

# Water Rate - O&M

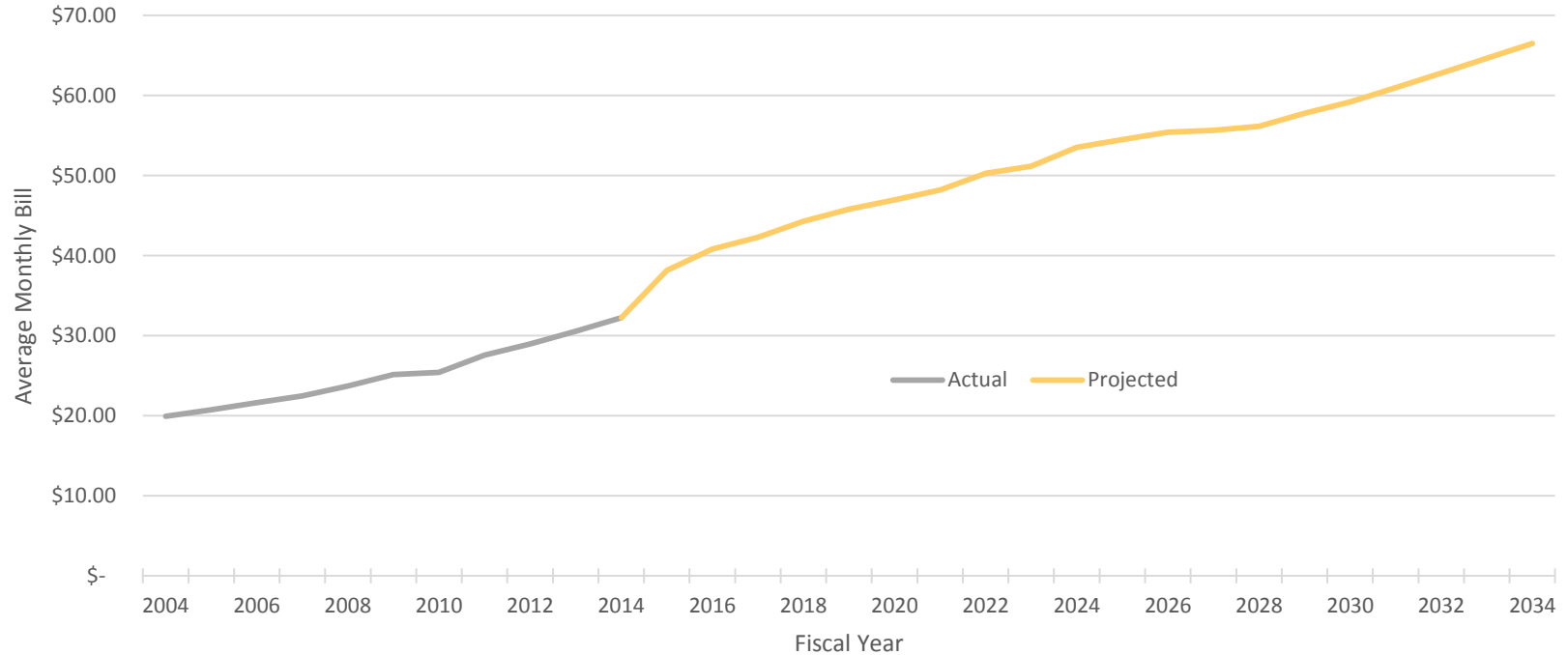


Council Presentation  
March 10, 2015



# Current Rate Projection

Average Water Bill (\$6,000 gal/month)





# Discover, Discuss, Decide

---





# Rate Review Schedule

---

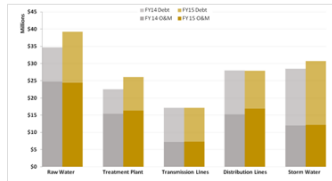
Date	Topic
March 10, 2015	Projected Rate Water System Components Utility Bill Breakdown Costs – Operation and Maintenance (O&M)
March 24, 2015	Costs - Current and Future Debt
March 31, 2015	Consumption Trends Customer Trends Inclined Block Rate
April 14, 2015	Rate Model Rate Calculations
April 21, 2015	Additional Week of Discovery
April 28, 2014	Additional Week of Discovery
May 12, 2015	Alternatives Evaluated
May 19, 2015	Additional Alternatives Evaluated 1
May 26, 2015	Additional Alternatives Evaluated 2
June 9, 2015	First Reading Proposed Rate
June 16, 2015	Adoption of New Rate

