



2024 Water, Wastewater & RW Rate Study

Draft Findings

March 12, 2024





Agenda

1. Rate Setting 101
2. Financial Plan Findings & Scenarios
3. Rate Structure Recommendations
4. Proposed Rates and Bill Impact Analysis



Requirements of Prop 218

Substantive Requirements:

- **Revenues shall not exceed funds** required to provide service; nor used for another purpose
- Amount **shall not exceed the proportional cost** of the service attributable to the parcel

Procedural Requirements

- Approval process includes 45-day notice, public hearing, and written majority protest. Does not require a voting process (unlike taxes).



The Rate Setting Process

Revenue Requirements

Compares the revenues of the utility to its expenses to determine the overall rate adjustment. Largely driven by capital program.



Cost-of-Service

Equitably allocates the revenue requirements between the customer classes. A customer class is a group such as residential or business



Rate Design

Design rates for each class of service to meet the revenue needs of the utility, along with any other rate design goals and objectives



General Financial Plan Topics



Project Background

- **This study examines 5 cost centers:**
 - Marina Water
 - Marina Sewer
 - Ord Water
 - Ord Sewer
 - Recycled Water
- Each cost center incurs direct costs and indirect costs (allocated based on the Cost Allocation Plan)
- The last rate increase occurred in January 2023



Cost Escalation Assumptions

- **Salaries and Benefits** – 10% in FY 2024/25 and 3% thereafter
- **Utilities (PG&E)** – 10% per year
- **Source of Supply** – Driven by both cost inflation and increases in water demand
 - 3.8% for Marina for next 5 years
 - 8.2% for Ord for next 5 years
- **Construction Cost Index** – 3%
- **All other costs** – 3% per year



Capital Improvement Program Goals

The District's recent repair and replacement* CIP identified over \$90 million in capital project needs over the next 5 years

Original CIP

Average annual spending by Cost Center:

Marina Water	\$3.8M
Ord Water	\$9.1M
Marina Sewer	\$2.2M
Ord Sewer	\$2.5M
<hr/>	
TOTAL	\$17.6M





Revised Capital Improvement Program Goals

In order to reduce impacts to rates, the District will reduce cash funded (“PayGo”) capital spending by issuing a \$20 million bond and deferring repair and replacement (“R&R”) projects.

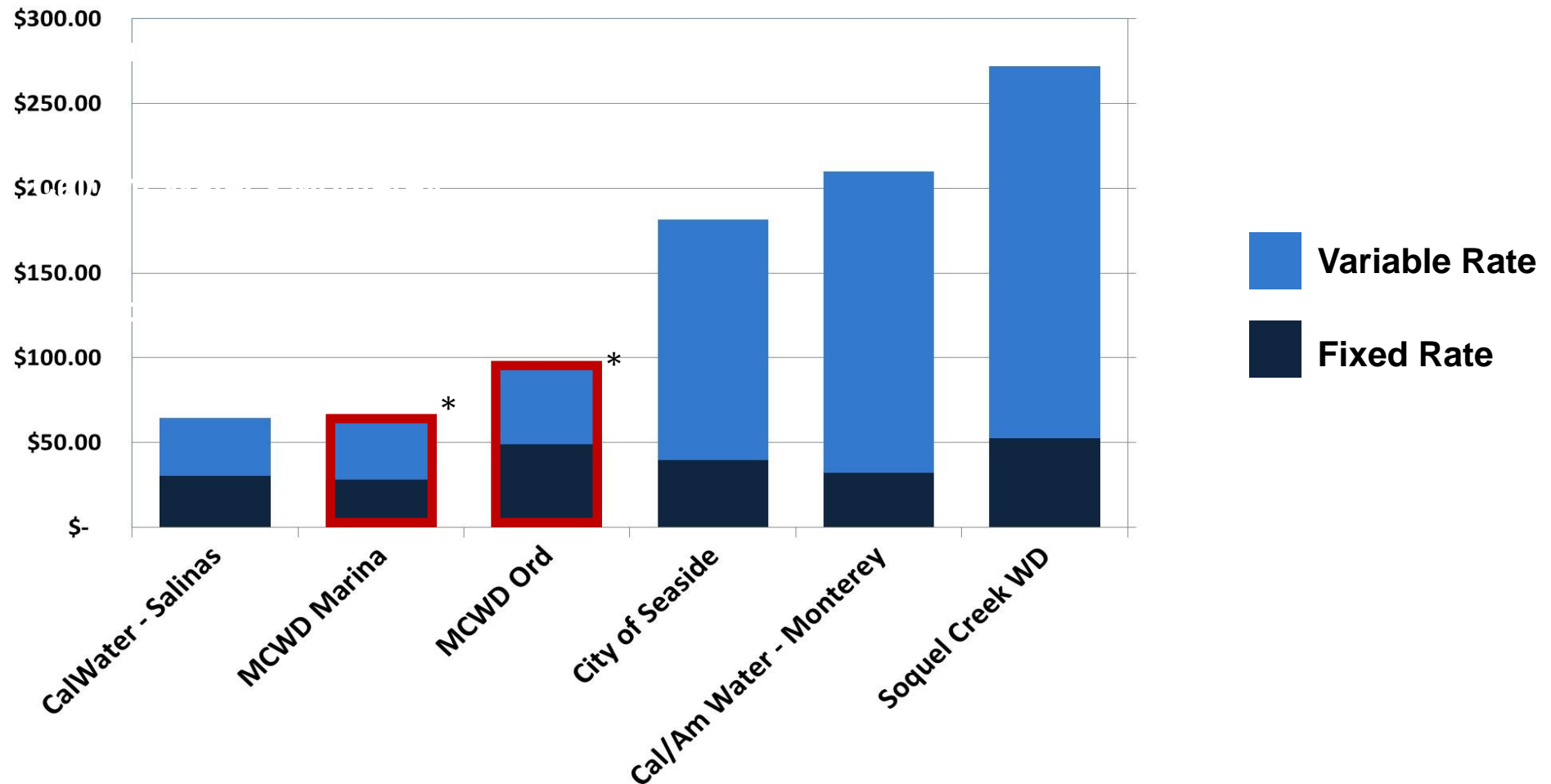
Bond Funded R&R			PayGo R&R (5 Year Plan)			Total R&R (5 Year Plan)	
Marina Water	\$5,274,000	+	Marina Water	\$2,357,000	=	Marina Water	\$7,980,000
Ord Water	\$11,519,000		Ord Water	\$12,664,000		Ord Water	\$24,947,000
Marina Sewer	\$3,207,000		Marina Sewer	\$3,424,000		Marina Sewer	\$5,282,000
Ord Sewer	\$0		Ord Sewer	\$12,941,000		Ord Sewer	\$12,941,000
Recycled Water	\$0		Recycled Water	\$600,000		Recycled Water	\$600,000
Total	\$20,000,000		Total	\$31,986,000		Total	\$51,750,000



Water Cost Centers

Water Rate Survey

Monthly bills for Single Family Home with 10 HCF water usage



* Current rates



Ord Water Financial Plan

Ord Water Financial SnapShot

Fiscal Year beginning July 1, 2023

Cash Reserves	\$4,744,000
Revenues	\$14,398,000
Operating Budget & Debt	\$11,808,000
Remaining for PayGo	\$2,590,000

