



UTILITY RATE STUDY

FINANCIAL OPTIONS



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Outline

- Recap of Proposed Rate Methodology adjustment
- Recap current condition of Water & Sewer Funds
- Rate adjustment options
- Next steps

Recap of Proposed Rate Methodology

Water Fund		
	CURRENT	PROPOSED
RESIDENTIAL	Monthly <i>Base</i> Charge: 9,000 gallon monthly allowance	Monthly <i>Fixed</i> Charge: No monthly water allowance
	Tier 1: 9,001 – 65,000 gallons	Tier 1: 0 – 9,000 gallons
	Tier 2: 66,000 gallons and over	Tier 2: 9,000 gallons and over
COMMERCIAL	Monthly <i>Base</i> Charge: 9,000 gallon monthly allowance	Monthly <i>Fixed</i> Charge: No monthly allowance
	Tier 1: 9,001 – 66,000 gallons	Uniform Rates – No Tiers
	Tier 2: 66,000 gallons and over	
INDUSTRIAL	Monthly <i>Base</i> Charge: 9,000 gallon monthly allowance	Uniform Rates – No Tiers
	Tier 1: 9,001 – 66,000 gallons	
	Tier 2: 66,000 gallons and over	

Water Fund – No Rate Adjustment

Water Operating Fund							
	Actual 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Beginning Fund Balance	771,260	708,087	323,192	(45,244)	(466,532)	(991,104)	(1,356,296)
Revenue							
Service Charges	2,506,120	2,385,933	2,433,651	2,482,324	2,531,971	2,582,610	2,634,262
Other Revenue	186,704	344,460	247,174	186,981	190,065	193,209	196,411
TOTAL REVENUE	2,692,824	2,730,393	2,680,825	2,669,305	2,722,036	2,775,819	2,830,673
Expenditures							
O&M	2,059,808	2,321,914	2,202,835	2,271,162	2,413,597	2,360,398	2,404,489
Debt Service/Capital	696,189	793,374	846,426	819,431	833,011	780,613	804,071
TOTAL EXPENDITURES	2,755,997	3,115,288	3,049,261	3,090,593	3,246,608	3,141,011	3,208,560
ENDING FUND BALANCE	708,087	323,192	(45,244)	(466,532)	(991,104)	(1,356,296)	(1,734,183)
2 Month Operating Reserve	343,301	386,986	367,139	378,527	402,266	393,400	400,748

Sewer Fund – No Rate Adjustment

Sewer Operating Fund							
	Actual 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Beginning Fund Balance	1,057,138	741,830	647,284	122,238	(457,574)	(988,021)	(1,487,897)
Revenue							
Service Charges	2,723,367	2,750,782	2,730,323	2,905,267	3,022,074	3,082,516	3,144,166
Other Revenue	116,039	180,839	123,945	60,724	60,724	60,724	60,724
TOTAL REVENUE	2,839,406	2,931,621	2,854,268	2,965,991	3,082,798	3,143,240	3,204,890
Expenditures							
O&M	2,009,591	2,084,313	2,135,688	2,270,954	2,361,354	2,456,110	2,550,606
Debt Service/ Capital	1,145,123	941,854	1,243,626	1,274,849	1,251,891	1,187,006	1,297,419
TOTAL EXPENDITURES	3,154,714	3,026,167	3,379,314	3,545,803	3,613,245	3,643,116	3,848,025
ENDING FUND BALANCE	741,830	647,284	122,238	(457,574)	(988,021)	(1,487,897)	(2,131,032)
2 month Operating Reserve	333,674	345,352	353,914	376,492	391,559	407,352	423,101

