



Beverly Hills City Council /Public Works Commission Liaison Committee will conduct a Special Meeting, at the following time and place, and will address the agenda listed below:

**CITY HALL
455 North Rexford Drive
4th Floor Conference Room A
Beverly Hills, CA 90210**

**Monday, September 24, 2018
3:00 P.M.**

AGENDA

- 1) Public Comment
 - a. Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.
- 2) Water Rates - Water Reliability Charge
- 3) Adjournment

A handwritten signature in black ink, appearing to read "Byron Pope", written over a horizontal line.

Byron Pope, City Clerk

Posted: September 21, 2018

A DETAILED LIAISON AGENDA PACKET IS AVAILABLE FOR REVIEW IN THE LIBRARY AND CITY CLERK'S OFFICE.



In accordance with the Americans with Disabilities Act, Conference Room A is wheelchair accessible. If you need special assistance to attend this meeting, please call the City Manager's Office at (310) 285-1014 or TTY (310) 285-6881. Please notify the City Manager's Office at least twenty-four (24) hours prior to the meeting if you require captioning service so that reasonable arrangements can be made.

Public Comment

Members of the public will be given the opportunity to directly address the Committee on any item listed on the agenda.



CITY OF BEVERLY HILLS
PUBLIC WORKS DEPARTMENT

MEMORANDUM

TO: Mayor Julian A. Gold, M.D. and Councilmember Robert Wunderlich, Ph.D.

FROM: Shana Epstein, Director of Public Works

DATE: September 24, 2018

SUBJECT: Water Rates – Water Reliability Charge

ATTACHMENTS:

1. PWC Report from September 13, 2018
2. PWC Presentation from September 13, 2018
3. City Council/Commission Liaison Presentation for September 24, 2018

At the September 13, 2018 Public Works Commission meeting, staff presented four rate options for a separate water reliability charge to fund development of the La Brea Subarea of the Central Basin. All four rate options were developed to address cash flow shortfalls and contained a general fund contribution of \$10 million and \$20 million in revenue bonds. The four scenarios presented to the Commission are detailed in attachments 1 and 2.

After a lengthy discussion, there was a consensus among the Commissioners that staff bring variations of scenario 2 to the City Council. Attachment 3 details the five rate options being presented to members of the City Council/Public Works Commission liaison.



CITY OF BEVERLY HILLS
PUBLIC WORKS DEPARTMENT
MEMORANDUM

TO: Public Works Commission

FROM: Shana Epstein, Director of Public Works
Gil Borboa, Assistant Director of Public Works
Michael Hensley, Senior Management Analyst

DATE: September 13, 2018

SUBJECT: Water Reliability Charges

ATTACHMENT: 1. Technical Memo: Water Reliability Charge scenarios and rate impacts

INTRODUCTION

Currently, all of the water used by the City is purchased from the Metropolitan Water District (MWD). When the Water Treatment Plant (WTP) is operational, the City can produce 358 million gallons per year from local groundwater pumped out of the Hollywood Basin wells. While producing some local groundwater is valuable, the amount produced from the Hollywood Basin does not provide the level of water independence desired by the City. The 2015 Water Enterprise Plan identified additional opportunities to produce local groundwater out of the La Brea Subarea of the Central Groundwater Basin. A Preliminary Design Report (PDR), designed by Michael Baker International, provided a road map on developing the LA Brea Basin for local ground water production including: three groundwater production wells, a raw water transmission main for conveyance of raw water from the three wells to the WTP, and upgrades to the WTP. At full capacity, the development of the La Brea Basin will produce up to an additional 554 million gallons per year. While this will not offer the City total water independence, it will further reduce reliance on imported water and increase water resiliency in the event access to imported water is inadequate to meet the City's needs.

Developing the La Brea Basin will cost approximately \$60.3 million. Funding options for the capital projects identified in the WEP include, use of water enterprise reserves, general fund contributions, revenue bonds, and establishing a capital specific water rate.

DISCUSSION

Water Utility customers, both inside and outside of the City, will be responsible for funding the costs detailed above. After reviewing funding options, staff recommends adding a separate Water Reliability Charge to each hundred-acre foot (HCF) used by water customers. Having a separate charge is beneficial because it delineates future capital and operational costs for the La Brea Basin development from operation and maintenance costs for existing water system infrastructure. Based on cash flow projections, staff is presenting four rate options for the Water Reliability Charge.

