



*2019 Water and Sewer Rate Study
Summary Presentation
March 13, 2019*



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Bartle Wells Associates

Independent utility rate & finance consultants

Professional services: 1) utility rate & fee studies, 2) financial plans, 3) project financing

Charter Member: *National Association of
Municipal Advisors*

Extensive experience developing long-term financial plans, rate models, and utility rate and fee studies

Advised over 500 public agencies throughout California



BWA specializes in water & sewer rates & finance



BWA Project Team

Douglas Dove, PE, CIPMA, Municipal Advisor *Principal*

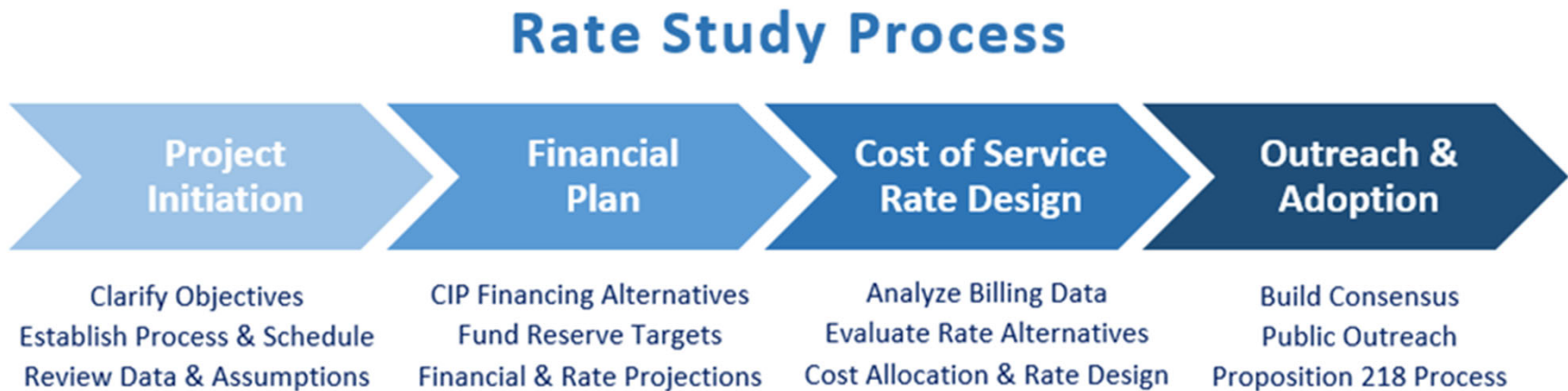
- President of Bartle Wells with over 28 years of experience
- Expertise in financial planning, utility rates, impact fees, & project financing
- Recent includes the Cities of Brawley, Heber, Chula Vista, Santa Barbara, Glendale, Modesto, Patterson, Riverbank, Hughson, and Davis

Erik Helgeson, MBA, Municipal Advisor *Project Manager*

- Assistant Vice-President of Bartle Wells with over 8 years of experience
- Serves on the AWWA Rates and Charges Committee
- Expertise developing water & sewer financial plans, rates & fees
- Recent work includes the Cities of Willits and Carlsbad, Humboldt Bay Municipal Water District, Modesto Irrigation District, Madera County, Marin Municipal Water District, Sacramento County, and Denver Water



Project Overview



- Project Began January 2019
- Remaining Work
 - 218 process, rate hearing/adoption, and rate implementation

Study Objectives

- Financially Sound
 - Fund operating and capital costs while maintaining prudent reserves and debt ratios
- Legally Compliant
 - Prop. 218
- Customer Focused
 - Smooth, predictable increases



Prop. 218 states that a customer's rates "must not generate revenues in excess of the cost of service for which the fee is charged."

Cal. Const., art. XIII D, § 6, subd. (b).

