



Town of Discovery Bay

Water and Wastewater Rate Study



February 17, 2016

 **BARTLE WELLS ASSOCIATES**
Independent Public Finance Advisors

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Vice President

Background

- Last conducted a rate study in 2013
- Town approved and implemented inflationary increases
- Recent developments
 - Drought – Town’s water conservation target is 29%
 - New regulatory requirements and capital improvements
 - Well 8 - \$1.7 million
 - Water meter roll out - \$2.6 million
 - Wastewater filter project - \$7.4 million



Water meter roll out

- Town will finance the meters over 10 years
- In FY2017, the Town will install the meters and potentially provide water usage data to customers; customers will continue to pay the unmetered rate
- In FY2018, all customers will be metered and pay the metered rates
- Newly metered customers will pay meter charge of \$7.43/mo

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Water Rate Study

- Financing costs for well 8
- Increased cost due to operations and contract renegotiation
- New staff for customer service, billing, and administration
- Conservation: costs are spread over a smaller base of water use
- Unmetered customers currently billed for assumed use of 21 ccf of water. After metering, assumed monthly use of 15 ccf in FY2018 and beyond
- Change in methodology for fire protection costs; increased meter charges for irrigation

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Proposed Monthly Metered Rates

Non-irrigation Meter Size	Current	Proposed FY2017	Proposed FY2018
5/8 Inch Meter	\$9.98	\$14.07	\$16.34
1 Inch Meter	\$9.98	\$14.07	\$16.34
1 1/2 Inch Meter	\$19.98	\$27.16	\$31.70
2 Inch Meter	\$31.96	\$42.85	\$50.11
3 Inch Meter	\$63.91	\$84.69	\$99.20
4 Inch Meter	\$99.86	\$131.77	\$154.45
6 Inch Meter	\$199.72	\$262.54	\$307.89

Meter Install Fee Meter roll out \$7.43

Non-irrigation Meter Size	Current	Proposed FY2017	Proposed FY2018
5/8 Inch Meter	\$3.02	\$13.29	\$15.42
1 Inch Meter	\$3.02	\$13.29	\$15.42
1 1/2 Inch Meter	\$6.04	\$25.57	\$29.83
2 Inch Meter	\$9.67	\$40.31	\$47.13
3 Inch Meter	\$19.34	\$79.62	\$93.26
4 Inch Meter	\$30.21	\$123.85	\$145.15
6 Inch Meter	\$60.42	\$246.70	\$289.30

Usage Rate (\$/ccf) \$1.512 \$1.614 \$1.897

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Proposed Monthly Unmetered Rates

Parcel	Assumed Monthly Water Use (ccf)	Current	Proposed FY2017	Proposed FY2018
Condos w/irrigation	15	\$32.86	\$37.29	metered
Condos w/o irrigation	7	\$21.52	\$24.37	metered
Under 5,000	15	\$32.86	\$37.29	metered
5,000 - 10,000	21	\$41.56	\$46.97	metered
10,001 - 15,000	27	\$50.25	\$56.66	metered
Over 15,000	27	\$50.25	\$56.66	metered
Vacant		\$14.67	\$14.67	\$14.67
Plus Each Additional 1,000	2	\$2.90	\$3.28	metered

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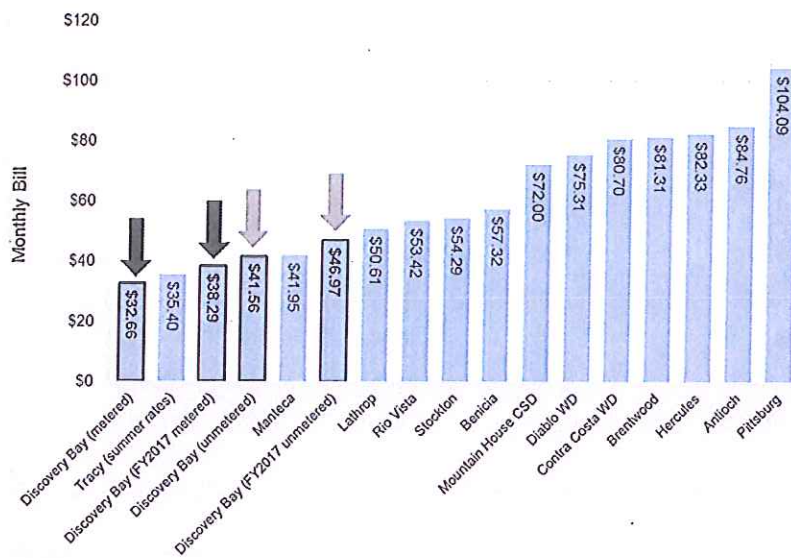
Sample Bills

Rate or Charge	Current Rates	Metered Customer Proposed FY2017 Rates	Newly Metered Customer Proposed FY2017 Rates
Fixed Charge	\$9.98	\$13.07	\$13.07
Meter Reading Charge	\$0.00	\$1.00	\$1.00
Meter Payback	\$0.00	\$0.00	\$7.43
Volume (15 units)	\$22.68	\$24.22	\$24.22
Total	\$32.66	\$38.29	\$45.72
Unmetered	\$41.56	\$46.97	\$46.97