Option 1: This option keeps the same Water Reliability Charge that was approved by the Commission and includes an annual increase for inflation. However, because the brunt of capital expenditures occur in the first ten years, an additional loan from the General Fund of \$18 million would be needed to keep a sufficient cash flow in the Water Enterprise Fund. The charge to Inside City customers would be offset by a subsidy for the first 8.5 years, based on the previously earmarked General Fund contribution of \$10 million. After approximately 8.5 years, the full charge would commence. The charge to Outside City customers would begin upon adoption and such customers would receive no subsidy for City General Fund contributions.

Option 2a: This option provides for a larger, up-front fixed charge to cover the capital costs associated with the project, rather than an escalating rate. There is no future General Fund loan in this option. Beverly Hills customers would receive a full subsidy for approximately 2.5 years, after which they would be charged the same rate as Outside City customers. In 2025, the fixed charge would be significantly reduced. Outside City customers would pay the up-front fixed charge from adoption, with no subsidy for General Fund contributions and a decrease of the rate in the outer years beginning in 2025.

Option 2b: This option is the same as option 2a except, rather than receiving a full subsidy in the initial years, Beverly Hills customers would receive a 40% subsidy for the first six years. Thereafter, the fixed charge drops significantly. Outside City customers would pay the full adopted rate for the first six years, and thereafter pay the same decreased rate as Inside City customers.

Option 3: To allow for a lower rate than considered in Option 1, this option considers a \$10 million loan from the General Fund to cover a portion of the cash flow needs during project construction years. Beverly Hills customers would receive a 75% subsidy on the rate for the first five years, a 15% subsidy in year six, zero subsidy for year 7 and beginning in year eight, the rate decreases to a lower fixed charge. Outside City customers would pay the unsubsidized higher rate to cover the up-front fixed charge for seven years, with a significant reduction beginning in year eight. By year eight, Inside and Outside City customers would be charged an equivalent rate.

Once funding for the La Brea Basin is complete, the City will reassess whether the Water Reliability Charge is still needed.

Water Utility customers will see a separate line on their utility bill for the Water Reliability Charge. The attached technical memo includes sample rates for the four options listed above. Sample customer bill impacts will be presented.

FISCAL IMPACT

The proposed rates for the four options above are detailed in the attached technical memo and sample customer bill impacts will be presented. Debt coverage and industry standard reserves have been preserved. The reserves do decrease below the City standards, but will recover.

ATTACHMENT 1



HILTON FARNKOPF & HOBSON

HF&H CONSULTANTS, LLC

Managing Tomorrow's Resources Today

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Robert D. Hilton, CMC, Emeritus

TECHNICAL MEMORANDUM

To: Shana Epstein, Public Works Director, City of Beverly Hills

From: John Farnkopf, Sr. Vice President, HF&H Consultants
Rick Simonson, Vice President, HF&H Consultants

Date: September 13, 2018

Subject: Water Rate Study - Water Reliability Charge

Several modifications are being proposed as part of the water rate update that is underway, one of which is the introduction of a Water Reliability Charge. The Water Reliability Charge is intended to fund the cost of the Water Enterprise Plan (WEP), which will reduce the City's reliance on imported water by developing local groundwater resources. This technical memorandum summarizes the cash flow analysis that was prepared to determine the proposed Water Reliability Charge.

A thirty-year cash flow model was prepared to determine the amount of revenue needed from the Water Reliability Charge and other sources to fund the WEP operating and capital expenses. With this model, five scenarios were developed. All of the scenarios were developed to fund the same expenses. The capital expenses are based on the La Brea Preliminary Design Report (PDR), which projects \$55.8 million in capital expenses and \$4.5 million in additional staffing and O&M expenses to bring the project up and running. Certain adjustments were made to update the annual expenditures.

The scenarios differ from each other based on how they fund the WEP expenses from the available sources, which include:

1. **Bond proceeds**, which is \$20,000,000 in FY 2019-20 for all scenarios (30-year term at 4% interest).