---

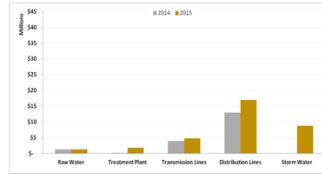


# Calculation for Unit Cost

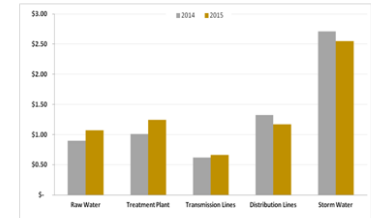
Cost



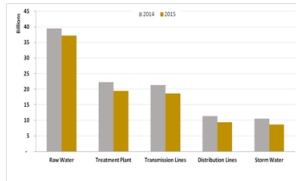
Adjustments



Unit Cost

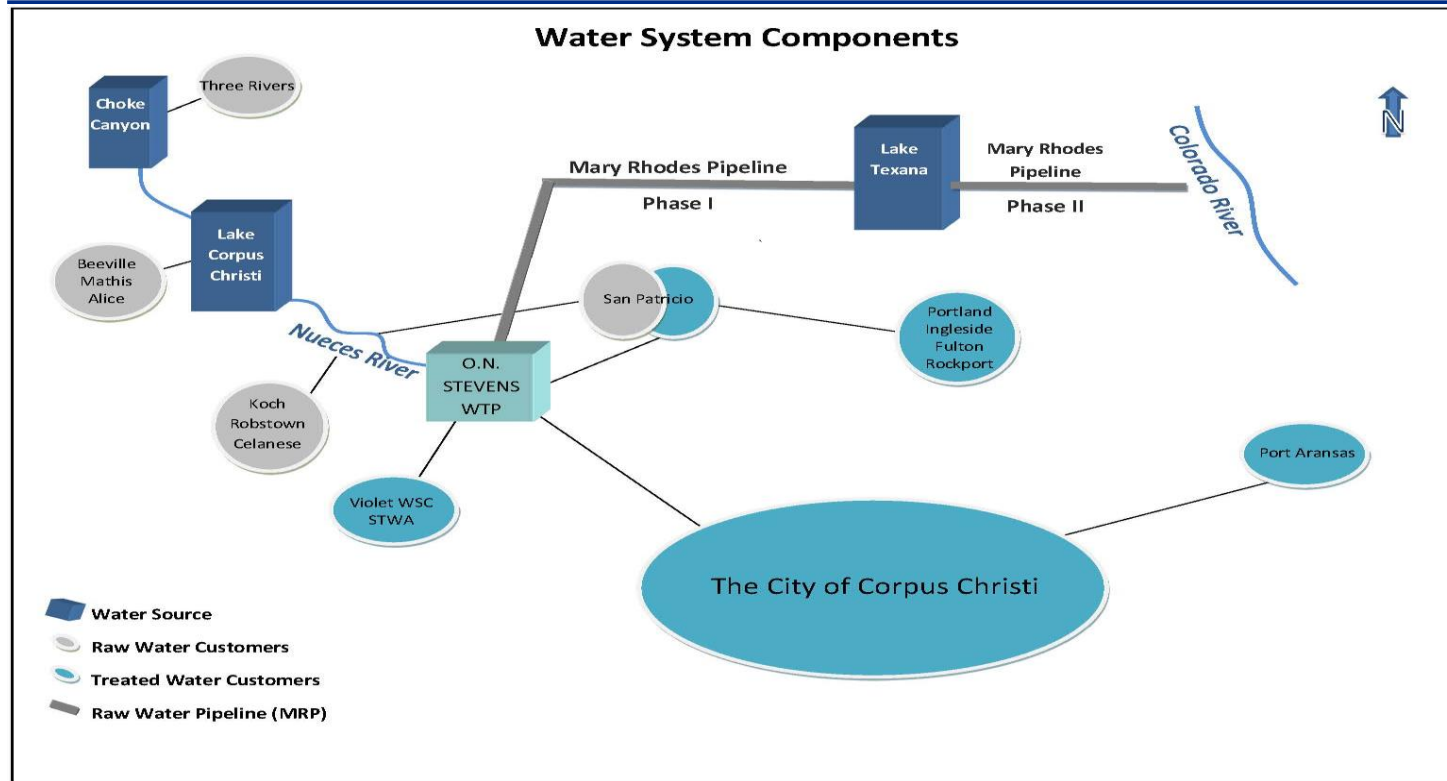


Volume



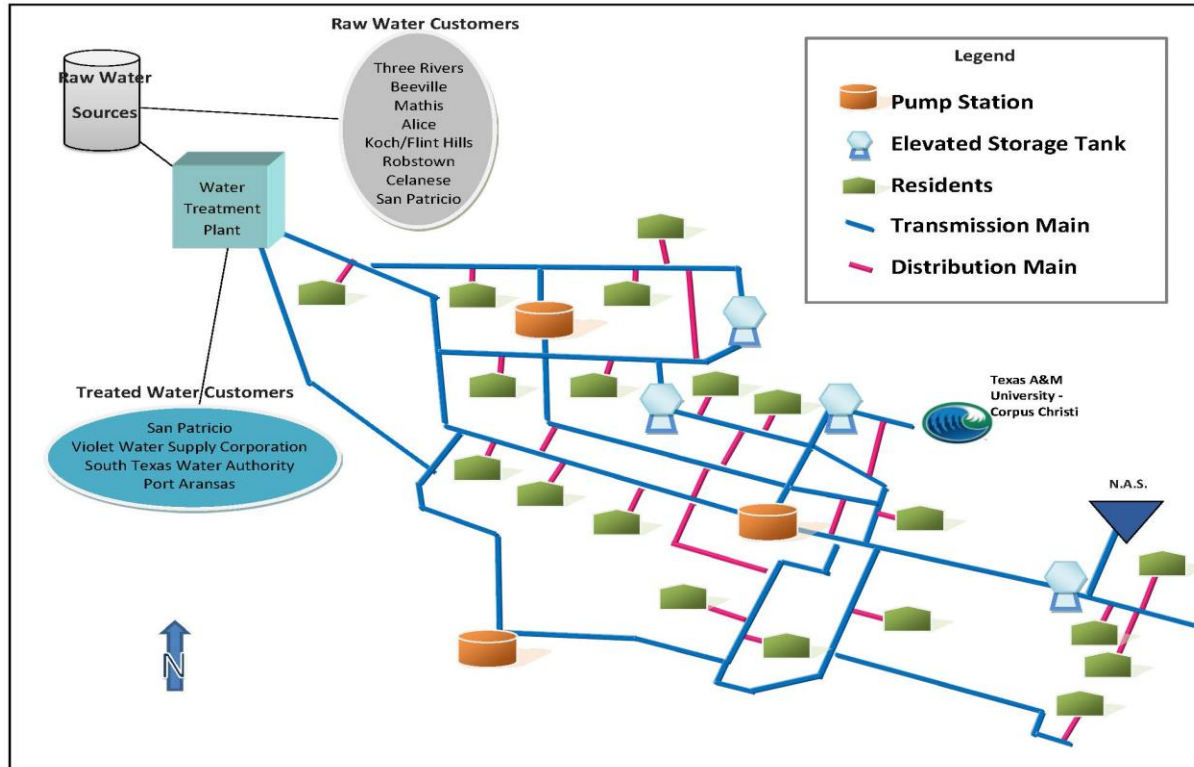


# Water System Components





# Water System Components





# Utility Bill Breakdown

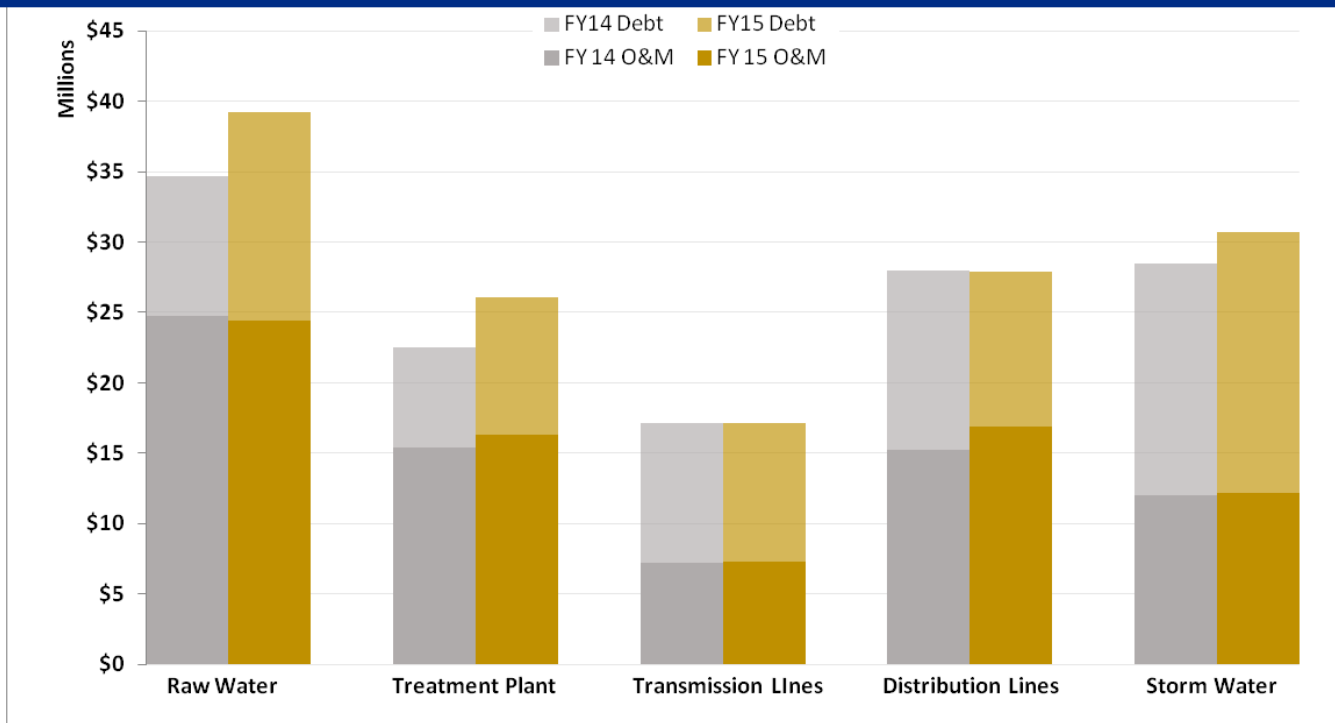
	Raw Water	Treatment	Transmission	Distribution	Stormwater
<b>Inside City Limits</b>					
Residential and Commercial	•	•	•	•	•
<b>Outside City Limits</b>					
Residential and Commercial	•	•	•	•	
Industrial customers	•	•	•		
Port Aransas & Violet Water Supply Corporation	•	•	•		
San Patricio Municipal Water District	•	•			
South Texas Water Authority	•	•			
<b>Raw Water Customers</b>	•				