Current Water Debt Obligations

WATER								
Date Issued	Loan/Bond	Purpose	Amount Issued	Annual Payment	Interest	Balance		
						30-Jun-16	Final Payment	
1	7/1/1999	Clean Water Loan	Construction on Water Treatment Plant and storage facilities	\$1,924,399	\$109,425	2.96%	\$774,520	1/1/2024
2	7/1/2010	Clean Water Loan	North East Water Reservoir, El Monte Water Main, Well 19 & 20, Water Master Plan	\$6,956,217	\$493,075	2.60%	\$5,232,058	1/1/2030
3	8/1/2011 Refinanced	Certificate of Participation	Water System Improvements	\$363,375	\$77,900	3.00%	\$192,000	8/1/2018
4	11/7/2012 Refinanced	2012 Lease Revenue Bond	Water System Improvements	\$572,516	\$37,055	3.76%	\$508,508	9/1/2038
5	12/12/2013	Lease Purchase	Solar Improvements	\$4,048,021	\$193,499	4.19%	\$4,036,662	6/12/2034

Current Sewer Debt Obligations

SEWER							Balance	
Date Issued	Loan/Bond	Purpose	Amount Issued	Annual Payment	Interest	30-Jun-16	Final Payment	
1 8/1/2011 Refinanced	Certificate of Participation	Waste Water System Improvements	\$1,251,625	\$168,225	3.00%	\$448,000	8/1/2018	
2 9/12/2007	Lease Revenue Bond	Pond Improvements at Waste Water Property for water reclamation	\$3,150,000	\$209,000	5.35%	\$2,710,000	9/1/2038	
3 1/20/2011	Energy Resources Conservation Loan	Waste Water Treatment Plant Expansion Phase I	\$611,334	\$85,190	1.00%	\$251,156	12/22/2019	
4 11/7/2012	Wastewater Rev Bond	Waste Water Treatment Plant & Sludge Beds	\$8,145,000	427,088.00	3.86%	\$7,600,000	9/1/2038	



Rate Adjustment Options

- Option 1 – Status Quo
- Option 2 – Deferred Capital Investment/Depreciation
- Option 3 – Short-Term Sustainability
- Option 4 – Long-Term Sustainability

Option 1 – Status Quo

- Developed as a one year option; will require review and adjustment next year
- Provides for required debt service coverage ratios (shared with impact fees)
- Funds 60 day reserves
- No additional capital depreciation
- No additional staffing
- Defers start of Well 21 capital project (past 16/17)
- Defers mandated update to WDR Permit
- Defers Wastewater Treatment Exp capital project (past 16/17)
- Will result in the smallest rate adjustment in FY 16/17
- Will require larger adjustments in future years

Water Fund

Water Operating Fund – Option 1: Status Quo

	Actual 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Beginning Fund Balance	771,260	708,087	323,192	361,140	384,743	398,198	576,578
Revenue							
Service Charges	2,506,120	2,385,933	2,442,110	2,910,507	3,057,197	3,149,524	3,244,640
Other Revenue	186,704	344,460	461,136	228,132	232,019	235,983	241,398
TOTAL REVENUE	2,692,824	2,730,393	2,930,246	3,138,639	3,289,216	3,386,507	3,487,038
Expenditures							
O&M	2,059,808	2,321,914	1,965,764	2,240,136	2,384,865	2,321,158	2,373,818
Debt Service/Capital	696,189	793,374	899,534	874,900	890,895	885,969	913,306
TOTAL EXPENDITURES	2,755,997	3,115,288	2,865,298	3,115,036	3,275,761	3,207,127	3,287,123
ENDING FUND BALANCE	708,087	323,192	361,140	384,743	398,198	576,578	775,493
2 Month Operating Reserve	343,301	386,986	360,961	373,356	397,478	386,860	395,636