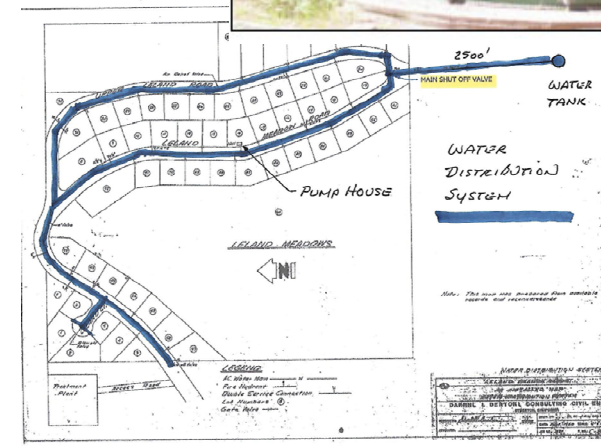
Water Rate Study



Water System

Water System Main Components

- Water Source – groundwater
- 500 feet deep well
- 7.5 horsepower pump
- 7,000 feet of concrete pipe from water source to water tank and to Customers
- 86,000 gallon water tank
- Customer Meters
- Fire hydrants



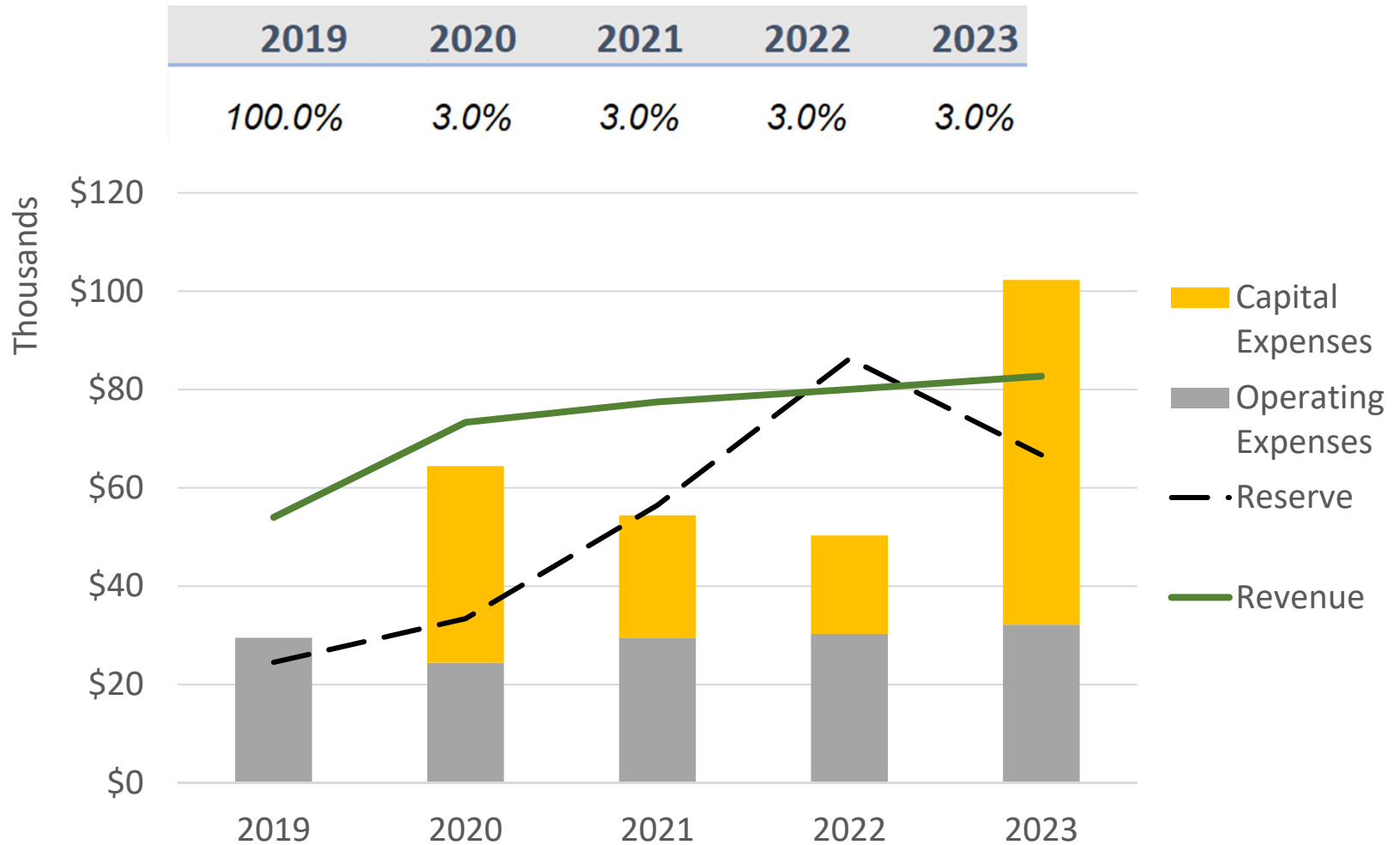
Water Fund Key Issues

- **Fund Deficit**
 - Without rate increases the District will have annual deficits beginning in 2020
- **Capital Plan**
 - Capital expenses 2019-2028 projected to be \$444,246
- **Prudent Reserves**
 - Reserve study
 - Capital and unexpected expenses

