

*** DRAFT 2017 Proposed Rates ***



Water and Wastewater Commission Budget Committee

June 27, 2017





Rates and Revenue Highlights

Total service rate revenue increase of \$17.5 million over FY 2016 Amended Budget:

- **Water Services - \$9.5 million**
 - 3.4% rate revenue increase
 - New Conservation Stage water restrictions
- **Wastewater Services - \$7.8 million**
 - 3.0% rate revenue increase
 - Revised wastewater averages
- **Reclaimed Water Services - \$0.2 million**
 - 5.8% system-wide rate increase

Residential Water Rate Changes:

- **Fixed Revenue**

- No change in fixed revenue until completion of cost of service rate study

- **Volumetric Rates**

- Increase Tier 2 from \$4.84 to \$5.05
- \$0.21 increase in Tier 2 as transition to cost of service level
- Spread between blocks 1 and 5 increased from \$11.00 to \$11.25



Draft Residential Water Rates

	Non-CAP		CAP Customers	
	Proposed FY 2016	Draft FY 2017	Proposed FY 2016	Draft FY 2017
Meter Charge:	\$ 7.10	\$ 7.10	\$ -	\$ -
Tiered Fee Block 1	\$ 1.20	\$ 1.25	\$ -	\$ -
Tiered Fee Block 2	3.45	3.55	-	-
Tiered Fee Block 3	8.75	9.40	-	-
Tiered Fee Block 4	27.35	30.00	-	-
Tiered Fee Block 5	27.35	30.00	-	-
Volumetric Block 1	\$ 3.16	\$ 3.18	\$ 2.47	\$ 2.50
Volumetric Block 2	4.84	5.05	3.89	4.16
Volumetric Block 3	7.88	8.68	5.76	6.80
Volumetric Block 4	11.90	13.10	9.90	11.68
Volumetric Block 5	14.16	14.43	14.16	14.43



Residential Water Bill Comparison

Approved 2016 vs. Draft 2017

Non-CAP Customers

Monthly Usage Gallons 5/8" Meter	Approved FY 2016	Draft FY 2017	Variance 2016 vs Draft 2017	
			\$ Var	% Var
0	\$ 8.30	\$ 8.35	\$ 0.05	0.6%
1,000	11.65	11.72	0.07	0.6%
2,000	15.00	15.09	0.09	0.6%
5,000	32.34	33.11	0.77	2.4%
5,800 Annual Avg	40.26	41.71	1.45	3.6%
6,000	37.37	38.35	0.98	2.6%
9,000	66.88	70.81	3.93	5.9%
15,000	149.98	162.31	12.33	8.2%
25,000	282.18	301.86	19.68	7.0%
30,000	353.93	374.96	21.03	5.9%
60,000	784.43	813.56	29.13	3.7%



Residential Water Bill Comparison

Approved 2016 vs. Draft 2017

CAP Customers

Monthly Usage Gallons 5/8" Meter	Approved FY 2016	Draft FY 2017	Variance 2016 vs Draft 2017	
			\$ Var	% Var
0	\$ -	\$ -	\$ -	0.0%
1,000	2.66	2.69	0.03	1.1%
2,000	5.32	5.38	0.06	1.1%
5,000	17.56	18.43	0.87	5.0%
5,800 Annual Avg	21.54	22.99	1.45	6.7%
6,000	21.64	22.78	1.14	5.3%
9,000	39.49	43.75	4.26	10.8%
15,000	91.75	105.21	13.46	14.7%
25,000	213.95	237.66	23.71	11.1%
30,000	285.70	310.76	25.06	8.8%
60,000	716.20	749.36	33.16	4.6%



Draft Residential Wastewater Rates

	Approved FY 2016	Non-CAP Draft FY 2017	CAP Draft FY 2017
Customer Charge:	<u>\$ 10.30</u>	<u>\$ 10.30</u>	<u>\$ -</u>
Volumetric Block 1	\$ 4.90	\$ 5.30	\$ 5.30
Volumetric Block 2	9.94	10.35	10.35



Residential Wastewater Bill Comparison

Approved 2016 vs. Draft 2017

Non-CAP Customers

Monthly Usage Gallons 5/8" Meter	Approved		Draft		Variance	
	FY 2016		FY 2017		2016 vs Draft 2017 \$ Var	% Var
0	\$	10.30	\$	10.30	\$ -	0.0%
1,000		15.20		15.60	0.40	2.6%
2,000		20.10		20.90	0.80	4.0%
4,000 Annual Avg		39.98		41.60	1.62	4.1%
5,000		49.92		51.95	2.03	4.1%
6,000		59.86		62.30	2.44	4.1%
9,000		89.68		93.35	3.67	4.1%
15,000		149.32		155.45	6.13	4.1%



Residential Wastewater Bill Comparison

Approved 2016 vs. Draft 2017

CAP Customers

Monthly Usage Gallons 5/8" Meter	Approved		Draft		Variance	
	FY 2016		FY 2017		2016 vs Draft 2017 \$ Var	% Var
0	\$	-	\$	-	\$ -	0.0%
1,000		4.90		5.30	0.40	8.2%
2,000		9.80		10.60	0.80	8.2%
4,000 Annual Avg		29.68		31.30	1.62	5.5%
5,000		39.62		41.65	2.03	5.1%
6,000		49.56		52.00	2.44	4.9%
9,000		79.38		83.05	3.67	4.6%
15,000		139.02		145.15	6.13	4.4%