WATER RATE RECOMMENDATIONS

Option 1- Status Quo					
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Residential					
Fixed Charge	\$10.37	\$12.24	\$12.73	\$12.98	\$13.24
First 9,000 gals (per kgals)	1.041	1.229	1.278	1.303	1.330
Over 9,000 gals (per kgals)	1.687	1.991	2.070	2.111	2.154
Commercial					
Fixed Charge	\$10.37	\$12.24	\$12.73	\$12.98	\$13.24
All Use (per kgals)	1.197	1.413	1.469	1.499	1.528
Industrial					
Fixed Charge	\$10.37	\$12.24	\$12.73	\$12.98	\$13.24
All Use (per kgals)	1.263	1.492	1.551	1.582	1.614

Note: Seniors are eligible for a 5% discount on their rates

Sewer Fund

Sewer Operating Fund – Option 1: Status Quo

	Actual 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Beginning Fund Balance	1,057,138	741,830	647,284	262,600	355,628	420,705	575,773
Revenue							
Service Charges	2,723,367	2,750,782	3,077,860	3,543,848	3,758,251	3,871,750	3,988,677
Other Revenue	116,039	180,839	75,424	75,424	75,424	75,424	64,424
TOTAL REVENUE	2,839,406	2,931,621	3,153,284	3,619,272	3,833,675	3,947,174	4,053,101
Expenditures							
O&M	2,009,591	2,084,313	2,138,917	2,271,221	2,361,768	2,460,702	2,565,285
Debt Service/ Capital	1,145,123	941,854	1,399,045	1,255,029	1,406,830	1,331,404	1,310,229
TOTAL EXPENDITURES	3,154,714	3,026,167	3,537,962	3,526,250	3,768,598	3,792,106	3,875,514
ENDING FUND BALANCE	741,830	647,284	262,600	355,628	420,705	575,773	753,360
2 month Operating Reserve	333,674	347,640	356,486	378,537	393,628	410,117	427,548

SEWER RATE RECOMMENDATIONS

Option 1- Status Quo

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Residential					
Per Month	\$31.02	\$35.37	\$37.14	\$37.88	\$38.64
Commercial					
Per Month	\$34.36	\$39.17	\$41.12	\$41.95	\$42.79
Flow (per kgals)	4.594	5.237	5.497	5.608	5.721
Industrial					
Flow (per kgals)	2.253	2.567	2.695	2.750	2.805
BOD					
First 15,000 lbs	.468/lb./kgals	.532/lb./kgals	.559/lb./kgals	.571/lb./kgals	.582/lb./kgals
BOD					
Next 15,000 lbs	.745/lb./kgals	.849/lb./kgals	.892/lb./kgals	.909/lb./kgals	.928/lb./kgals
BOD					
Over 30,000 lbs	1.019/lb./kgals	1.162/lb./kgals	1.219/lb./kgals	1.243/lb./kgals	1.269/lb./kgals
SS					
	.443/lb./kgals	.505/lb./kgals	.529/lb./kgals	.540/lb./kgals	.551/lb./kgals

PROJECTED UTILITY BILL – OPTION 1

WATER, SEWER AND DISPOSAL

	Low 3 kgals	Typical 12 kgals	High 22 kgals
Current	\$77.01	\$80.58	\$92.19
Option 1	74.04	85.35	102.22
Difference	\$(2.97)	\$4.77	\$10.03

Option 2 – Deferred Capital Investment/ Depreciation

- Provides for required debt service coverage ratios (shared with impact fees)
- Funds 60 day reserves
- No additional capital depreciation
- No additional staffing
- Defers start of Well 21 capital project (17/18)
- Defers mandated update to WDR Permit
- Defers Wastewater Treatment Exp capital project (17/18)
- Additional Capital Depreciation (per \$100,000):
 - Water \$1.41/month
 - Sewer \$1.07/month