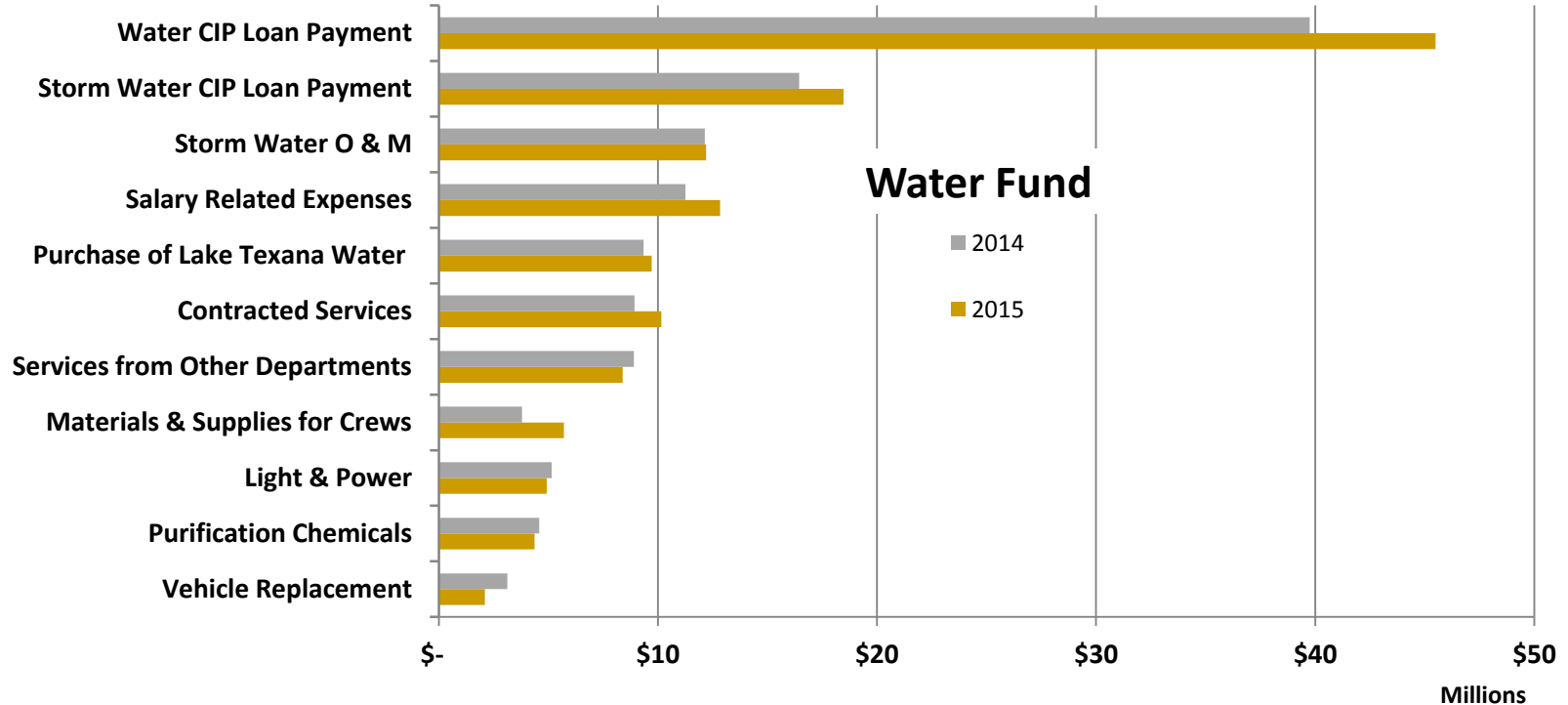
# Costs

(Cost – Adjustments) = Unit Cost  
Volume





# Water Fund



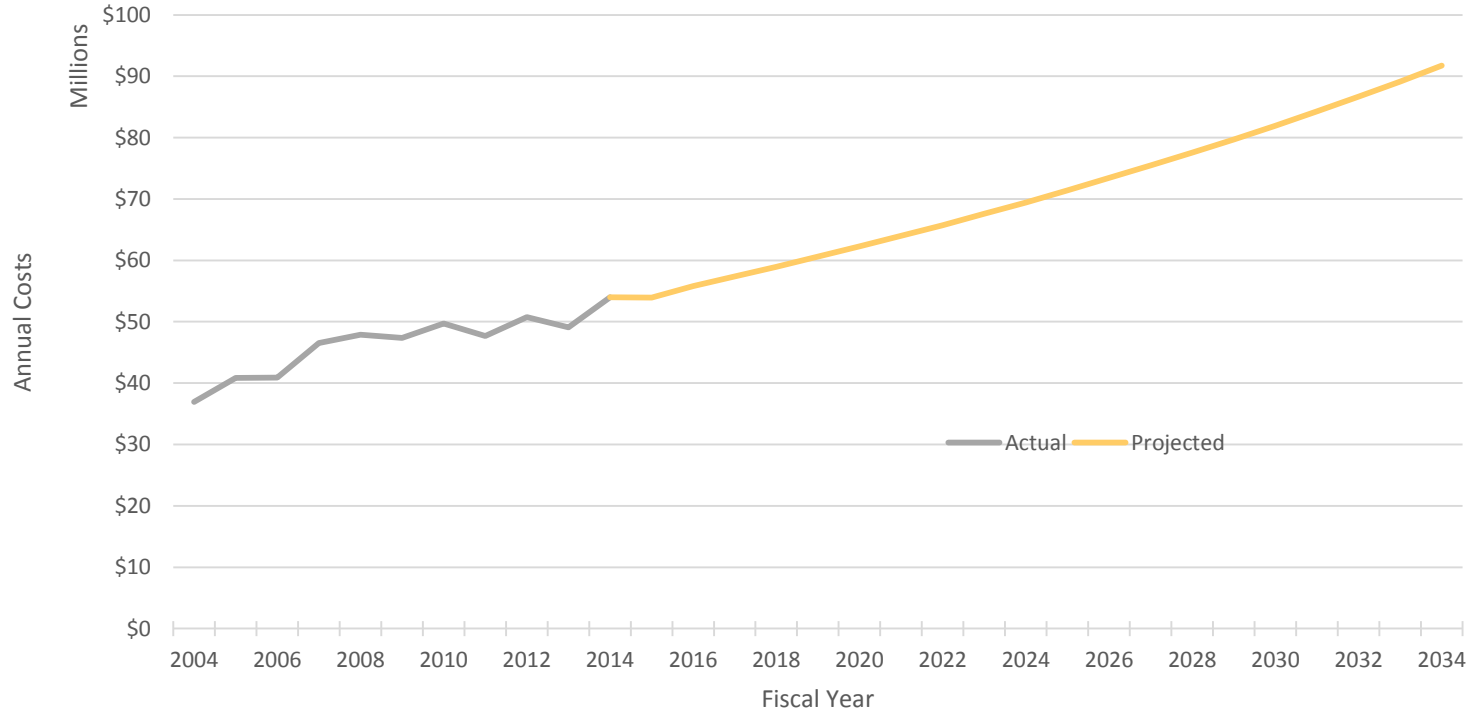


# Operations & Maintenance Expenses



# O&M Costs

Future O&M Costs





# Assumptions

---

- Salary Related Expenses 4% per year
- O&M Related Expenses 2% per year
- Prior to 2015 Actuals
- 2015 and Beyond Rate Model
- O&M only, Debt Next week