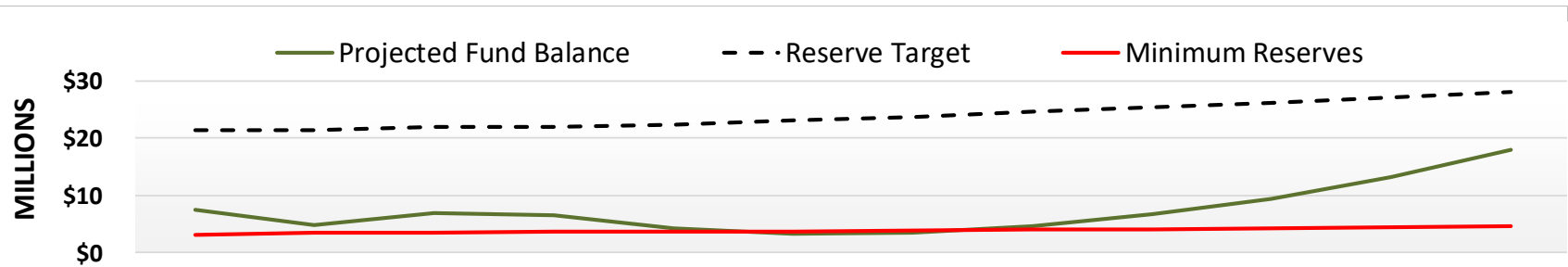
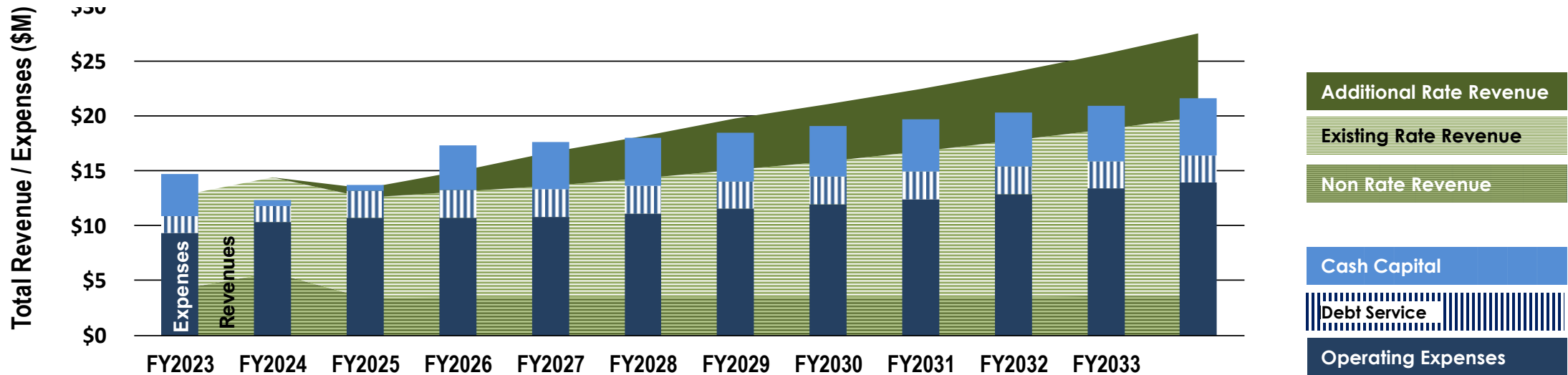
Ord Water

5-year Capital Spending **Scenario 1**

PROJECT	COST
Fire Hydrant Replacement Program	1,313,000
Misc Booster Pumping Station Improvements	1,745,000
Ord Community Housing Distribution System Enhancements	3,150,000
Water Pipeline Renew/Replacement Program	3,706,000
Well Rehabilitation	1,002,000
5th Avenue Water Pipeline Replacement Diverty Circle to Inter-Garrison	441,000
B1 Tank Improvements	576,000
CIP planning and program management	68,000
D line valves install from Booster to Tank	368,000
D Reservoir Redundant Fill Line	357,000
F reservoir to Inter-Garrison, SDR Water Pipeline Replacement	1,051,000
Gigling Road Water Pipeline Replacement	1,236,000
Hatch Replacement project (IR, Ord water system)	131,000
Inter-Garrison Rd pipeline upsizing Schoonover to East Garrison	725,000
Large Valve Repalcements B and C Zones	429,000
Monterey to Leinbach Water Pipeline Replacement	1,418,000
Paint Reservoir 2 Exterior	840,000
PLC Replacement Project Phase 2	83,000
PRV Pressure and Flow Monitoring	290,000
Recondition Reservoir C1	304,000
SCADA Improvements Phase 2	299,000
Secondary Feed to E Zone	112,000
Water Pipeline First Ave from Lightfighter to Gigling	312,000
Wellfield ARV Line Replacement	36,000
2025 Bond Projects	7,887,000
	\$27,879,000

Ord Water Financial Forecast

Capital Spending **Scenario 1**: \$5.6 million per year (Original Target: \$9.1M)



	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Rate Revenue Increase:		10.0%	10.0%	10.0%	6.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Combined Debt Coverage Ratio:	5.42	3.60	2.02	2.50	2.92	3.32	3.76	4.08	4.44	4.83	5.25	5.71
Ord Water Debt Proceeds:			\$3.8M	\$3.9M	\$4.0M							

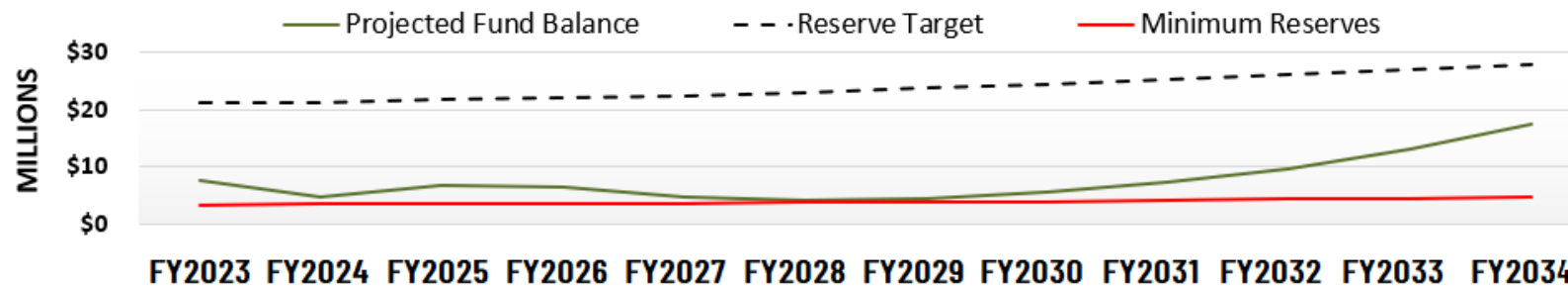
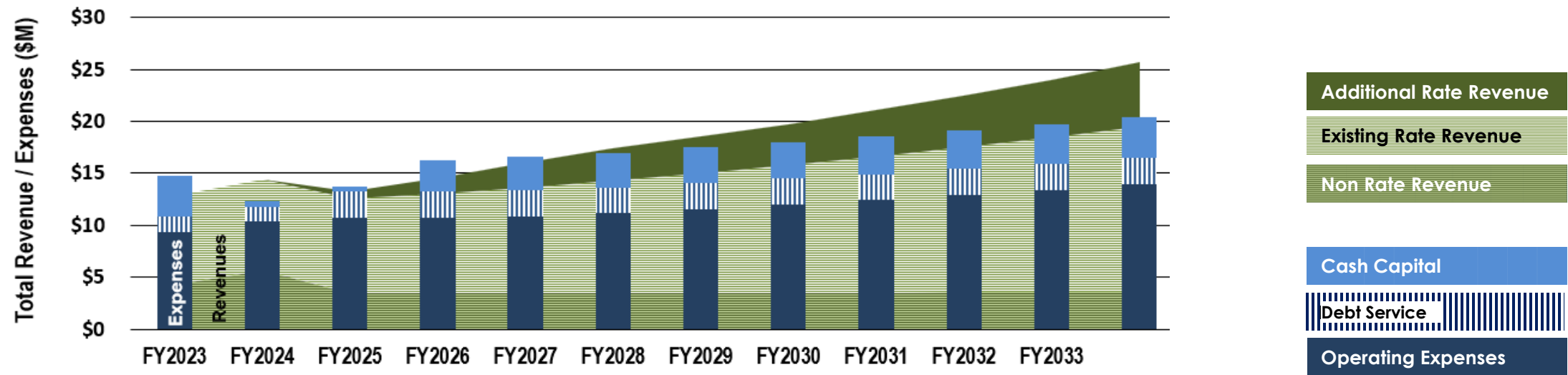
Ord Water

5-year Capital Spending **Scenario 2**

PROJECT	COST
Fire Hydrant Replacement Program	1,313,000
Misc Booster Pumping Station Improvements	1,745,000
Ord Community Housing Distribution System Enhancements	3,150,000
Water Pipeline Renew/Replacement Program	3,706,000
Well Rehabilitation	1,002,000
5th Avenue Water Pipeline Replacement Diverty Circle to Inter-Garrison	441,000
B1 Tank Improvements	\$0 Defer \$576 thousand
CIP planning and program management	68,000
D line valves install from Booster to Tank	\$0 Defer \$368 thousand
D Reservoir Redundant Fill Line	\$0 Defer \$357 thousand
F reservoir to Inter-Garrison, SDR Water Pipeline Replacement	1,051,000
Gigling Road Water Pipeline Replacement	1,236,000
Hatch Replacement project (IR, Ord water system)	\$0 Defer \$131 thousand
Inter-Garrison Rd pipeline upsizing Schoonover to East Garrison	725,000
Large Valve Repalcements B and C Zones	\$0 Defer \$429 thousand
Monterey to Leinbach Water Pipeline Replacement	\$400,000 Reduce by \$1 million
Paint Reservoir 2 Exterior	840,000
PLC Replacement Project Phase 2	83,000
PRV Pressure and Flow Monitoring	\$0 Defer \$290 thousand
Recondition Reservoir C1	\$0 Defer \$304 thousand
SCADA Improvements Phase 2	299,000
Secondary Feed to E Zone	112,000
Water Pipeline First Ave from Lightfighter to Gigling	\$0 Defer \$312 thousand
Wellfield ARV Line Replacement	\$0 Defer \$36 thousand
2025 Bond Projects	7,887,000
	\$24,058,000 Defer \$3.8 million