Water Fund

Water Operating Fund – Option 2: Deferred Capital Investment/Depreciation

	Actual 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Beginning Fund Balance	771,260	708,087	323,192	468,922	437,705	365,074	454,775
Revenue							
Service Charges	2,506,120	2,385,933	2,723,892	2,888,687	3,005,101	3,095,855	3,189,350
Other Revenue	186,704	344,460	287,136	228,132	232,019	235,983	240,562
TOTAL REVENUE	2,692,824	2,730,393	3,011,028	3,116,819	3,237,120	3,331,838	3,429,912
Expenditures							
O&M	2,059,808	2,321,914	1,965,764	2,273,136	2,418,855	2,356,168	2,409,878
Debt Service/Capital	696,189	793,374	899,534	874,900	890,895	885,969	913,306
TOTAL EXPENDITURES	2,755,997	3,115,288	2,865,298	3,148,036	3,309,751	3,242,137	3,323,183
ENDING FUND BALANCE	708,087	323,192	468,922	437,705	365,074	454,775	561,504
2 Month Operating Reserve	343,301	386,986	360,961	378,856	403,143	392,695	401,646

WATER RATE RECOMMENDATIONS

Option 2- Deferred Capital Investment/ Depreciation

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Residential					
Fixed Charge	\$11.57	\$12.15	\$12.51	\$12.76	\$13.02
First 9,000 gals (per kgals)	1.162	1.219	1.257	1.281	1.307
Over 9,000 gals (per kgals)	1.881	1.975	2.035	2.075	2.116
Commercial					
Fixed Charge	\$11.57	\$12.15	\$12.51	\$12.76	\$13.02
All Use (per kgals)	1.336	1.402	1.444	1.473	1.503
Industrial					
Fixed Charge	\$11.57	\$12.15	\$12.51	\$12.76	\$13.02
All Use (per kgals)	1.410	1.480	1.525	1.555	1.587

Note: Seniors are eligible for a 5% discount on their rates

Sewer Fund

Sewer Operating Fund – Option 2: Deferred Capital Investment/Depreciation

	Actual 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Beginning Fund Balance	1,057,138	741,830	647,284	301,650	401,497	437,461	562,535
Revenue							
Service Charges	2,723,367	2,750,782	3,117,489	3,526,504	3,704,280	3,816,108	3,931,354
Other Revenue	116,039	180,839	179,800	63,689	62,839	63,839	64,839
TOTAL REVENUE	2,839,406	2,931,621	3,181,328	3,589,343	3,768,079	3,879,947	3,996,193
Expenditures							
O&M	2,009,591	2,084,313	2,138,917	2,246,467	2,336,285	2,434,469	2,538,279
Debt Service/ Capital	1,145,123	941,854	1,399,045	1,255,029	1,406,830	1,331,404	1,310,229
TOTAL EXPENDITURES	3,154,714	3,026,167	3,537,962	3,501,496	3,743,115	3,765,873	3,848,508
ENDING FUND BALANCE	741,830	647,284	301,650	401,497	437,461	562,535	709,220
2 month Operating Reserve	333,674	347,640	356,486	374,411	389,381	405,745	423,047

SEWER RATE RECOMMENDATIONS

Option 2- Deferred Capital Investment/ Depreciation

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Residential					
Per Month	\$31.42	\$35.19	\$36.60	\$37.33	\$38.08
Commercial					
Per Month	\$34.80	\$38.97	\$40.53	\$41.34	\$42.17
Flow (per kgals)	4.652	5.210	5.418	5.527	5.638
Industrial					
Flow (per kgals)	2.281	2.555	2.656	2.710	2.765
BOD					
First 15,000 lbs	.473/lb./kgals	.529/lb./kgals	.551/lb./kgals	.563/lb./kgals	.574/lb./kgals
BOD					
Next 15,000 lbs	.754/lb./kgals	.845/lb./kgals	.890/lb./kgals	.896/lb./kgals	0.914/lb./kgals
BOD					
Over 30,000 lbs	1.032/lb./kgals	1.155/lb./kgals	1.202/lb./kgals	1.226/lb./kgals	1.250/lb./kgals
SS					
	.475/lb./kgals	.501/lb./kgals	.521/lb./kgals	.532/lb./kgals	.543/lb./kgals