# Cost Control Measures

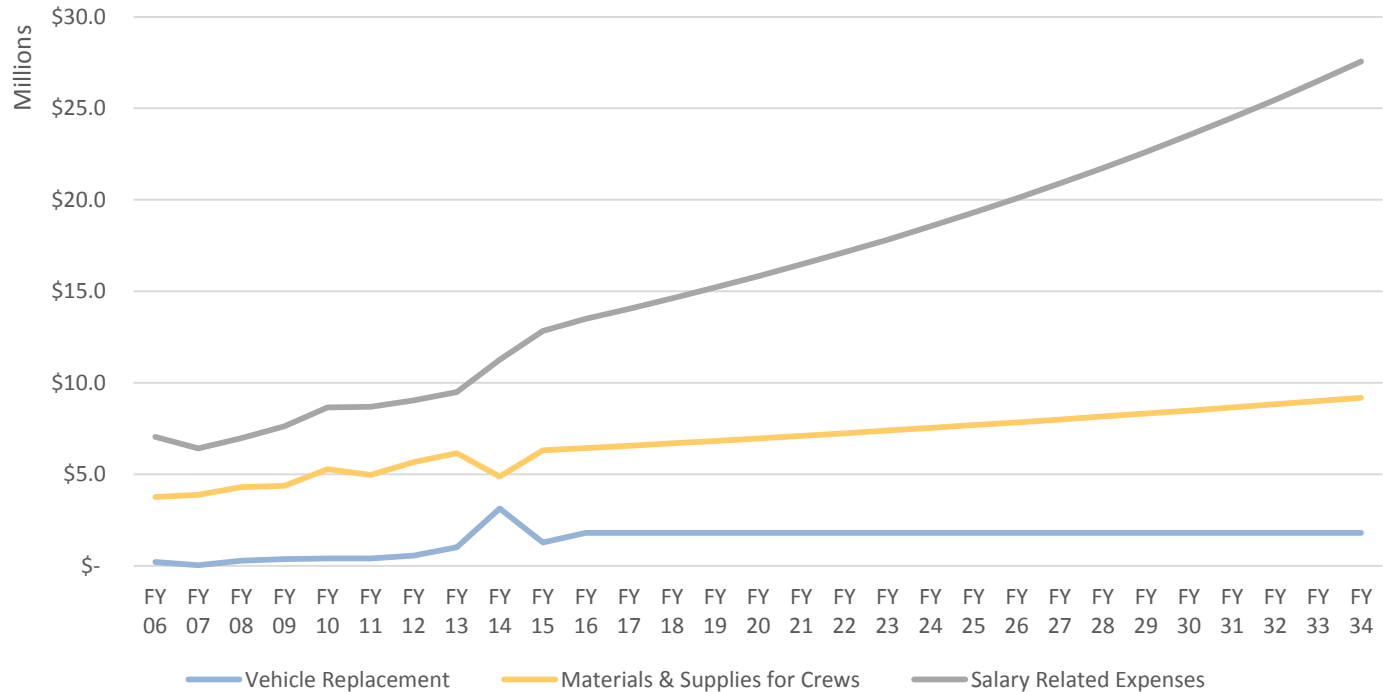
---

- Model includes No Increase in FTE
  - Consolidated Utilities
    - Reduced Vehicles
    - Increased Maintenance Capability
  - Large Scale Maintenance Projects In-House
  - Multi Year Contracts & Supply Agreements
    - IDIQ
    - Chemicals
-