Ord Water Financial Forecast

Capital Spending **Scenario 2**: \$4.8 (-\$0.8M) million per year (Original Target: \$9.1M)



	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Rate Revenue Increase:		8.0%	8.0%	8.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Combined Debt Coverage Ratio:	5.42	3.60	1.95	2.34	2.65	3.01	3.33	3.62	3.93	4.26	4.63	5.03
Ord Water Debt Proceeds:		\$3.8M	\$3.9M	\$4.0M								



Marina Water Financial Plan

Marina Water Financial SnapShot

Fiscal Year beginning July 1, 2023

Cash Reserves	\$5,307,000
Revenues	\$4,907,000
Operating Budget & Debt	\$5,467,000
Remaining for PayGo	-\$560,000

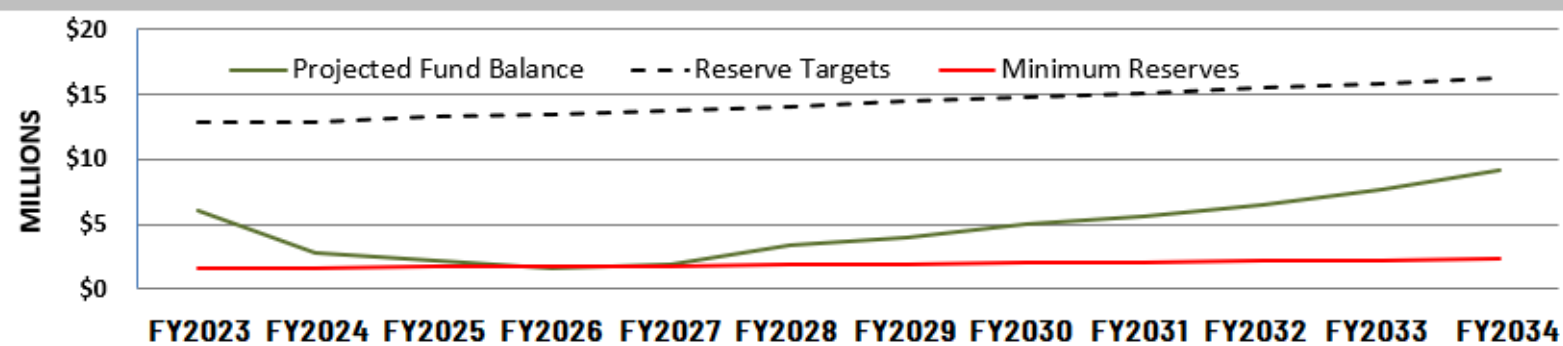
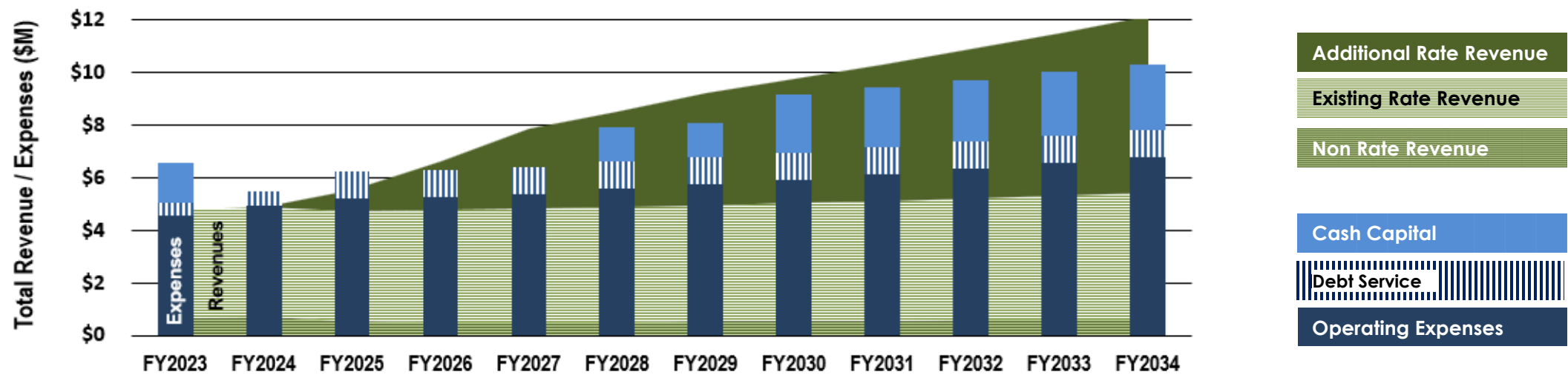
Marina Water

5-year Capital Spending **Scenario 1**

PROJECT	COST
Fire Hydrant Replacement Program	\$246,000
Misc Booster Pumping Station Improvements	\$617,000
Water Pipeline Renew/Replacement Program	\$1,781,000
Well Rehabilitation	\$468,000
B1 Tank Improvements	\$369,000
Beach Road Water Pipeline	\$184,000
CIP planning and program management	\$30,000
D Reservoir Redundant Fill Line	\$168,000
F reservoir to Inter-Garrison, Pipeline Replacement	\$472,000
Inter-Garrison Rd pipeline upsizing Schoonover to East Garrison	\$326,000
Large Valve Repalcements B and C Zones	\$202,000
PRV Pressure and Flow Monitoring	\$130,000
Recondition Reservoir C1	\$137,000
SCADA Improvements Phase 2	\$144,000
Secondary Feed to E Zone	\$72,000
Water Pipeline in California Avenue from Patton Parkway to Reindollar Ave	\$431,000
Wellfield ARV Line Replacement	\$16,000
2025 Bond Projects	\$2,331,000
	\$8,124,000

Marina Water Financial Forecast

Capital Spending **Scenario 1**: \$1.6 million per year (Original Target: \$3.8M)



	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Rate Revenue Increase:		20.0%	20.0%	20.0%	8.0%	8.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Combined Debt Coverage Ratio:	5.42	3.60	2.02	2.50	2.92	3.32	3.76	4.08	4.44	4.83	5.25	5.71
Marina Water Debt Proceeds:			\$1.9M	\$2.0M	\$2.0M							

Marina Water

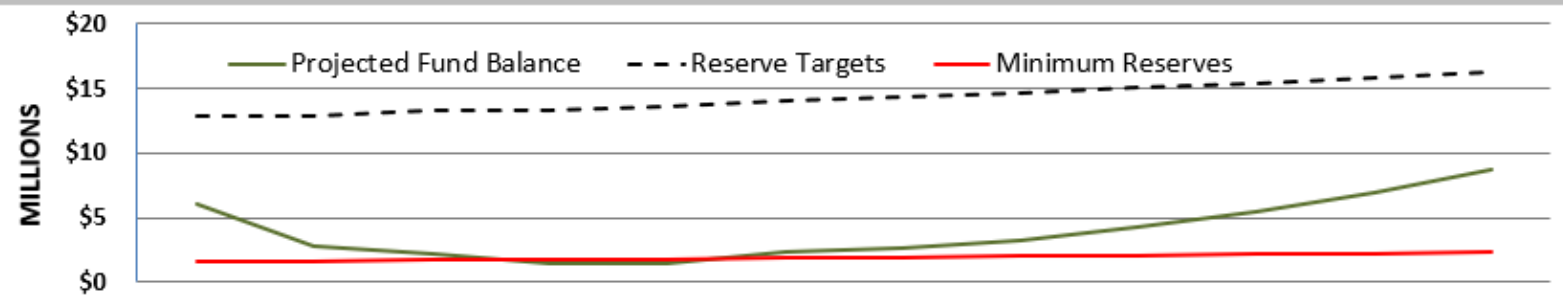
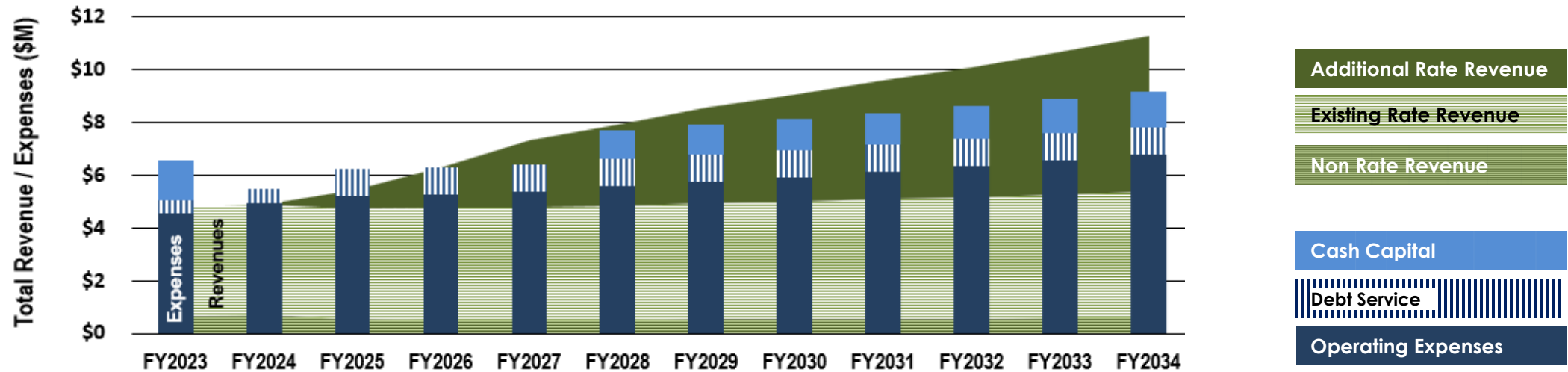
5-year Capital Spending **Scenario 2***