PROJECTED UTILITY BILL – OPTION 2

WATER, SEWER, AND DISPOSAL

	Low 3 kgals	Typical 12 kgals	High 22 kgals
Current	\$77.01	\$80.58	\$92.19
Option 2	76.01	88.62	107.43
Difference	\$(1.00)	\$8.04	\$15.24

Option 3 – Short Term Sustainability

- Provides for required debt service coverage ratios (shared with impact fees)
- Funds 60 day reserves
- No additional capital depreciation
- Funds 1 additional Wastewater Operator (FY 19/20)
- Funds 1 Utility Worker (Sewer Collection, FY 17/18)
- Funds Debt Service Payment for Well 21 (Design 16/17)
- Funds Update of WDR Permit (FY 16/17)
- Funds WWRF Phase II (FY 17/18)
- Additional Capital Depreciation (per \$100,000):
 - Water \$1.41/month
 - Sewer \$1.07/month

Water Fund

Water Operating Fund – Option 3: Short-Term Sustainability

	Actual 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Beginning Fund Balance	771,260	708,087	323,192	485,605	429,418	396,074	529,506
Revenue							
Service Charges	2,506,120	2,385,933	2,774,575	2,971,570	3,152,241	3,247,439	3,345,512
Other Revenue	186,704	344,460	288,136	228,132	232,019	235,983	240,562
TOTAL REVENUE	2,692,824	2,730,393	3,062,711	3,199,702	3,384,260	3,483,422	3,586,074
Expenditures							
O&M	2,059,808	2,321,914	2,000,764	2,273,136	2,418,855	2,256,168	2,409,878
Debt Service/Capital	696,189	793,374	899,534	982,753	998,748	993,822	1,021,159
TOTAL EXPENDITURES	2,755,997	3,115,288	2,900,298	3,255,889	3,417,604	3,349,990	3,431,036
ENDING FUND BALANCE	708,087	323,192	485,605	429,418	396,074	529,506	684,544
2 Month Operating Reserve	343,301	386,986	366,794	378,856	403,143	392,695	401,646

WATER RATE RECOMMENDATIONS

Option 3- Short-Term Sustainability

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Residential					
Fixed Charge	\$11.67	\$12.25	\$12.74	\$13.00	\$13.26
First 9,000 gals (per kgals)	1.171	1.230	1.279	1.305	1.330
Over 9,000 gals (per kgals)	1.897	1.992	2.071	2.112	2.155
Commercial					
Fixed Charge	\$11.67	\$12.25	\$12.74	\$13.00	\$13.26
All Use (per kgals)	1.348	1.416	1.472	1.501	1.531
Industrial					
Fixed Charge	\$11.67	\$12.25	\$12.74	\$13.00	\$13.26
All Use (per kgals)	1.422	1.495	1.553	1.586	1.616

Note: Seniors are eligible for a 5% discount on their rates

Sewer Fund

Sewer Operating Fund – Option3: Short-Term Sustainability

	Actual 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Beginning Fund Balance	1,057,138	741,830	736,520	651,188	653,044	674,936	724,142
Revenue							
Service Charges	2,723,367	2,750,782	3,276,005	3,540,379	3,790,330	3,904,798	4,022,723
Other Revenue	116,039	180,839	76,424	76,424	76,424	76,424	64,424
TOTAL REVENUE	2,839,406	2,931,621	3,352,429	3,616,803	3,866,754	3,981,222	4,087,147
Expenditures							
O&M	2,009,591	2,084,313	2,138,917	2,360,221	2,453,438	2,651,122	2,761,418
Debt Service/ Capital	1,145,123	941,854	1,298,844	1,254,726	1,391,424	1,280,894	1,309,614
TOTAL EXPENDITURES	3,154,714	3,026,167	3,437,761	3,614,947	3,884,862	3,932,016	4,071,032
ENDING FUND BALANCE	741,830	647,284	561,952	540,229	538,542	564,169	556,705
2 month Operating Reserve	333,674	347,640	356,486	393,370	408,906	441,854	460,236