# Water Fund

## Independent of Volume Costs





# Water Fund

---

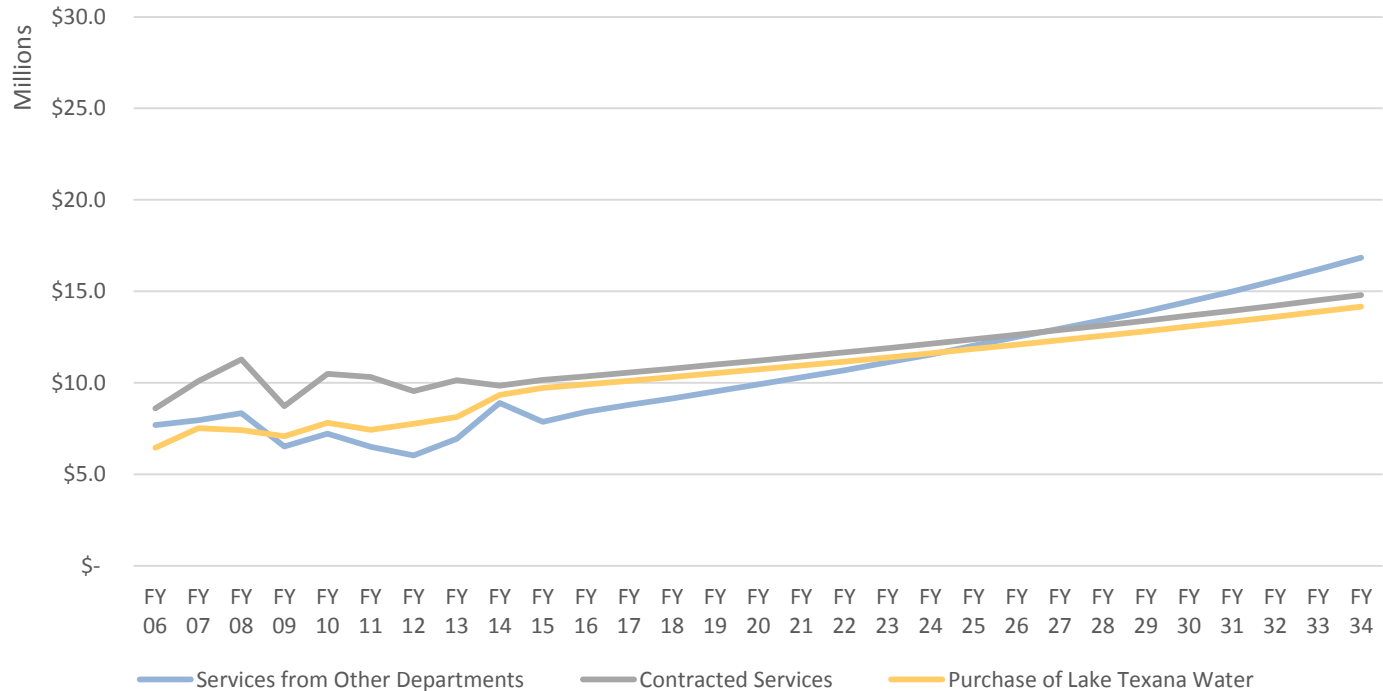
- Salary Related Expenses
    - Salaries & Wages
    - Retirement
    - Group Medical
  - Materials & Supplies for Crews
    - Hydrant parts
    - Repair Clamps and Couplings
    - Equipment Rental
  - Vehicle Replacement
-