PROJECT	COST
Fire Hydrant Replacement Program	\$246,000
Misc Booster Pumping Station Improvements	\$617,000
Water Pipeline Renew/Replacement Program	\$1,781,000
Well Rehabilitation	\$468,000
B1 Tank Improvements	\$155,000 Defer \$214 thousand
Beach Road Water Pipeline	\$184,000
CIP planning and program management	\$30,000
D Reservoir Redundant Fill Line	\$168,000
F reservoir to Inter-Garrison, Pipeline Replacement	\$472,000
Inter-Garrison Rd pipeline upsizing Schoonover to East Garrison	\$326,000
Large Valve Repalcements B and C Zones	\$201,000
PRV Pressure and Flow Monitoring	\$130,000
Recondition Reservoir C1	\$0 Defer \$137 thousand
SCADA Improvements Phase 2	\$144,000
Secondary Feed to E Zone	\$72,000
Water Pipeline in California Avenue from Patton Parkway to Reindollar Ave	\$431,000
Wellfield ARV Line Replacement	\$16,000
2025 Bond Projects	\$2,331,000
	\$7,772,000 Defer \$352 thousand

* Fewer projects are deferred because more projects are debt-financed for Marina Water

Marina Water Financial Forecast

Capital Spending **Scenario 2**: \$1.5 (-\$0.1M) million per year (Original Target: \$3.8M)



	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Rate Revenue Increase:		17.0%	17.0%	17.0%	8.0%	8.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Combined Debt Coverage Ratio:	5.42	3.60	1.96	2.34	2.65	3.01	3.33	3.62	3.93	4.27	4.63	5.03
Marina Water Debt Proceeds:		\$1.9M	\$2.0M	\$2.0M								



Sewer Cost Centers



Marina Sewer Financial Plan

Marina Sewer Financial SnapShot

Fiscal Year beginning July 1, 2023

Cash Reserves	\$652,000
Revenues	\$1,666,000
Operating Budget & Debt	\$1,154,000
Remaining for PayGo	\$512,000

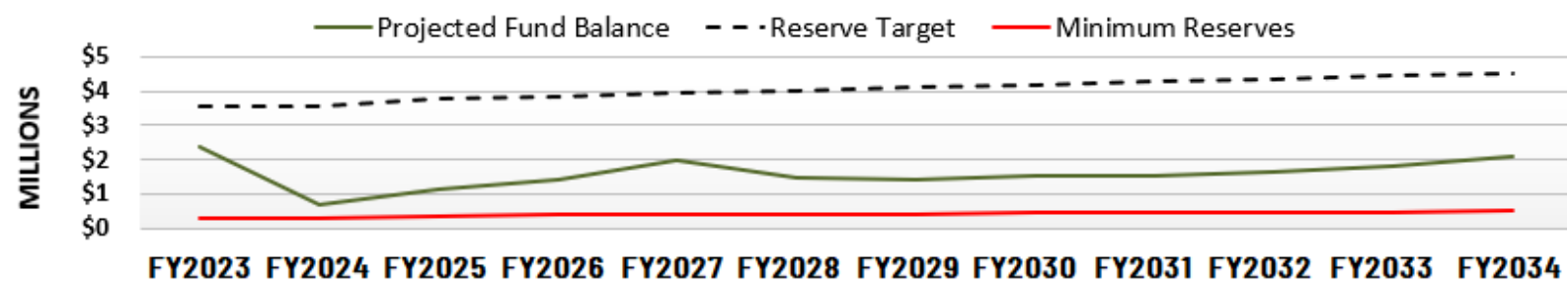
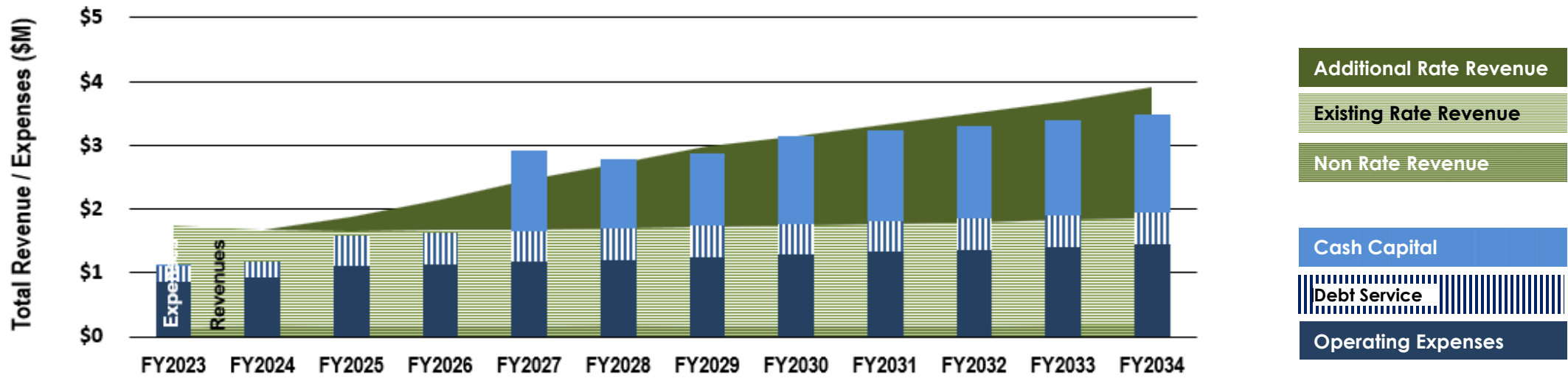
Marina Sewer

5-year Capital Spending **Scenario 1**

PROJECT	COST
Misc Lift Station Improvements	\$1,544,000
Sewer Pipeline Renew/Replacement Program	\$2,275,000
Carmel Ave Sewer Pipeline Replacement	\$460,000
CIP planning and program management	\$8,000
Lift Station Wetwell Lining Program (Lift Station #2)	\$99,000
Northeast Sewer Reroute to Interceptor	\$17,000
PLC Replacement Project Phase 2	\$85,000
Replace Sewer Pipeline in Reservation Road Vista Del Camino to Del Monte Blvd	\$297,000
Replace Sewer Pipeline Reservation Road Near Crestview Court	\$35,000
SCADA Improvements Phase 2	\$48,000
Sewer Flow Monitor Upstream M1 Marina Pump Station	\$57,000
Tate Park Lift Station	\$985,000
2025 Bond Projects	\$138,000
	\$6,048,000

Marina Sewer Financial Forecast

Capital Spending **Scenario 1**: \$1.2 million per year (Original Target: \$2.2M)



	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Rate Revenue Increase:		15.0%	15.0%	15.0%	10.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Combined Debt Coverage Ratio:	5.42	3.60	2.02	2.50	2.92	3.32	3.76	4.08	4.44	4.83	5.25	5.71
Marina Sewer Debt Proceeds:		\$0.9M	\$1.0M	\$1.0M								