SEWER RATE RECOMMENDATIONS

Option 3- Short-Term Sustainability

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Residential					
Per Month	\$33.02	\$35.33	\$37.45	\$38.20	\$38.97
Commercial					
Per Month	\$36.57	\$39.13	\$41.47	\$42.30	\$43.15
Flow (per kgals)	4.889	5.231	5.544	5.655	5.769
Industrial					
Flow (per kgals)	2.397	2.566	2.719	2.773	2.829
BOD					
First 15,000 lbs	.497/lb./kgals	.532/lb./kgals	.564/lb./kgals	.575/lb./kgals	.587/lb./kgals
BOD					
Next 15,000 lbs	.793/lb./kgals	.848/lb./kgals	.898/lb./kgals	0.917/lb./kgals	0.934/lb./kgals
BOD					
Over 30,000 lbs	1.084/lb./kgals	1.160/lb./kgals	1.230/lb./kgals	1.254/lb./kgals	1.279/lb./kgals
SS					
	.471/lb./kgals	.504/lb./kgals	.533/lb./kgals	.544/lb./kgals	.556/lb./kgals

PROJECTED UTILITY BILL – OPTION 3

	Low 3 kgals	Typical 12 kgals	High 22 kgals
Current	\$77.01	\$80.58	\$92.19
Option 3	77.73	90.45	109.42
Difference	(.72)	9.87	17.23

Option 4 – Long Term Sustainability

- Provides for adequate debt service coverage ratios (no reliance on impact fee funds)
- Funds 60 day reserves
- Pays an additional \$420,000 of water and \$390,000 in sewer for capital depreciation
- Funds 1 additional Wastewater Operator – FY 19/20
- Funds 2 additional Utility Workers (Sewer Collection) – FY 17/18
- Funds Debt Service Payment for Well 21 (Design 16/17) and Well 22.
- Funds mandated update of WDR Permit (FY 16/17)
- Funds WWRF Phase II (17/18)

Water Fund

Water Operating Fund – Option 4: Long-Term Sustainability

	Actual 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Beginning Fund Balance	771,260	708,087	323,192	748,201	738,652	655,142	687,254
Revenue							
Service Charges	2,506,120	2,385,933	3,799,504	3,785,474	3,771,020	3,884,905	4,002,229
Other Revenue	186,704	344,260	288,136	229,132	233,019	236,983	241,398
TOTAL REVENUE	2,692,824	2,730,393	4,088,640	4,014,606	4,004,039	4,121,888	4,243,627
Expenditures							
O&M	2,059,808	2,321,869	2,022,517	2,282,837	2,325,674	2,374,264	2,428,452
Debt Service/Capital	696,189	793,374	1,640,159	1,742,319	1,761,874	1,715,512	1,745,060
TOTAL EXPENDITURES	2,755,997	3,115,288	3,662,676	4,025,156	4,087,549	4,089,776	4,173,518
ENDING FUND BALANCE	708,087	323,192	748,201	738,652	655,142	687,254	758,363
2 Month Operating Reserve	343,301	386,986	370,419	380,473	387,612	395,711	404,742

WATER RATE RECOMMENDATIONS

Option 4- Long-Term Sustainability

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Residential					
Fixed Charge	\$16.14	\$16.46	\$16.79	\$17.13	\$17.47
First 9,000 gals (per kgals)	1.588	1.620	1.652	1.686	1.719
Over 9,000 gals (per kgals)	2.572	2.623	2.675	2.729	2.783
Commercial					
Fixed Charge	\$16.14	\$16.46	\$16.79	\$17.13	\$17.47
All Use (per kgals)	1.948	1.987	2.025	2.067	2.108
Industrial					
Fixed Charge	\$16.14	\$16.46	\$16.79	\$17.13	\$17.47
All Use (per kgals)	2.076	2.118	2.159	2.203	2.247