2. **Water Enterprise reserves**, which is \$12,500,000 during the construction period for all scenarios. The reserves are drawn down during the construction period and subsequently restored as quickly as possible.
3. **Contribution from the Beverly Hills General Fund**, which is \$10,000,000 in FY 2018-19 for all of the scenarios except for the baseline. This contribution is used to subsidize the Water Reliability Charge for Inside City customers in the initial years.
4. **Loans from the Beverly Hill General Fund**, which vary among the scenarios as needed to cover cash flow shortfall. The baseline scenario sets rates high enough so that a loan is not needed. The loans are repaid by both Inside and Outside City customers with 3% interest.
5. **Water Reliability Charge**, which varies among the scenarios and between Inside City and Outside City customers.

The combinations of funding associated with each scenario are summarized in Table 1.

Table 1. Summary of Funding Sources

	Baseline	Scenario 1	Scenario 2a	Scenario 2b	Scenario 3
Bond proceeds	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Water Enterprise reserves	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000
General Fund contribution	\$0	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
General Fund loan	\$0	\$18,000,000	\$0	\$0	\$10,000,000
Water Reliability Charge					
Inside City	\$47,200,000	\$45,600,000	\$37,200,000	\$37,200,000	\$40,800,000
Outside City	\$6,200,000	\$7,300,000	\$6,200,000	\$6,200,000	\$6,700,000
Total	\$53,400,000	\$52,900,000	\$43,400,000	\$43,400,000	\$47,500,000

The baseline scenario is funded without a contribution or loan from the Beverly Hills General Fund. As a result, there is a cash flow shortfall. Hence, the baseline scenario is not viable. Scenarios 1 through 3 maintain positive cash flows.

The contribution from the General Fund can be used to subsidize the Water Reliability Charge for Inside City customers during the initial years. Table 2 summarizes the Water Reliability Charge rates for Inside and Outside City customers, indicating the subsidy for each scenario.



Table 2. Water Reliability Charge Rates During Construction Period

	Baseline	Scenario 1	Scenario 2a	Scenario 2b	Scenario 3
Inside City					
	<u>Water Reliability Charge (\$/HCF)</u>				
FY 2018-19	\$1.15	\$0.00	\$0.00	\$0.72	\$0.19
FY 2019-20	\$1.15	\$0.00	\$0.00	\$0.72	\$0.19
FY 2020-21	\$1.15	\$0.00	\$0.36	\$0.72	\$0.19
FY 2021-22	\$1.15	\$0.00	\$1.20	\$0.72	\$0.19
FY 2022-23	\$1.15	\$0.00	\$1.20	\$0.72	\$0.19
FY 2023-24	\$1.15	\$0.00	\$1.20	\$0.72	\$0.64
FY 2024-25	\$0.35	\$0.00	\$0.31	\$0.31	\$0.75
	<u>Percent of Full Water Reliability Charge</u>				
FY 2018-19	100%	0%	0%	60%	25%
FY 2019-20	100%	0%	0%	60%	25%
FY 2020-21	100%	0%	30%	60%	25%
FY 2021-22	100%	0%	100%	60%	25%
FY 2022-23	100%	0%	100%	60%	25%
FY 2023-24	100%	0%	100%	60%	85%
FY 2024-25	100%	0%	100%	100%	100%
Outside City					
	<u>Water Reliability Charge (\$/HCF)</u>				
FY 2018-19	\$1.15	\$0.29	\$1.20	\$1.20	\$0.75
FY 2019-20	\$1.15	\$0.30	\$1.20	\$1.20	\$0.75
FY 2020-21	\$1.15	\$0.31	\$1.20	\$1.20	\$0.75
FY 2021-22	\$1.15	\$0.32	\$1.20	\$1.20	\$0.75
FY 2022-23	\$1.15	\$0.33	\$1.20	\$1.20	\$0.75
FY 2023-24	\$1.15	\$0.34	\$1.20	\$1.20	\$0.75
FY 2024-25	\$0.35	\$0.35	\$0.31	\$0.31	\$0.75
	<u>Percent of Full Water Reliability Charge</u>				
FY 2018-19	100%	100%	100%	100%	100%
FY 2019-20	100%	100%	100%	100%	100%
FY 2020-21	100%	100%	100%	100%	100%
FY 2021-22	100%	100%	100%	100%	100%
FY 2022-23	100%	100%	100%	100%	100%
FY 2023-24	100%	100%	100%	100%	100%
FY 2024-25	100%	100%	100%	100%	100%



The subsidy for Inside City Water Reliability Charge rates applies in the initial years and is the same as Outside City rates for the end of the projection period. The rates for the period from FY 2018-19 through FY 2053-54 are shown in Table 3.