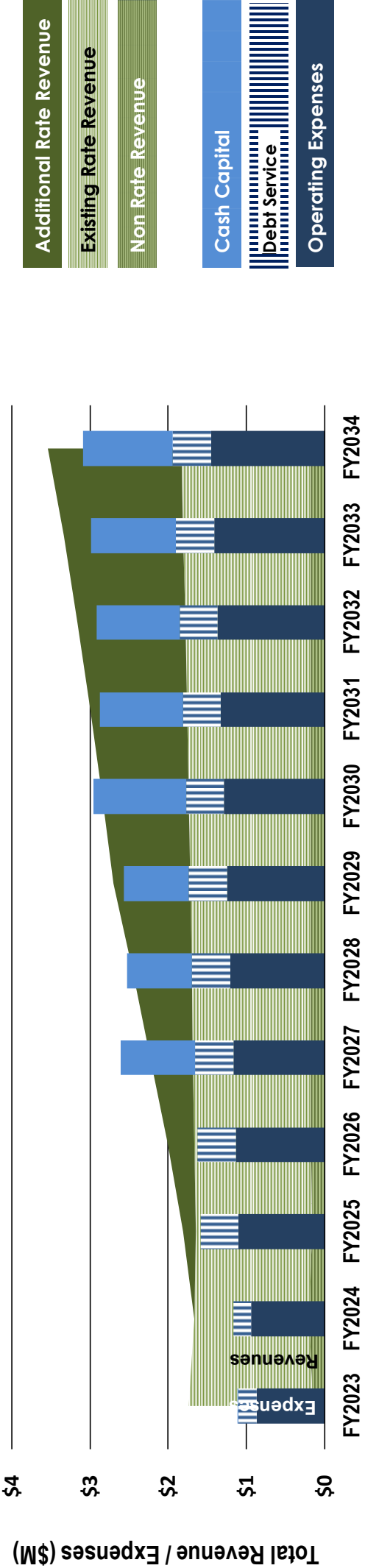
Marina Sewer

5-year Capital Spending **Scenario 2**

PROJECT	COST
Misc Lift Station Improvements	\$1,491,000 Defer \$53 thousand
Sewer Pipeline Renew/Replacement Program	\$1,945,000 Defer \$330 thousand
Carmel Ave Sewer Pipeline Replacement	\$460,000
CIP planning and program management	\$8,000
Lift Station Wetwell Lining Program (Lift Station #2)	\$33,000 Defer \$66 thousand
Northeast Sewer Reroute to Interceptor	\$17,000
PLC Replacement Project Phase 2	\$85,000
Replace Sewer Pipeline in Reservation Road Vista Del Camino to Del Monte Blvd	\$0 Defer \$297 thousand
Replace Sewer Pipeline Reservation Road Near Crestview Court	\$35,000
SCADA Improvements Phase 2	\$48,000
Sewer Flow Monitor Upstream M1 Marina Pump Station	\$0 Defer \$57 thousand
Tate Park Lift Station	\$985,000
2025 Bond Projects	\$138,000
	\$5,245,000 Defer \$803 thousand

Marina Sewer Financial Forecast

Capital Spending **Scenario 2**: \$1.0 **(-\$0.2M)** million per year (Original Target: \$2.2M)



Marina Sewer Debt Proceeds:											
Combined Debt Coverage Ratio:											
Rate Revenue Increase:											
FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
5.42	3.60	1.95	2.34	11.0%	10.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%
2.65	2.34	1.95	2.34	11.0%	10.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%
\$0.9M	\$1.0M	\$0.9M	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.0M	\$1.0M



Ord Sewer Financial Plan

Ord Sewer Financial SnapShot

Fiscal Year beginning July 1, 2023

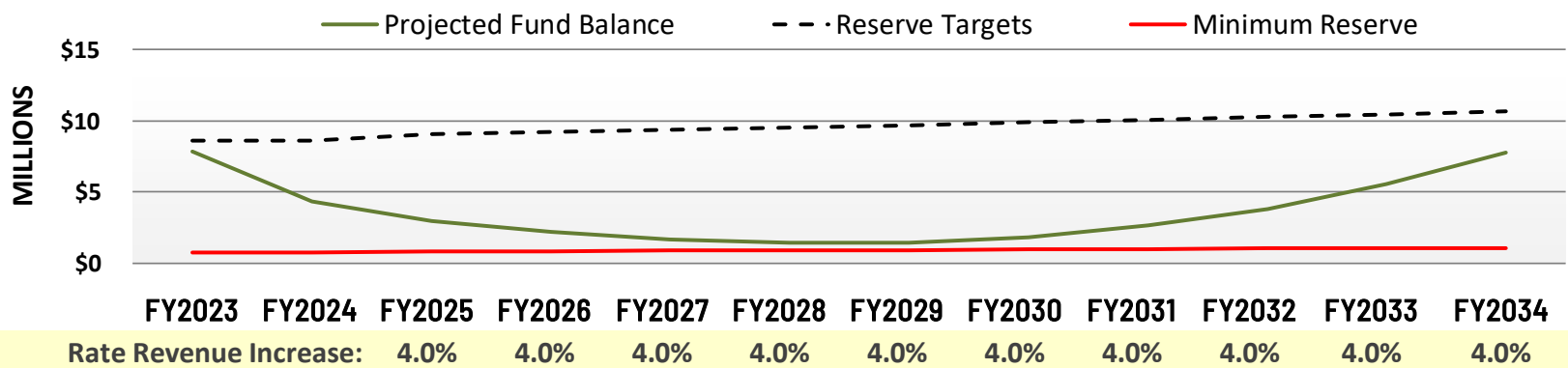
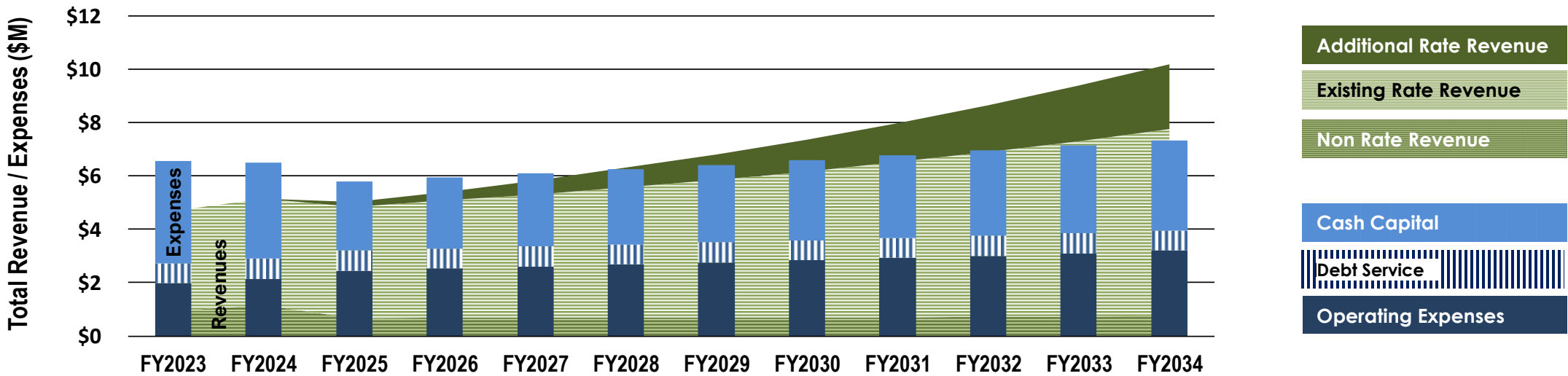
Cash Reserves	\$4,334,000
Revenues	\$5,137,000
Operating Budget & Debt	\$2,905,000
Remaining for PayGo	\$2,232,000

Ord Sewer 5-year Capital Spending **Scenario 1**

PROJECT	COST
Misc Lift Station Improvements	\$2,490,000
Sewer Pipeline Renew/Replacement Program	\$3,840,000
1st Avenue Gravity Main	\$840,000
CIP planning and program management	\$18,000
Imjin Parkway Sewer Manhole Rehab (MCWD-1)	\$158,000
Lift Station Wetwell Lining Program (Lift Station #2)	\$216,000
Northeast Sewer Reroute to Interceptor	\$36,000
PLC Replacement Project Phase 2	\$350,000
Replace Sewer Pipeline Imjin ROW Between Abrams and California	\$286,000
SCADA Improvements Phase 2	\$191,000
Sewer Flow Monitor Upstream M1 Marina Pump Station	\$127,000
Condition Assessment Related Projects	\$4,314,000
	\$12,866,000