Average Residential Customer Bills

5,800 Gals. Water and 4,000 Gals. Wastewater

Non-CAP Customers

	Approved 2016	Forecast 2017	Draft 2017
Water	\$ 40.26	\$ 41.93	\$ 41.71
Wastewater	39.98	41.06	41.60
Total	\$ 80.24	\$ 82.99	\$ 83.31
\$ Variance	-	\$ 2.75	\$ 3.07
% Variance	-	3.4%	3.8%



Average Residential Customer Bills

5,800 Gals. Water and 4,000 Gals. Wastewater

CAP Customers

	Approved 2016	Forecast 2017	Draft 2017
Water	\$ 21.54	\$ 23.11	\$ 22.99
Wastewater	29.68	30.56	31.30
Total	\$ 51.22	\$ 53.67	\$ 54.29
\$ Variance	-	\$ 2.45	\$ 3.07
% Variance	-	4.8%	6.0%



Customer Assistance Program (CAP) Draft Discount Summary

- Approximately 20,000 CAP participants
- Waived monthly water meter charge
- Waived monthly water tiered fixed fee
- Discounted volumetric water rates
- Waived monthly wastewater customer charge
- Average CAP discount of \$29.02 per month

	2017 Average Monthly Bill Comparison: Non-CAP vs. CAP			
	Non-CAP	CAP	\$ Discount	% Discount
Water	\$ 41.71	\$ 22.99	\$ 18.72	44.9%
Wastewater	41.60	31.30	10.30	24.8%
Combined	<u>\$ 83.31</u>	<u>\$ 54.29</u>	<u>\$ 29.02</u>	<u>34.8%</u>

Note: Bills based on 5,800 Gals water and 4,000 Gals. wastewater



Multifamily Rates and Bill Impacts

Multifamily Rates

- 2.1% class water rate revenue increase
- 2.4% class wastewater rate revenue increase

	Off Peak Rates (Nov-Jun)		Peak Rates (Jul-Oct)	
	Approved	Draft	Approved	Draft
	FY 2016	FY 2017	FY 2016	FY 2017
Water Rates				
Meter Charge: (1 1/2")	\$ 118.00	\$ 112.00	\$ 118.00	\$ 112.00
Volume Rate	\$ 4.90	\$ 5.14	\$ 5.39	\$ 5.65
Wastewater Rates				
Minimum Charge	\$ 10.30	\$ 10.30		
Volume Rate	\$ 9.20	\$ 9.48		
Average Bill Impact: (129,000 gals. / mth W) (108,000 gals. / mth WW)	Annual Average Bill		Variance	
	Approved	Draft	2016 vs Draft 2017	
	FY 2016	FY 2017	\$ Var	% Var
Water	\$ 797.68	\$ 823.58	\$ 25.90	3.2%
Wastewater	1,003.90	1,034.14	30.24	3.0%
Combined	\$ 1,801.58	\$ 1,857.72	\$ 56.14	3.1%



Commercial Rates and Bill Impacts

Commercial Rates

- 2.3% class water rate revenue increase
- 1.7% class wastewater rate revenue increase

	Off Peak Rates (Nov-Jun)		Peak Rates (Jul-Oct)	
	Approved	Draft	Approved	Draft
<u>Water Rates</u>	FY 2016	FY 2017	FY 2016	FY 2017
Meter Charge: (1 1/2")	\$ 79.00	\$ 81.00	\$ 79.00	\$ 81.00
Volume Rate	\$ 5.82	\$ 6.00	\$ 6.40	\$ 6.60
<u>Wastewater Rates</u>	Approved	Draft		
	FY 2016	FY 2017		
Minimum Charge	\$ 10.30	\$ 10.30		
Volume Rate	\$ 9.26	\$ 9.48		
Average Bill Impact: (67,000 gals. / mth W) (44,000 gals. / mth WW)	Annual Average Bill		Variance	
	Approved	Draft	2016 vs Draft 2017	
	FY 2016	FY 2017	\$ Var	% Var
Water	\$ 499.67	\$ 512.28	\$ 12.61	2.5%
Wastewater	417.74	427.42	9.68	2.3%
Combined	\$ 917.41	\$ 939.70	\$ 22.29	2.4%



Large Volume Rates

Large Volume Rates

- 4.7% class water rate revenue increase
- 4.7% class wastewater rate revenue increase

	Off Peak Rates (Nov-Jun)		Peak Rates (Jul-Oct)	
	Approved	Draft	Approved	Draft
	FY 2016	FY 2017	FY 2016	FY 2017
Water Volume Rates				
NXP - Ed Bluestein	\$ 5.17	\$ 5.07	\$ 5.69	\$ 5.57
NXP - Wm Cannon	5.17	5.60	5.69	6.16
Samsung	5.30	5.65	5.83	6.21
Novati	5.48	5.51	6.03	6.06
Spansion	5.22	5.46	5.75	6.01
University of Texas	5.82	6.00	6.40	6.60
	Approved	Draft		
	FY 2016	FY 2017		
Wastewater Rates				
NXP - Ed Bluestein	\$ 8.52	\$ 8.95		
NXP - Wm Cannon	8.52	8.94		
Samsung	7.89	8.30		
Novati	7.63	8.18		
Spansion	7.95	8.40		
University of Texas	9.08	9.42		

Questions?