Table 3. Water Reliability Charge Rates - FY 2018-19 through FY 2053-54

Fiscal Year	Baseline		Scenario 1		Scenario 2a		Scenario 2b		Scenario 3	
	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside
FY 2018-19	\$1.15	\$1.15	\$0.00	\$0.29	\$0.00	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2019-20	\$1.15	\$1.15	\$0.00	\$0.30	\$0.00	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2020-21	\$1.15	\$1.15	\$0.00	\$0.31	\$0.36	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2021-22	\$1.15	\$1.15	\$0.00	\$0.32	\$1.20	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2022-23	\$1.15	\$1.15	\$0.00	\$0.33	\$1.20	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2023-24	\$1.15	\$1.15	\$0.00	\$0.34	\$1.20	\$1.20	\$0.72	\$1.20	\$0.64	\$0.75
FY 2024-25	\$0.35	\$0.35	\$0.00	\$0.35	\$0.31	\$0.31	\$0.31	\$0.31	\$0.75	\$0.75
FY 2025-26	\$0.35	\$0.35	\$0.00	\$0.36	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2026-27	\$0.35	\$0.35	\$0.15	\$0.37	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2027-28	\$0.35	\$0.35	\$0.38	\$0.38	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2028-29	\$0.35	\$0.35	\$0.39	\$0.39	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2034-35	\$0.35	\$0.35	\$0.47	\$0.47	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2035-36	\$0.35	\$0.35	\$0.48	\$0.48	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2036-37	\$0.35	\$0.35	\$0.49	\$0.49	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2037-38	\$0.35	\$0.35	\$0.51	\$0.51	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2038-39	\$0.35	\$0.35	\$0.52	\$0.52	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2039-40	\$0.10	\$0.10	\$0.54	\$0.54	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2040-41	\$0.10	\$0.10	\$0.56	\$0.56	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2041-42	\$0.10	\$0.10	\$0.57	\$0.57	\$0.10	\$0.10	\$0.10	\$0.10	\$0.44	\$0.44
FY 2042-43	\$0.10	\$0.10	\$0.59	\$0.59	\$0.10	\$0.10	\$0.10	\$0.10	\$0.44	\$0.44
FY 2043-44	\$0.10	\$0.10	\$0.61	\$0.61	\$0.10	\$0.10	\$0.10	\$0.10	\$0.44	\$0.44
FY 2044-45	\$0.10	\$0.10	\$0.63	\$0.63	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2045-46	\$0.10	\$0.10	\$0.64	\$0.64	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2046-47	\$0.05	\$0.05	\$0.66	\$0.66	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2047-48	\$0.05	\$0.05	\$0.68	\$0.68	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2048-49	\$0.05	\$0.05	\$0.70	\$0.70	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2049-50	\$0.00	\$0.00	\$0.30	\$0.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FY 2050-51	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FY 2051-52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FY 2052-53	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FY 2053-54	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

By FY 2024-25, the WEP is constructed and in service. With the exception of Scenario 1, Water Reliability Charge rates taper off in the out years. Scenario 1 is the only scenario where the rates escalate in the out years.