Ord Sewer Financial Forecast

Capital Spending **Scenario 1**: \$2.6 million per year (Original Target: \$2.5M)



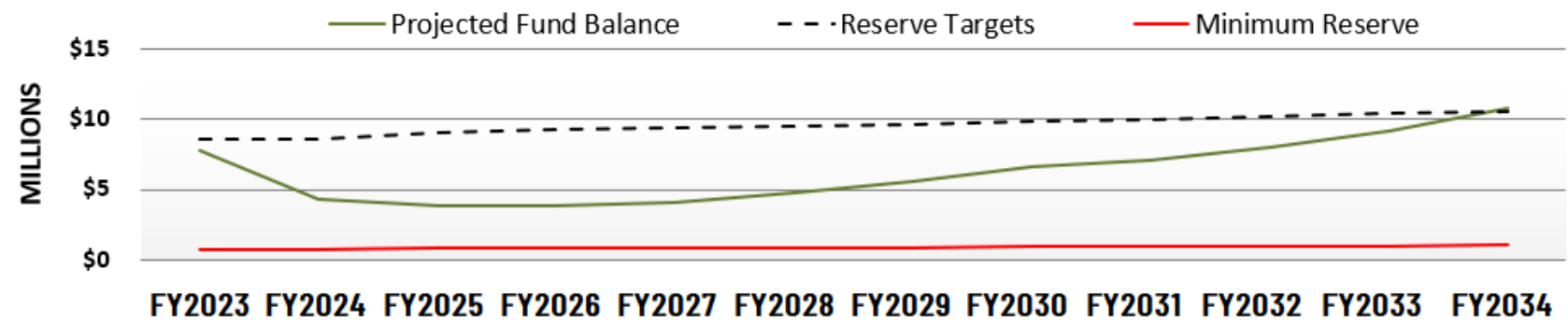
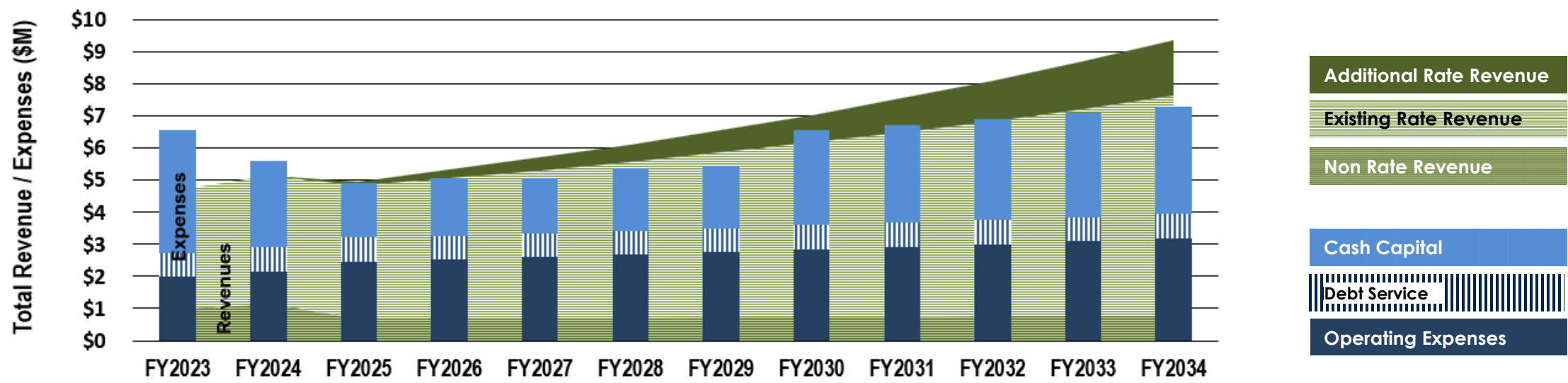
Ord Sewer

5-year Capital Spending **Scenario 2**

PROJECT	COST
Misc Lift Station Improvements	\$2,490,000
Sewer Pipeline Renew/Replacement Program	\$3,840,000
1st Avenue Gravity Main	\$840,000
CIP planning and program management	\$18,000
Imjin Parkway Sewer Manhole Rehab (MCWD-1)	\$158,000
Lift Station Wetwell Lining Program (Lift Station #2)	\$216,000
Northeast Sewer Reroute to Interceptor	\$36,000
PLC Replacement Project Phase 2	\$350,000
Replace Sewer Pipeline Imjin ROW Between Abrams and California	\$286,000
SCADA Improvements Phase 2	\$191,000
Sewer Flow Monitor Upstream M1 Marina Pump Station	\$127,000
Condition Assessment Related Projects	\$0 Defer \$4.3 million
	\$8,552,000

Ord Sewer Financial Forecast

Capital Spending **Scenario 2**: \$1.7 **(-\$0.9M)** million per year (Original Target: \$2.5M)



Rate Revenue Increase: 3.0% 3.0% 3.0% 3.0% 3.0% 3.0% 3.0% 3.0% 3.0% 3.0%



Recycled Water Financial Plan

Recycled Water Financial SnapShot

Fiscal Year beginning July 1, 2023

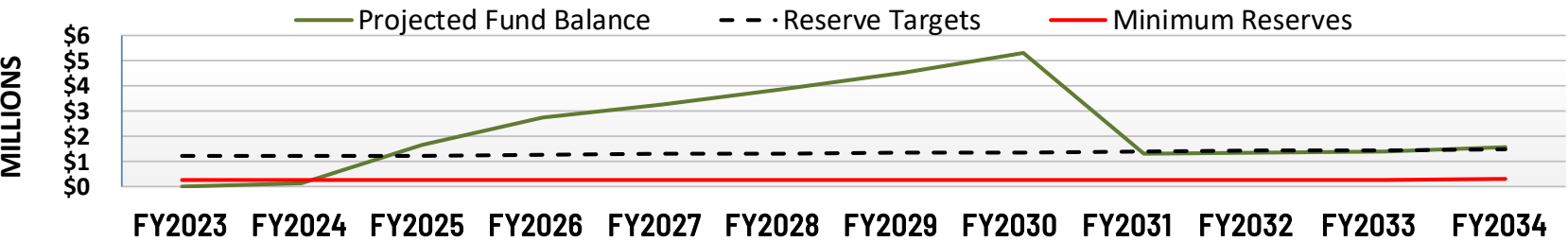
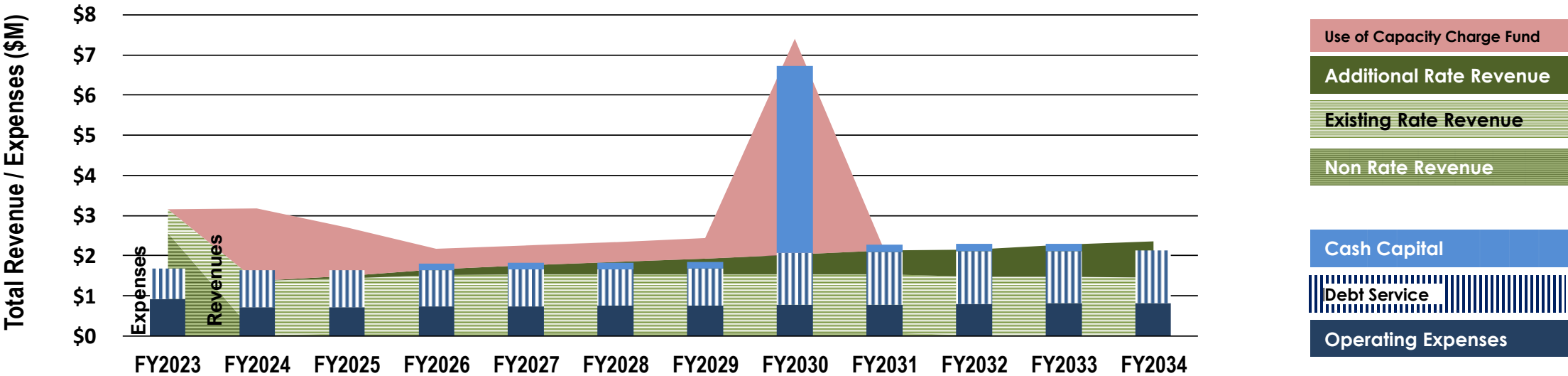
Cash Reserves	\$123,000
Revenues	\$1,376,000
Operating Budget & Debt	\$1,049,000
Remaining for PayGo	\$327,000