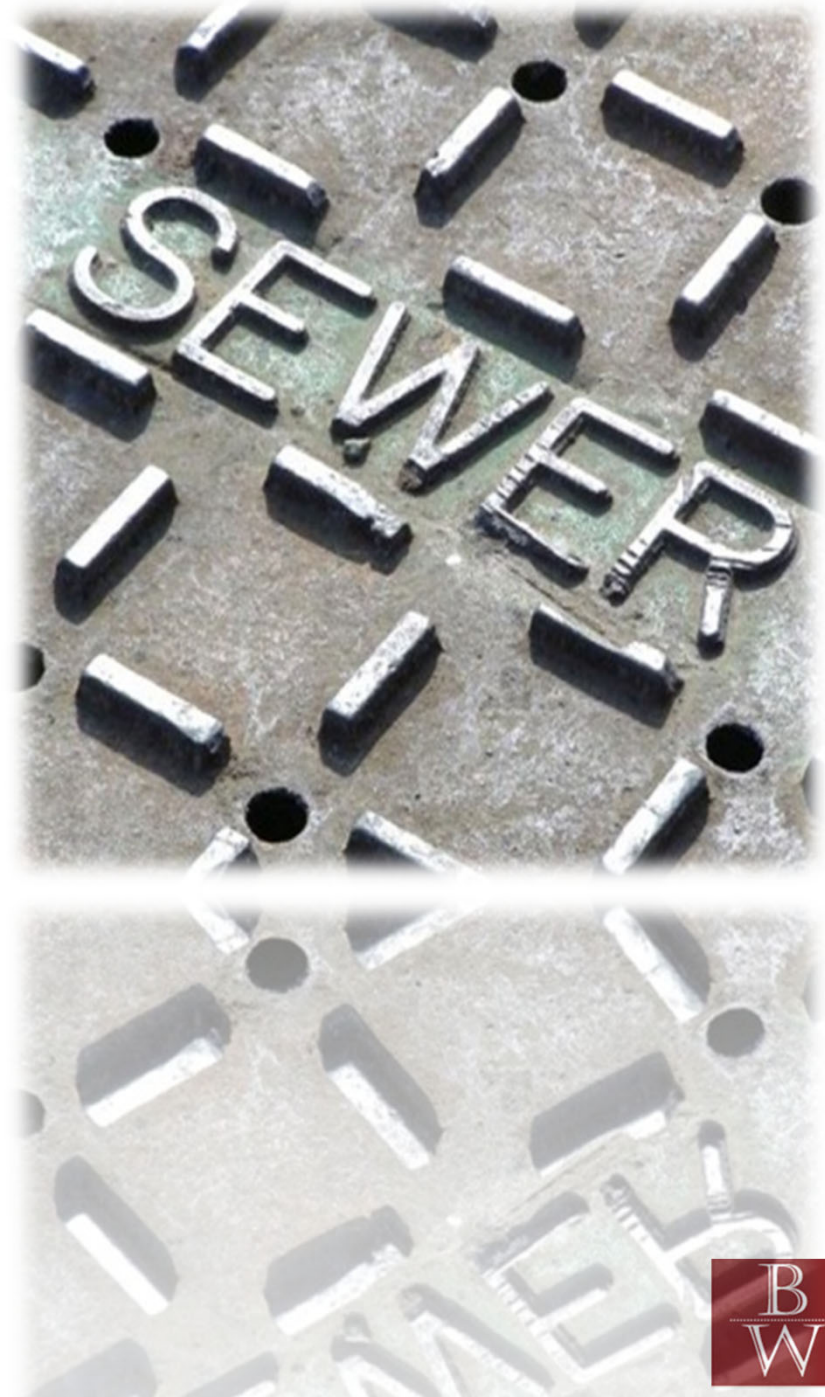


Five-Year Water Financial Plan

- Projected Rate Revenue Increases



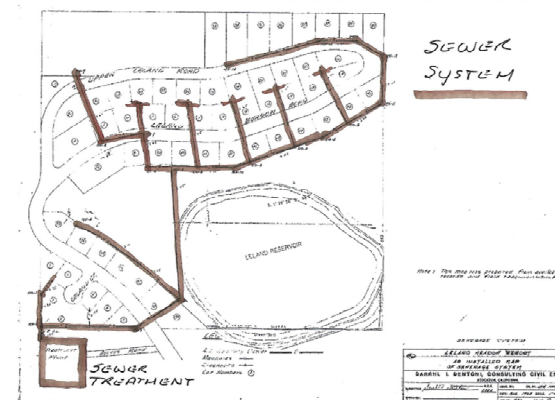
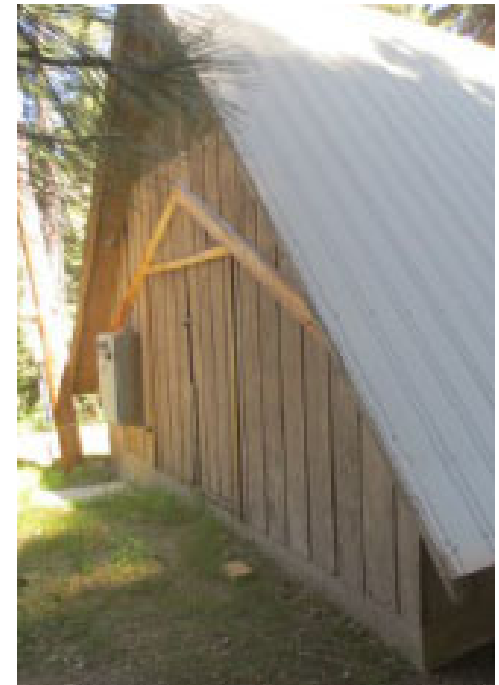
Sewer Rate Study



Sewer System

Sewer System Main Components

- 5,500 feet of concrete pipe from Customers to sewer plant
- Sewer Treatment building holding multi-compartment aeration tank
- Flows to 3 holding ponds/leach field where is percolated