Note: Seniors are eligible for a 5% discount on their rates

Sewer Fund

Sewer Operating Fund – Option 4: Long-Term Sustainability

	Actual 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Beginning Fund Balance	1,057,138	741,830	647,284	1,094,826	1,391,790	1,717,429	2,015,088
Revenue							
Service Charges	2,723,367	2,750,782	4,623,395	4,763,022	4,906,865	5,055,052	5,207,715
Other Revenue	116,039	180,839	76,424	78,424	80,424	82,424	69,4
TOTAL REVENUE	2,839,406	2,931,621	4,699,819	4,841,446	4,987,289	5,137,476	5,277,139
Expenditures							
O&M	2,009,591	2,084,313	2,171,917	2,483,211	2,580,118	2,781,602	2,895,812
Debt Service/ Capital	1,145,123	941,854	2,081,360	2,062,270	2,082,533	2,058,215	3,074,194
TOTAL EXPENDITURES	3,154,714	3,206,167	4,253,277	4,545,481	4,662,651	4,839,817	5,970,000
ENDING FUND BALANCE	741,830	647,284	1,094,826	1,391,790	1,717,429	2,015,088	1,322,221
2 month Operating Reserve	333,674	347,640	361,986	413,868	430,020	463,600	482,635

SEWER RATE RECOMMENDATIONS

Option 4- Long-Term Sustainability

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Residential					
Per Month	\$46.60	\$47.53	\$48.49	\$49.45	\$50.44
Commercial					
Per Month	\$51.61	\$52.64	\$53.69	\$54.77	\$55.86
Flow (per kgals)	6.900	7.037	7.178	7.322	7.468
Industrial					
Flow (per kgals)	3.384	3.451	3.520	3.590	3.662
BOD					
First 15,000 lbs	.702/lb./kgals	.717/lb./kgals	.730/lb./kgals	.745/lb./kgals	.759/lb./kgals
BOD					
Next 15,000 lbs	1.1119/lb./kgals	1.140/lb./kgals	1.163/lb./kgals	1.187/lb./kgals	1.210/lb./kgals
BOD					
Over 30,000 lbs	1.531/lb./kgals	1.560/lb./kgals	1.592/lb./kgals	1.624/lb./kgals	1.656/lb./kgals
SS					
	.664/lb./kgals	.678/lb./kgals	.691/lb./kgals	.705/lb./kgals	.719/lb./kgals

