

Water Rates – Rate Impacts



Council Presentation
August 11, 2015



Discover, Discuss, Decide



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 21, 2015	Adjustments Rate Calculations
April 28, 2015	Rate Calculations
May 12, 2015	Additional Week of Discovery
June 9, 2015	Alternatives to Evaluate
August 11, 2015	Rate Impacts
August 18, 2015	Additional Alternatives Evaluated 2
August 25, 2015	First Reading Proposed Rate
September 8, 2015	Adoption of New Rate

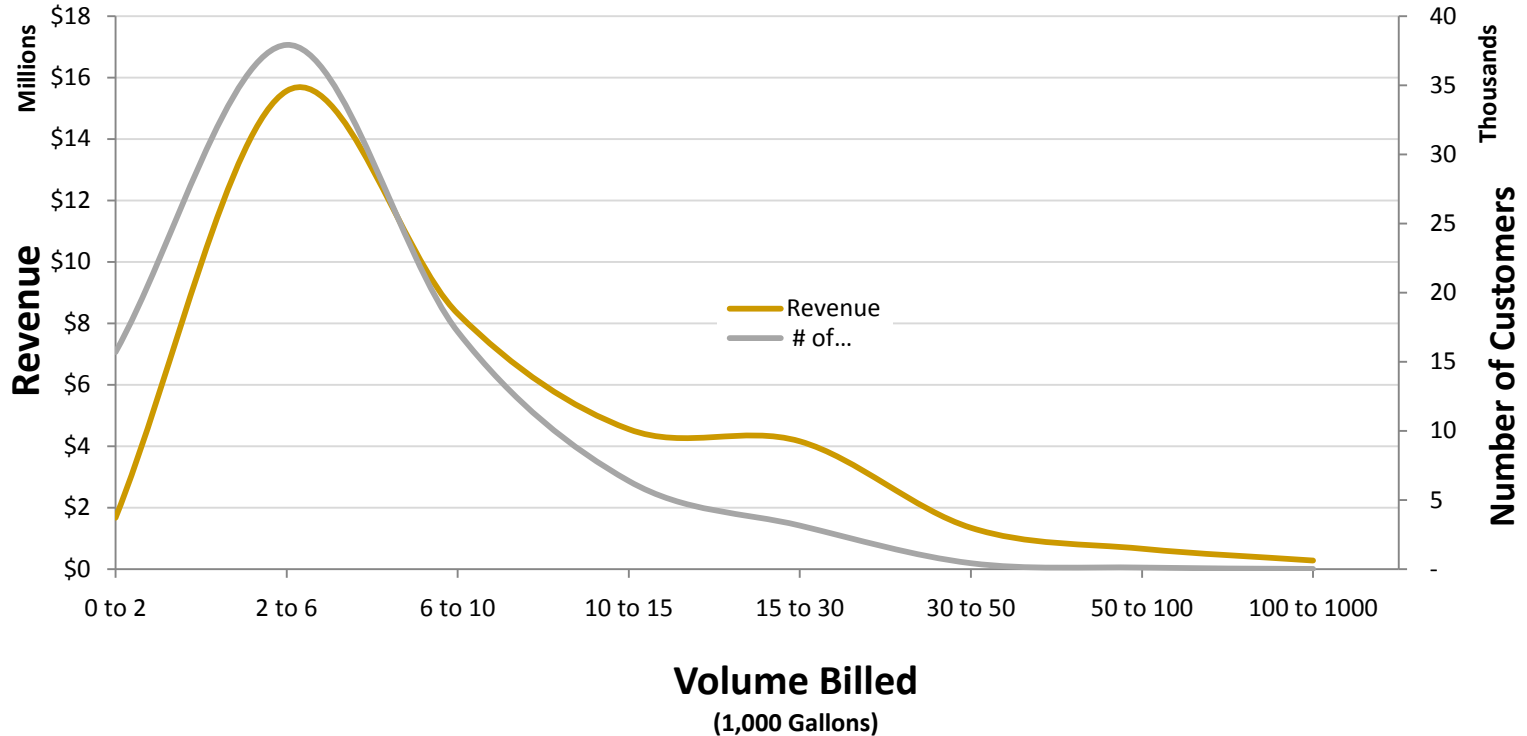


Discussion

- Increase Minimums
 - Create program to assist lower income customers
- Increase first increment of block rates to 100%
- Adopt rates in May or June
 - Effective date for new rates will be January 1
- Adopt rates every two years
- Establish Separate Storm Water Rate