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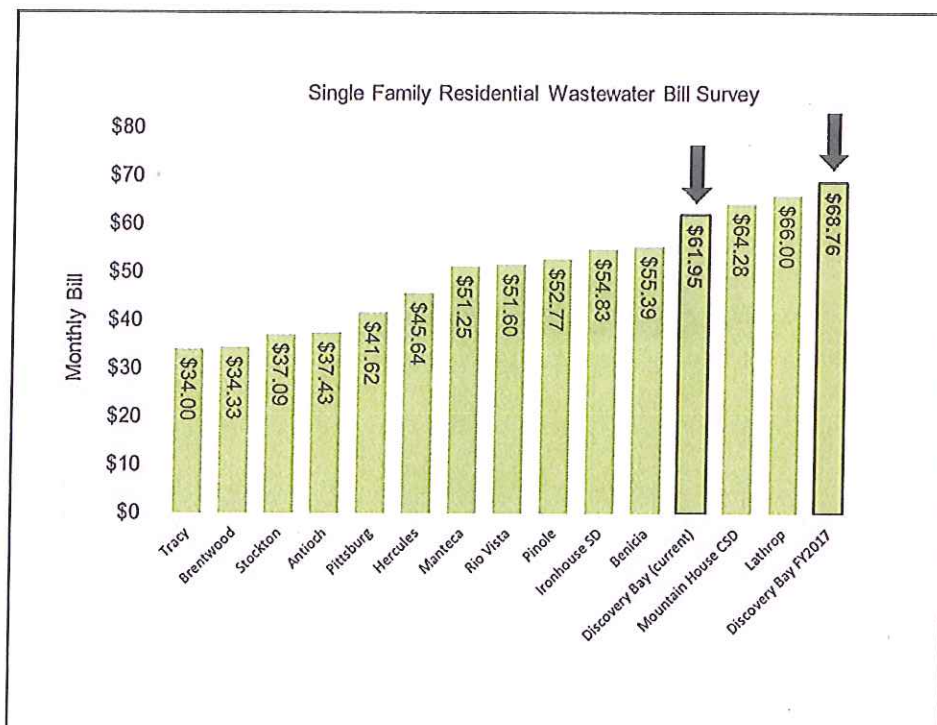
Single Family Residential Water Bill Survey (1" meter, 15 ccf monthly use)

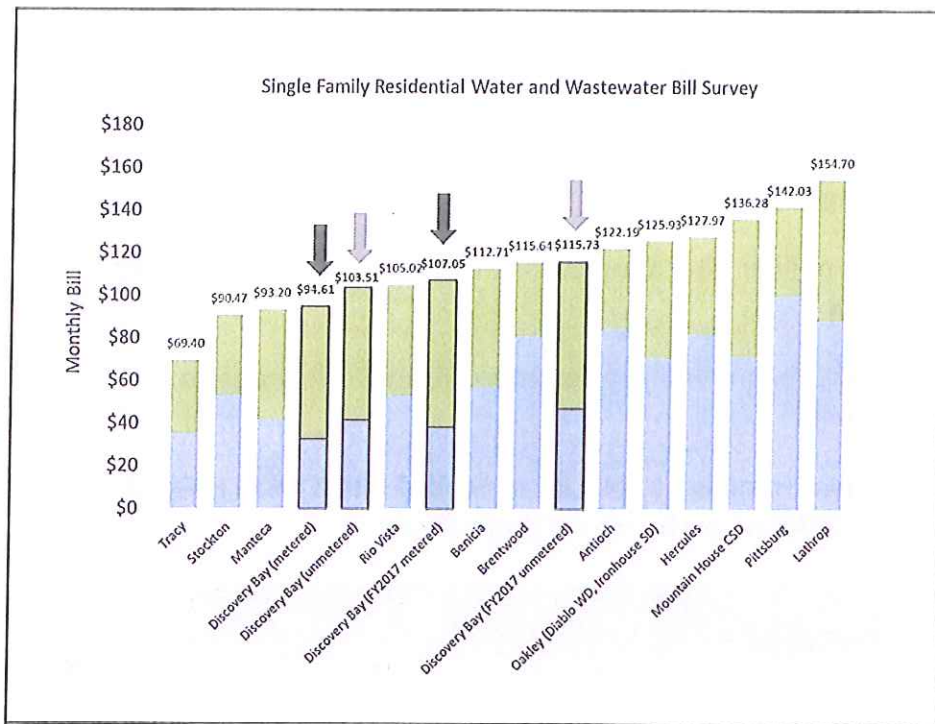


Wastewater Rate Study

- Increased cost due to operations and contract renegotiation
- \$7.4 million filter project assumed to be financed over 30 years
- Reduction in metered commercial sewer flow due to drought
- Proposed increases of 11% in FY2017 and 11% in FY2018 and inflationary increases thereafter

Monthly Charge	Current	Proposed FY2017	Proposed FY2018
9 Single Family	\$61.95	\$68.76	\$76.32





Questions