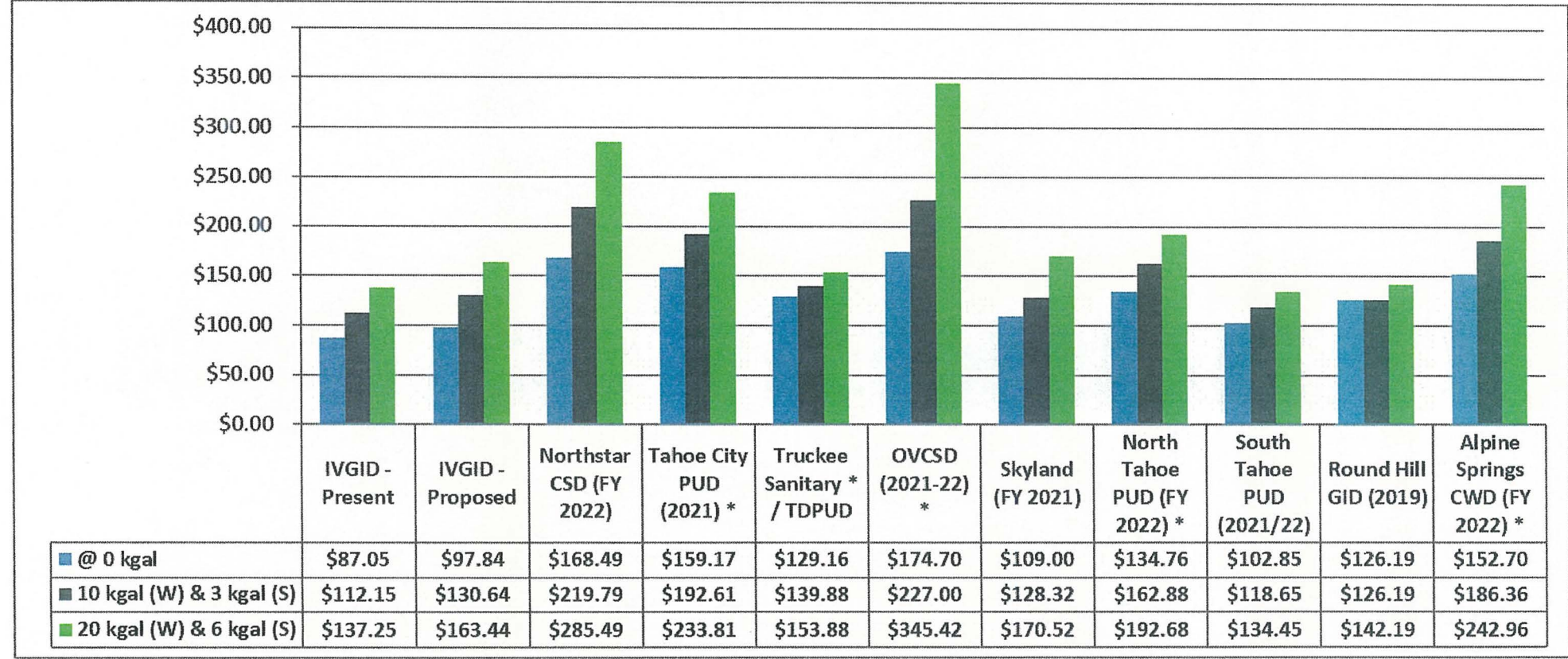
	<i>Present</i>	<i>Proposed</i>				
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Commercial						
<i>Base Charge</i>						
3/4"	\$19.54	\$25.90	\$30.30	\$32.90	\$36.40	\$36.50
1"	32.63	43.25	50.60	54.94	60.79	60.96
1 1/2"	65.07	86.25	100.90	109.56	121.21	121.55
2"	104.15	138.05	161.50	175.36	194.01	194.55
3"	195.40	259.00	303.00	329.00	364.00	365.00
4"	325.73	431.75	505.10	548.44	606.79	608.46
6"	651.27	863.25	1,009.90	1,096.56	1,213.21	1,216.55
8"	1,042.07	1,381.25	1,615.90	1,754.56	1,941.21	1,946.55
10"	1,498.13	1,985.75	2,323.10	2,522.44	2,790.79	2,798.46
<i>Capital Improvement</i>						
3/4"	\$31.45	\$31.45	\$33.92	\$36.39	\$38.13	\$41.08
1"	52.52	52.53	56.65	60.77	63.67	68.61
1 1/2"	104.73	104.74	112.96	121.18	126.96	136.81
2"	167.63	167.64	180.80	193.96	203.22	218.97
3"	314.50	314.53	339.21	363.89	381.27	410.83
4"	524.27	524.31	565.46	606.61	635.58	684.85
6"	1,048.23	1,048.31	1,130.59	1,212.86	1,270.77	1,369.29
8"	1,677.23	1,677.36	1,809.01	1,940.65	2,033.31	2,190.95
10"	2,411.27	2,411.47	2,600.72	2,789.98	2,923.19	3,149.82
<i>Admin Fee</i>	3.97	4.23	4.44	4.66	4.89	5.14
Sewer Use						
Commercial	3.20	4.70	5.50	6.00	6.40	6.50

Local Monthly Residential Sewer Bill Comparison



*Rates include TTSA charge for treatment services

Local Monthly Combined Residential Bill Comparison



*Rates include TTSA charge for treatment services

Next Steps and Schedule



Next Steps

- Gain final Board feedback and input on study recommendations
 - Overall system revenue adjustments
 - Cost of service results
 - Proposed rates
- Set public hearing

Estimated Project Schedule

- Today: Review the rate study recommendations
- Public hearing April 27
- May rate implementation

Thank you for your input!