# Water Fund

## Independent of Volume Contract Costs





# Water Fund

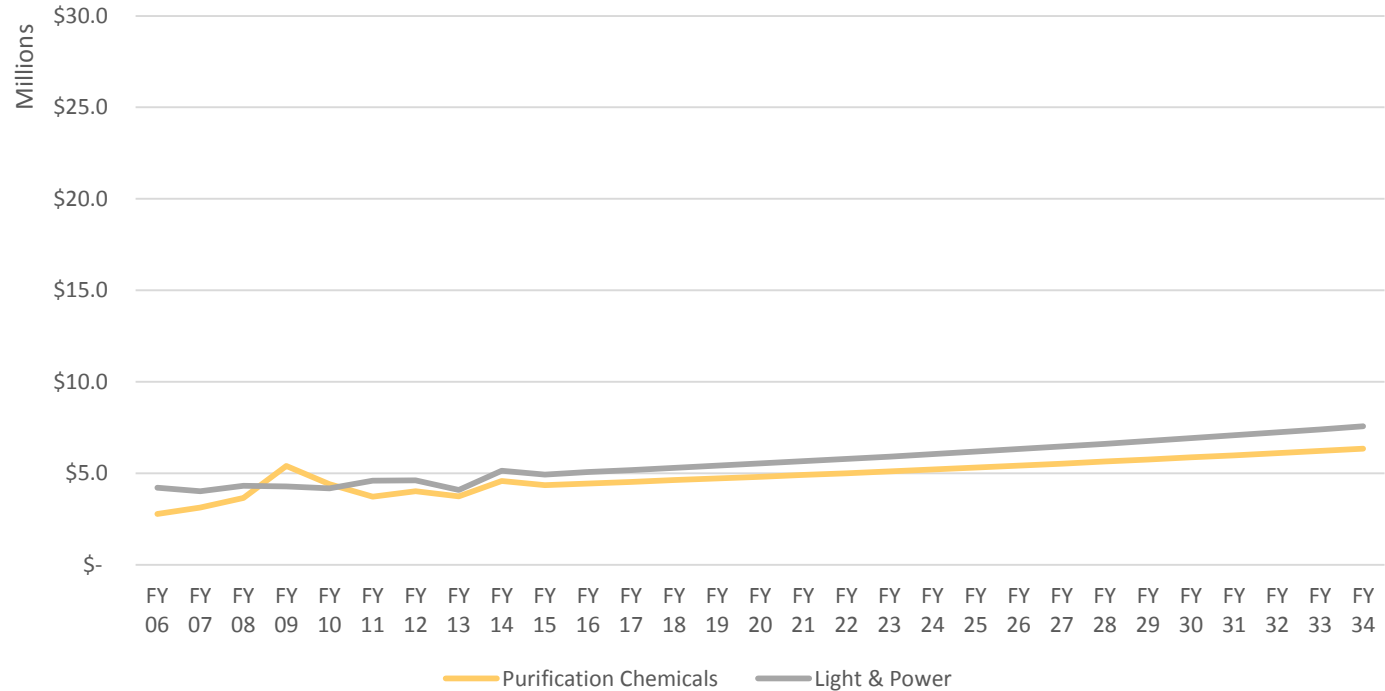
---

- Services from Other Departments
    - Legal support
    - Engineering Services
    - Purchasing / Accounts Payable
    - MIS
  - Contracted Services
    - Mowing Contractor
    - Outside Engineering & Legal Services
    - USGS / CBBEP Environmental Studies
  - Purchase of Lake Texana Water
-



# Water Fund

## Variable Costs





# Water Fund

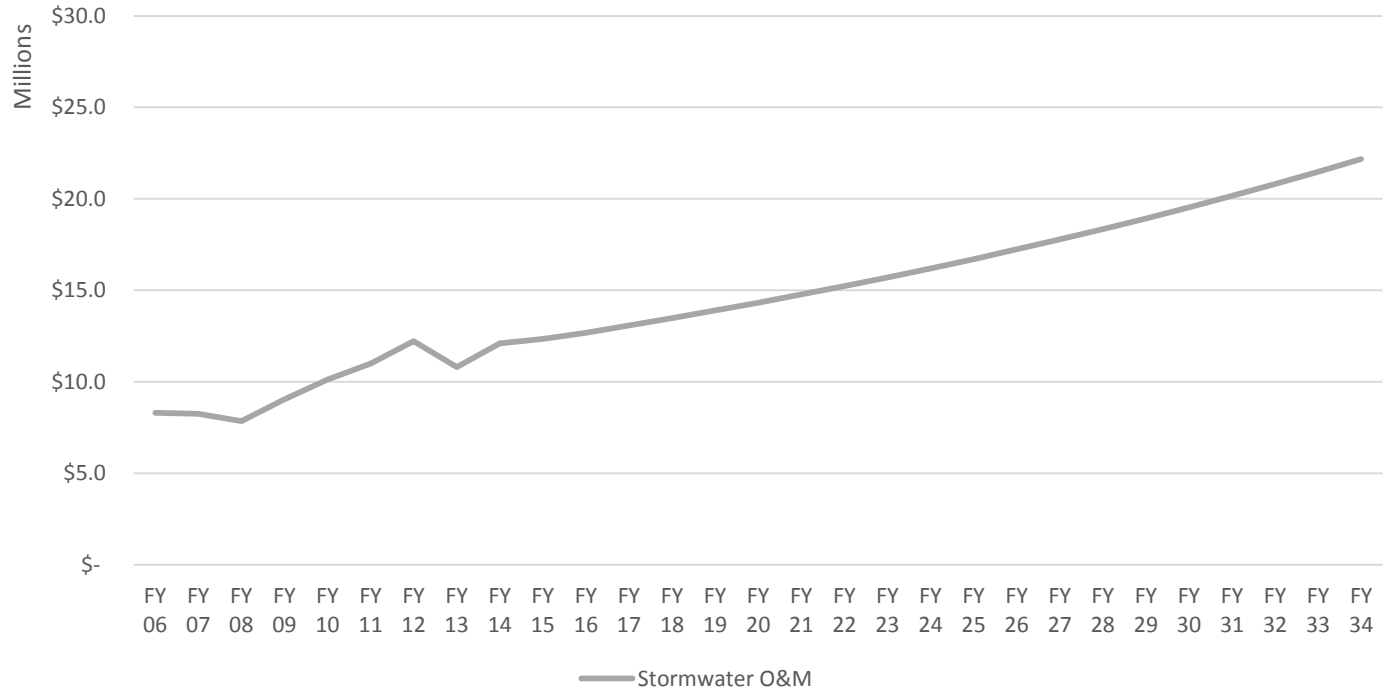
---

- Purification Chemicals
  - Chlorine
  - Polymer
  - Alum
  - Liquid Ammonia
- Light & Power



# Water Fund

## Stormwater O&M





# Water Fund

---

- Stormwater System O&M
    - Salaries & Wages
    - Services from Other Departments
    - Contracted Services
    - Materials & Supplies
  - Ditch Maintenance
  - Storm Water Quality Monitoring
-



# Questions

---

- Questions