ICL Residential Trend

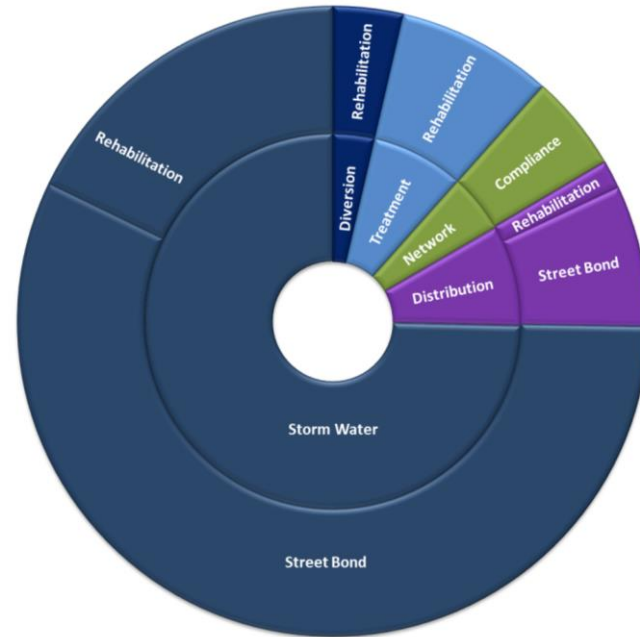




Rate Impact

(1,000 Gallons)

- Operation & Maintenance
 - 2016: **(\$0.01)**
- Capital Improvements Program
 - 2016: \$1.38





Water Rate Options

Existing Blocks	Proposed Blocks	2015	Uniform 2016	2016	2017	Recommended
Min (2,000)	Min (2,000)	\$9.33	\$12.22	\$9.80	\$10.29	\$12.22
6,000	6,000	\$4.75	\$6.11	\$5.74	\$6.36	\$6.11 (1.0)
10,000	15,000	\$5.94	\$6.11	\$7.17	\$7.95	\$7.03 (1.15)
15,000	999,999	\$6.83	\$6.11	\$8.96	\$9.94	\$7.64(1.25)
30,000		\$8.31				
50,000		\$10.10				
100,000		\$10.99				
999,999		\$11.88				
Raw Water (Rate Payer)		\$1.02	\$0.88	\$0.88	\$1.01	\$0.94
System Dev Charge		\$0.05	\$0.05	\$0.05	\$0.05	\$0.05



Residential Revenue vs Volume

Item	2015	2016	2017	Recommended
Residential Volume (MG)	6034.1	6034.1	6130.3	6082.2
Volume (Up to 6,000)	4222.6	4222.6	4268.2	4245.4
% of Residential Volume	70%	70%	70%	70%
Residential Revenue (\$M)	39.5	43.4	48.6	46.1
Revenue (Up to 6,000)	25.3	28.0	30.9	31.1
% of Residential Revenue	64%	64%	64%	72% (68)%



Sample Water Bills

Usage	2015	2016	2017	Recommended
Min	\$11.47	\$11.65	\$12.40	\$14.12
3,000	17.29	18.28	19.67	21.19
4,000	23.12	24.90	26.94	28.25
5,000	28.94	31.53	34.21	35.31
6,000	34.76	38.15	41.48	42.37
10,000	62.79	70.35	76.76	74.26
12,000	78.59	86.45	94.40	90.21
15,000	102.29	112.63	121.06	115.24
20,000	149.21	157.15	169.58	153.17
35,000	298.89	290.71	315.14	266.99
45,000	408.43	379.75	412.18	342.86



Rate Comparison

- Texas Municipal League Data
 - <http://www.tml.org/surveys>
- Number of Municipalities Participating = 634
- How do these rates compare to **2015** Rates?
 - From Highest Rate is #1 to lowest is #634
 - Residential (5,000 Gallons), 2016 #326
 - Residential (5,000 Gallons), 2017 #268
 - Residential (5,000 Gallons), Recommended #243
 - Residential (5,000 Gallons), Recommended, Without Storm water (\$18.46) #590



Lower Income Assistance

- Plumbers for People
- Payment Plans



Questions?