PROJECTED UTILITY BILL – OPTION 4

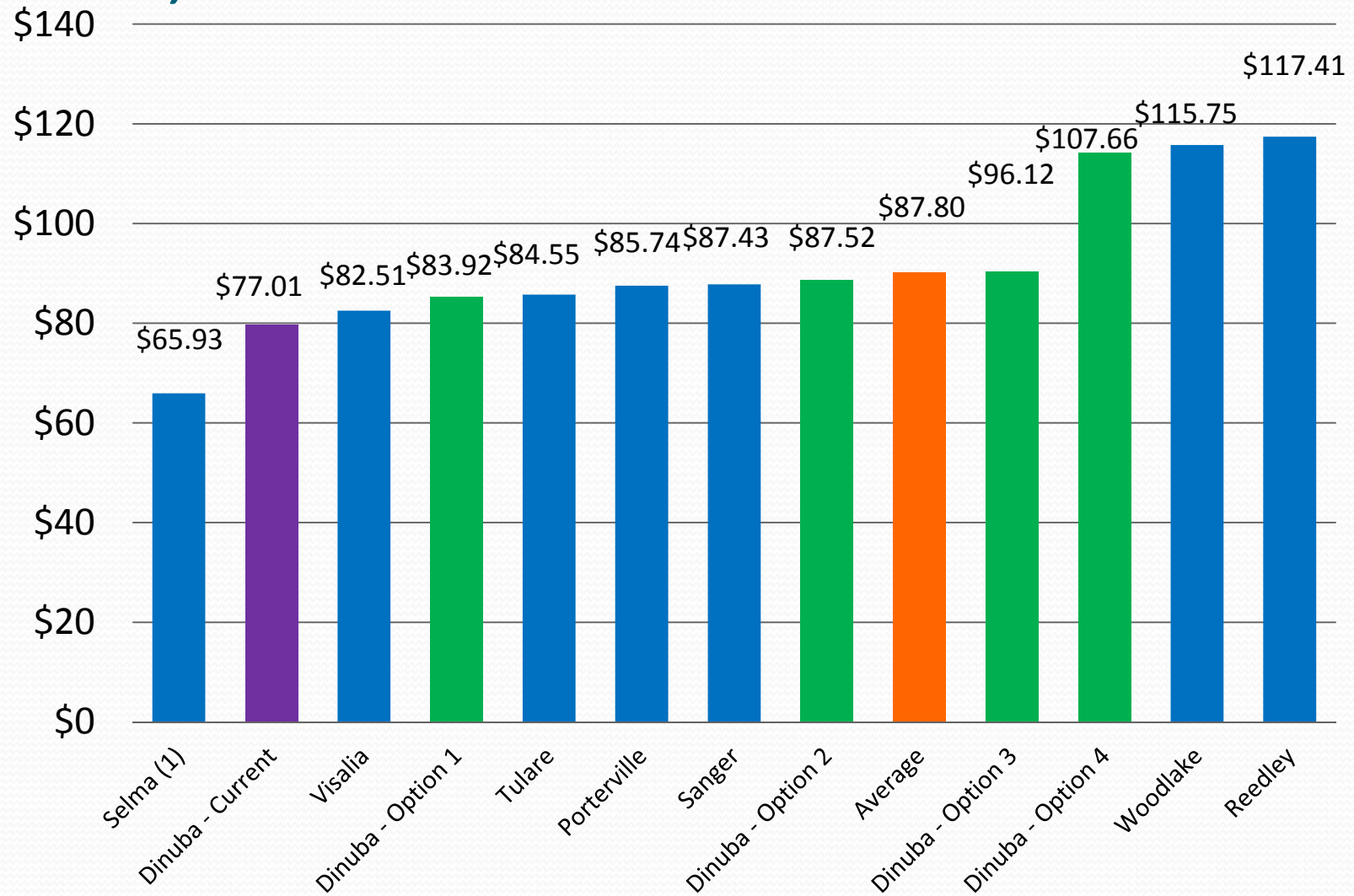
	Low 3 kgals	Typical 12 kgals	High 22 kgals
Current	\$77.01	\$80.58	\$92.19
Option 4	97.03	114.28	140.00
Difference	\$20.02	\$33.70	\$47.81

TOTAL BILL – ALL THREE UTILITIES

Typical User (FY 16/17)

	Current	Proposed	Difference
Option 1	\$80.58	\$85.35	\$4.77
Option 2	80.58	88.62	8.04
Option 3	80.58	90.45	9.87
Option 4	80.58	114.28	33.70

Comparison of Combined Residential Water, Sewer and Solid Waste Bill



(1) Selma solid waste service is paid for through taxes

NEXT STEPS

Tonight – Select a rate option and implementation plan

Options would include:

1 year of rates or

Full 5 years of rates

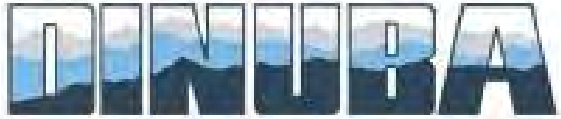
Declare a Council vote on rates

Public hearing to adopt rate adjustment resolutions/first reading of rate notice

Second reading of notice

New rates effective

City of



CITY OF
DINUBA, CALIFORNIA

QUESTIONS & DISCUSSION