Recycled Water Notes

- Capacity Charge funds will be used in the short-term to establish reserves and temporarily support debt service payments
- New customers joining the system will increase revenue
- Rehabilitation capital needs are minimal (because the system is new)
- \$170 million Direct Potable Reuse project in 2029
 - Will require \$12 million in District funds
 - The balance is expected to be grant funded

Recycled Water Financial Forecast

Capital Spending: \$150K per year



	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Rate Revenue Increase:		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Combined Debt Coverage Ratio:	5.42	3.60	2.00	2.47	2.90	3.31	3.75	3.82	4.17	4.52	4.92	5.36
Recycled Water Debt Proceeds:								\$4.4M				



Recap: Preliminary Financial Plan Findings

- 1) These scenarios are informational only and represent base level of funding
- 2) Most rate increases shown are limited to inflationary adjustments and will result in under-funded capital programs
- 3) The scenarios will meet reserve targets after 10 years
- 4) Bill impacts will also be affected by proposed changes to the rate structure (see next slides)



Water Cost of Service and Rate Design



Water Rates

Current rates (all customers):

- Fixed Service Charge based on meter size
- Tiered Consumption Charge
 - All customers receive 10 HCF of Tier 1 water per month

Proposal:

- Charge a uniform rate to commercial and multifamily customers
 - Uniform rate will be equal to the average consumption rate paid by single family customers
- Increase proportion of fixed revenue

Consumption Charges

Single Family Tiered Water Rates



Non-Single Family Uniform Water Rates





SCENARIO 1



Ord Water Rates Year 1*

	Fixed	Variable
Current	49.4%	50.6%
Proposed	49.9%	50.1%

	Current	Proposed Year 1	Change
Single Family Consumption Charge (\$/hcf)			
Tier 1	\$4.90	\$6.89	\$1.99
Tier 2	\$9.55	\$10.39	\$0.84
Multi-Family and Non-Residential Consumption Charge (\$/hcf)			
Uniform Rate	\$7.70	\$7.39	-\$0.31
Fixed Monthly Service Charges			
5/8" & 1" meters	\$48.94	\$51.76	\$2.82
1" meter	\$68.76	\$77.82	\$9.06
1.5" meter	\$118.29	\$142.99	\$24.70
2" meter	\$177.74	\$221.18	\$43.44
3" meter	\$336.26	\$429.71	\$93.45
4" meter	\$514.60	\$664.30	\$149.70
6" meter	\$1,003.98	\$1,315.93	\$311.95
8" meter	\$2,000.75	\$1,967.57	-\$33.18

* With 10% rate increase



Ord Water Bill Impacts

	Meter Size	Monthly Water Use (hcf)	Current Bill	Proposed Bill	Change \$
Single Family					
Low Use	3/4"	3.0	\$63.64	\$72.43	\$8.79
Median Use	3/4"	5.0	\$73.44	\$86.21	\$12.77
Average Use	3/4"	6.0	\$78.58	\$93.43	\$14.86
Multifamily					
Example #1	1"	15.0	\$165.51	\$188.67	\$23.16
Example #2	1.5"	30.0	\$358.29	\$364.69	\$6.40
Example #3	2"	50.0	\$608.74	\$590.68	-\$18.06
Non-Residential					
Example #1	1"	10.0	\$117.76	\$151.72	\$33.96
Example #2	2"	50.0	\$608.74	\$590.68	-\$18.06
Example #3	3"	150.0	\$1,722.26	\$1,538.21	-\$184.05
Example #4	4"	300.0	\$3,333.10	\$2,881.30	-\$451.80
Example #5	6"	600.0	\$6,687.48	\$5,749.93	-\$937.55

* Results include the 10 percent Year 1 rate increases



Marina Water Rates Year 1*

	Fixed	Variable
Current	37.4%	62.6%
Proposed	50.5%	49.5%

	Current	Proposed Year 1	Change
Single Family Consumption Charge (\$/hcf)			
Tier 1	\$3.80	\$4.31	\$0.51
Tier 2	\$5.79	\$6.89	\$1.10
Multi-Family and Non-Residential Consumption Charge (\$/hcf)			
Uniform Rate	\$5.49	\$4.58	-\$0.91
Fixed Monthly Service Charges			
5/8" & 1" meters	\$28.34	\$43.34	\$15.00
1" meter	\$38.22	\$66.94	\$28.72
1.5" meter	\$62.91	\$125.92	\$63.01
2" meter	\$92.55	\$196.71	\$104.16
3" meter	\$171.56	\$385.46	\$213.90
4" meter	\$260.46	\$597.82	\$337.36
6" meter	\$507.39	\$1,187.68	\$680.29
8" meter	\$963.15	\$1,777.55	\$814.40

* With 20% rate increase



Marina Water Bill Impacts

	Meter Size	Monthly Water Use (hcf)	Current Bill	Proposed Bill	Change \$
Single Family					
Low Use	3/4"	3.0	\$39.74	\$56.27	\$16.53
Median Use	3/4"	5.0	\$47.34	\$64.89	\$17.55
Average Use	3/4"	6.0	\$51.32	\$69.41	\$18.08
Multifamily					
Example #1	1"	15.0	\$105.17	\$135.64	\$30.47
Example #2	1.5"	30.0	\$216.71	\$263.32	\$46.61
Example #3	2"	50.0	\$362.15	\$425.71	\$63.56
Non-Residential					
Example #1	1"	10.0	\$76.22	\$112.74	\$36.52
Example #2	2"	50.0	\$362.15	\$425.71	\$63.56
Example #3	3"	150.0	\$1,020.16	\$1,072.46	\$52.30
Example #4	4"	300.0	\$1,977.56	\$1,971.82	-\$5.74
Example #5	6"	600.0	\$3,961.49	\$3,935.68	-\$25.81

* Results include the 20 percent Year 1 rate increases



Sewer Cost of Service and Rate Design



Sewer Rates

Current rates are fixed

- Residential: Fixed charge per dwelling unit
- Commercial: Fixed charge per EDU (equivalent dwelling unit)

Proposal:

- Develop sewer rates with a fixed charge and a variable rate based on actual water usage



Sewer Rate Structure

50% of revenue recovered through existing EDU assignments (fixed)

50% of revenue recovered through water usage rates

- Monthly water usage for Non-Residential
- Annualized winter water usage for Residential



Marina Sewer Rates Year 1*

	Fixed	Variable
Current	100%	0%
Proposed	50%	50%

	Current	Year 1
Fixed Charges (per EDU)	\$17.98	\$9.45
Flow-Based Charges (per HCF)	(not applicable)	\$1.85

* With 15% rate increase



Marina Sewer Bill Impacts

	Estimated Monthly Sewer (HCF)	Current Bill	Proposed Bill	Change \$
Single Family				
Low Use	3.0	\$17.98	\$15.00	-\$2.98
Average Use	5.0	\$17.98	\$18.70	\$0.72
Multifamily				
3 Dwelling Units	12.0	\$53.94	\$50.55	-\$3.39
10 Dwelling Units	40.0	\$179.80	\$168.50	-\$11.30
160 Dwelling Units	640.0	\$2,876.80	\$2,696.00	-\$180.80
Non-Residential				
Office, 0.8 EDUs	2.0	\$14.38	\$11.26	-\$3.12
Retail, 3 EDUs	7.0	\$53.94	\$41.30	-\$12.64
Restaurant, 4 EDUs	90.0	\$71.92	\$204.30	\$132.38
Institution, 4 EDUs	22.0	\$71.92	\$78.50	\$6.58
Commercial, 32 EDUs	270.0	\$575.36	\$801.90	\$226.54
Hotel, 90 EDUs	370.0	\$1,618.20	\$1,535.00	-\$83.20

* Results include the 15 percent Year 1 rate increases



Ord Sewer Rates Year 1*

	Fixed	Variable
Current	100%	0%
Proposed	50%	50%

	Current	Year 1
Fixed Charges (per EDU)	\$38.15	\$20.55
Flow-Based Charges (per HCF)	(not applicable)	\$4.02

* With 4% rate increase



Ord Sewer Bill Impacts

	Estimated Monthly Sewer (HCF)	Current Bill	Proposed Bill	Change \$
Single Family				
Low Use	3.0	\$38.15	\$32.61	-\$5.54
Average Use	5.0	\$38.15	\$40.65	\$2.50
Multifamily				
3 Dwelling Units	12.0	\$114.45	\$109.89	-\$4.56
10 Dwelling Units	40.0	\$381.50	\$366.30	-\$15.20
160 Dwelling Units	640.0	\$6,104.00	\$5,860.80	-\$243.20
Non-Residential				
Office, 0.8 EDUs	2.0	\$30.52	\$24.48	-\$6.04
Retail, 3 EDUs	7.0	\$114.45	\$89.79	-\$24.66
Restaurant, 4 EDUs	90.0	\$152.60	\$444.00	\$291.40
Institution, 4 EDUs	22.0	\$152.60	\$170.64	\$18.04
Commercial, 32 EDUs	270.0	\$1,220.80	\$1,743.00	\$522.20
Hotel, 90 EDUs	370.0	\$3,433.50	\$3,336.90	-\$96.60