Sewer Fund Key Issues

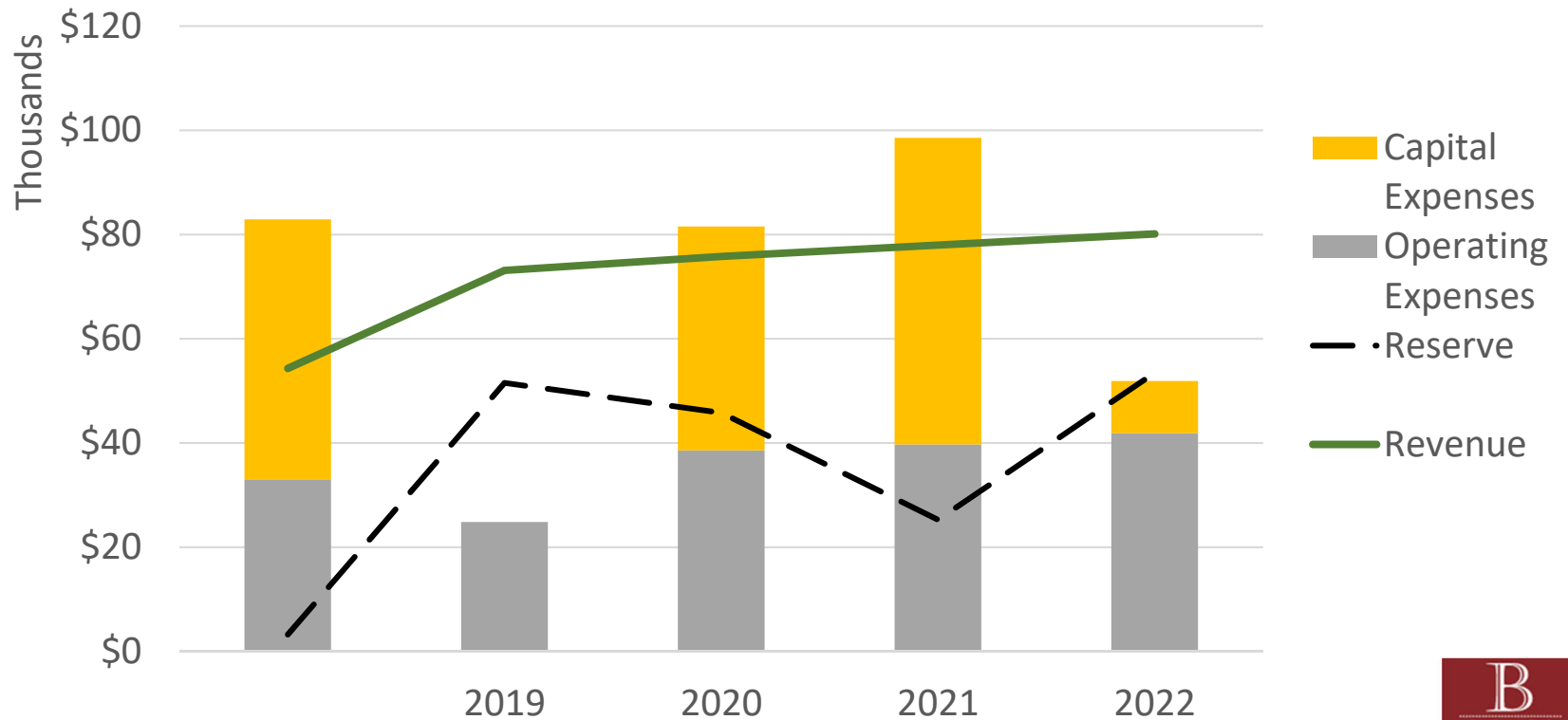
- **Fund deficit**
 - Without rate increases the District will have annual deficits beginning in 2019
- **Capital Plan**
 - Capital expenses 2019-2028 projected to be \$370,508
- **Prudent Reserves**
 - Reserve study
 - Capital and unexpected expenses



Five-Year Sewer Financial Plan

- Projected Rate Revenue Increases

2019	2020	2021	2022	2023
100.0%	3.0%	3.0%	3.0%	3.0%



Proposed Monthly Rates

Monthly Fixed Rates	2019	2019	2020	2021	2022	2023	2024
	<i>Existing</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>	<i>Proposed</i>
<i>Rates Effective Date</i>		7/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024
Water Rates	\$50.00	\$100.00	\$103.00	\$106.09	\$109.28	\$112.56	\$115.94
Sewer Rates	\$50.00	\$100.00	\$103.00	\$106.09	\$109.28	\$112.56	\$115.94



Next Steps

March 22,
2019

- Issue 218 Notices

May 25,
2019

- Public hearing and resolution adoption

July 1,
2019

- Rates effective

Questions and Comments?

