



# WASTEWATER COLLECTION UTILITY RATES & FINANCIAL PROJECTIONS



# WASTEWATER PROJECTIONS

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- FY 2022 proposal:
  - 3% overall revenue increase
  - Annual capital program contribution to CIP Reserve to ensure reserve health, rate stability, and availability of capital investment funds
  - Alternate Proposal: 0% overall revenue increase; the fund would need to defer future replacement projects or reduce spending of \$200,000 annually on average to prevent reserves falling below the minimum guidelines during FY 22-26
  - Wastewater Cost of Service customer class % rate changes differ from overall:
    - 4.7% for residential, 1.5% for commercial, and -2.1% for restaurant
- Future projections
  - 3% in FY 2023
  - 5% annually FY 2024 – FY 2026

# RESIDENTIAL AND NON-RESIDENTIAL RATE IMPACTS

		Current (as of 7/1/2019)	Proposed (effective 9/1/2021)		
<b>Monthly Service Charges (\$/month)</b>				<b>\$ Change</b>	<b>% Change</b>
S-1 (Residential)	Service charge	\$41.37	\$43.32	\$1.95	4.7%
<b>Quantity Rates:</b>				<b>\$ Change</b>	<b>% Change</b>
S-2 (Commercial)	\$/CCF	7.97	8.09	0.12	1.5%
S-6 (Restaurant)	\$/CCF	12.33	12.07	(0.26)	(2.1%)

- (1) Monthly charges for S-1 (Residential) are fixed monthly charges.
- (2) For S-2 (Commercial) customers, the quantity charges are based upon the average water usage for the months of January, February and March and applied in the following July. For Restaurant customers, the quantity charges are based on monthly metered water usage.
- (3) Currently there are no customers on the S-7 (Industrial) rate schedule; however, CPAU continues to maintain the S-7 rate schedule in case there is a need for the rate schedule in the future.





## RECOMMENDATION

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Staff requests that the Finance Committee recommend that the Council:

- Adopt a resolution approving:
  - The Fiscal Year 2022 Wastewater Collection Financial Plan
  - Up to a \$2.2 million transfer from the Operations to the Capital Improvements Projects Reserve in FY 2021
  - Up to a \$4.35 million capital program contribution from the Operations to the Capital Improvement Projects Reserve in FY 2022
  - Amendments to the Wastewater Collection Utility Reserves Management Practices
- Adopt a resolution approving adjustments to Wastewater Collection Utility Rates Via the Amendment of Wastewater Collection and Disposal Rate Schedules
  - S-1 (Residential), S-2 (Commercial), S-6 (Restaurant) and S-7 (Industrial Discharger)