* Results include the 4 percent Year 1 rate increases



Next Steps

- Public outreach and public meetings in March
- Refine and set final rates in April and send Prop. 218 notices
- Approve new rates in June Hearing and go into effect July 1



SCENARIO 2



Ord Water Rates Year 1*

	Fixed	Variable
Current	49.4%	50.6%
Proposed	49.9%	50.1%

	Current	Proposed Year 1	Change
Single Family Consumption Charge (\$/hcf)			
Tier 1	\$4.90	\$6.79	\$1.89
Tier 2	\$9.55	\$10.24	\$0.69
Multi-Family and Non-Residential Consumption Charge (\$/hcf)			
Uniform Rate	\$7.70	\$7.28	-\$0.42
Fixed Monthly Service Charges			
5/8" & 1" meters	\$48.94	\$50.67	\$1.73
1" meter	\$68.76	\$76.12	\$7.36
1.5" meter	\$118.29	\$139.74	\$21.45
2" meter	\$177.74	\$216.09	\$38.35
3" meter	\$336.26	\$419.69	\$83.43
4" meter	\$514.60	\$648.75	\$134.15
6" meter	\$1,003.98	\$1,285.00	\$281.02
8" meter	\$2,000.75	\$1,921.26	-\$79.49

* With 8% rate increase



Ord Water Bill Impacts

	Meter Size	Monthly Water Use (hcf)	Current Bill	Proposed Bill	Change \$
Single Family					
Low Use	3/4"	3.0	\$63.64	\$71.04	\$7.40
Median Use	3/4"	5.0	\$73.44	\$84.62	\$11.18
Average Use	3/4"	6.0	\$78.58	\$91.74	\$13.16
Multifamily					
Example #1	1"	15.0	\$165.51	\$185.32	\$19.81
Example #2	1.5"	30.0	\$358.29	\$358.14	-\$0.15
Example #3	2"	50.0	\$608.74	\$580.09	-\$28.65
Non-Residential					
Example #1	1"	10.0	\$117.76	\$148.92	\$31.16
Example #2	2"	50.0	\$608.74	\$580.09	-\$28.65
Example #3	3"	150.0	\$1,722.26	\$1,511.69	-\$210.57
Example #4	4"	300.0	\$3,333.10	\$2,832.75	-\$500.35
Example #5	6"	600.0	\$6,687.48	\$5,653.00	-\$1,034.48

* Results include the 8 percent Year 1 rate increases



Marina Water Rates Year 1*

	Fixed	Variable
Current	37.4%	62.6%
Proposed	50.5%	49.5%

	Current	Proposed Year 1	Change
Single Family Consumption Charge (\$/hcf)			
Tier 1	\$3.80	\$4.20	\$0.40
Tier 2	\$5.79	\$6.73	\$0.94
Multi-Family and Non-Residential Consumption Charge (\$/hcf)			
Uniform Rate	\$5.49	\$4.48	-\$1.01
Fixed Monthly Service Charges			
5/8" & 1" meters	\$28.34	\$42.21	\$13.87
1" meter	\$38.22	\$65.18	\$26.96
1.5" meter	\$62.91	\$122.58	\$59.67
2" meter	\$92.55	\$191.47	\$98.92
3" meter	\$171.56	\$375.18	\$203.62
4" meter	\$260.46	\$581.84	\$321.38
6" meter	\$507.39	\$1,155.92	\$648.53
8" meter	\$963.15	\$1,729.99	\$766.84

* With 17% rate increase



Marina Water Bill Impacts

	Meter Size	Monthly Water Use (hcf)	Current Bill	Proposed Bill	Change \$
Single Family					
Low Use	3/4"	3.0	\$39.74	\$54.81	\$15.07
Median Use	3/4"	5.0	\$47.34	\$63.21	\$15.87
Average Use	3/4"	6.0	\$51.32	\$67.61	\$16.29
Multifamily					
Example #1	1"	15.0	\$105.17	\$132.38	\$27.21
Example #2	1.5"	30.0	\$216.71	\$256.98	\$40.27
Example #3	2"	50.0	\$362.15	\$415.47	\$53.32
Non-Residential					
Example #1	1"	10.0	\$76.22	\$109.98	\$33.76
Example #2	2"	50.0	\$362.15	\$415.47	\$53.32
Example #3	3"	150.0	\$1,020.16	\$1,047.18	\$27.02
Example #4	4"	300.0	\$1,977.56	\$1,925.84	-\$51.72
Example #5	6"	600.0	\$3,961.49	\$3,843.92	-\$117.57

* Results include the 17 percent Year 1 rate increases



Sewer Cost of Service and Rate Design



Sewer Rates

Current rates are fixed

- Residential: Fixed charge per dwelling unit
- Commercial: Fixed charge per EDU (equivalent dwelling unit)

Proposal:

- Develop sewer rates with a fixed charge and a variable rate based on actual water usage



Sewer Rate Structure

50% of revenue recovered through existing EDU assignments (fixed)

50% of revenue recovered through water usage rates

- Monthly water usage for Non-Residential
- Annualized winter water usage for Residential



Marina Sewer Rates Year 1*

	Fixed	Variable
Current	100%	0%
Proposed	50%	50%

	Current	Year 1
Fixed Charges (per EDU)	\$17.98	\$9.12
Flow-Based Charges (per HCF)	(not applicable)	\$1.79

* With 11% rate increase



Marina Sewer Bill Impacts

	Estimated Monthly Sewer (HCF)	Current Bill	Proposed Bill	Change \$
Single Family				
Low Use	3.0	\$17.98	\$14.49	-\$3.49
Average Use	5.0	\$17.98	\$18.07	\$0.09
Multifamily				
3 Dwelling Units	12.0	\$53.94	\$48.84	-\$5.10
10 Dwelling Units	40.0	\$179.80	\$162.80	-\$17.00
160 Dwelling Units	640.0	\$2,876.80	\$2,604.80	-\$272.00
Non-Residential				
Office, 0.8 EDUs	2.0	\$14.38	\$10.88	-\$3.51
Retail, 3 EDUs	7.0	\$53.94	\$39.89	-\$14.05
Restaurant, 4 EDUs	90.0	\$71.92	\$197.58	\$125.66
Institution, 4 EDUs	22.0	\$71.92	\$75.86	\$3.94
Commercial, 32 EDUs	270.0	\$575.36	\$775.14	\$199.78
Hotel, 90 EDUs	370.0	\$1,618.20	\$1,483.10	-\$135.10

* Results include the 11 percent Year 1 rate increases



Ord Sewer Rates Year 1*

	Fixed	Variable
Current	100%	0%
Proposed	50%	50%

	Current	Year 1
Fixed Charges (per EDU)	\$38.15	\$20.35
Flow-Based Charges (per HCF)	(not applicable)	\$3.98

* With 3% rate increase



Ord Sewer Bill Impacts

	Estimated Monthly Sewer (HCF)	Current Bill	Proposed Bill	Change \$
Single Family				
Low Use	3.0	\$38.15	\$32.29	-\$5.86
Average Use	5.0	\$38.15	\$40.25	\$2.10
Multifamily				
3 Dwelling Units	12.0	\$114.45	\$108.81	-\$5.64
10 Dwelling Units	40.0	\$381.50	\$362.70	-\$18.80
160 Dwelling Units	640.0	\$6,104.00	\$5,803.20	-\$300.80
Non-Residential				
Office, 0.8 EDUs	2.0	\$30.52	\$24.24	-\$6.28
Retail, 3 EDUs	7.0	\$114.45	\$88.91	-\$25.54
Restaurant, 4 EDUs	90.0	\$152.60	\$439.60	\$287.00
Institution, 4 EDUs	22.0	\$152.60	\$168.96	\$16.36
Commercial, 32 EDUs	270.0	\$1,220.80	\$1,725.80	\$505.00
Hotel, 90 EDUs	370.0	\$3,433.50	\$3,304.10	-\$129.40

* Results include the 3 percent Year 1 rate increases



Next Steps

- Public outreach and public meetings in March or April
- Refine and set final rates in April and send Prop. 218 notices
- Approve new rates in June Hearing and go into effect July 1