ATTACHMENT 2



Water Rate Study

Prepared by HF&H Consultants

Public Works Commission

September 13, 2018

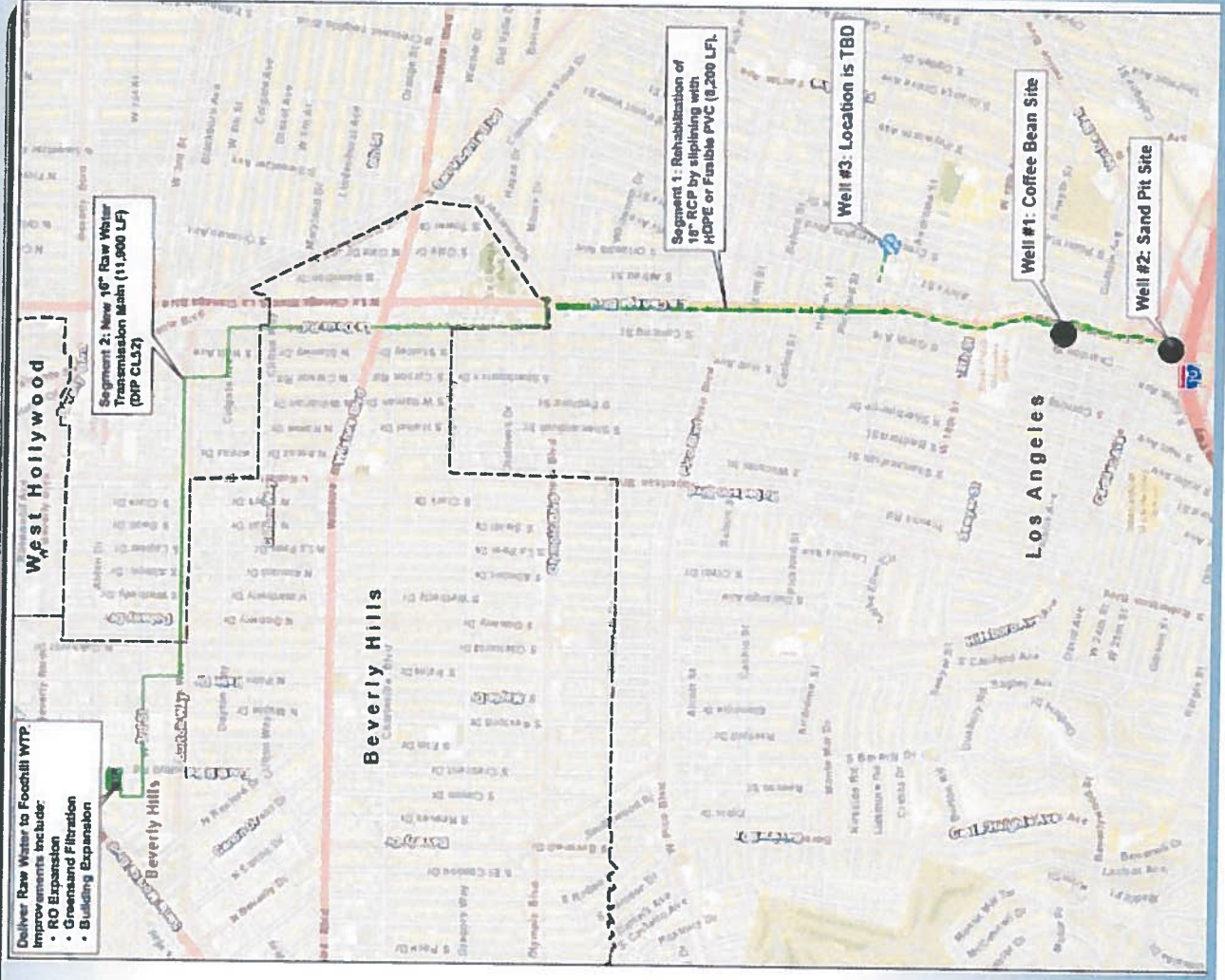


Introduction

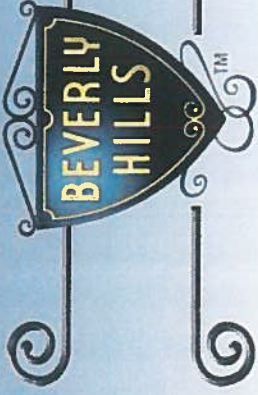
- Meeting objectives
 - Present Water Reliability Charge Scenarios
 - Receive input and direction
- Next steps
 - Present to Liaison Committee
 - Present to City Council to approve notice
 - Prepare full cost-of-service study report
 - Conduct Proposition 218 rate adoption process



Water Reliability Project



- Objective: Create long-term local water supply
 - Deliver raw water to City's Foothill Water Treatment Plant from 3 new wells
 - 1,700 Acre Feet per year (approx. 18% of current water demand)
 - Less reliant on MWD water
- Project costs until up and running in 2025
 - \$55.8M in capital costs
 - \$4.5M in O&M costs
- Average annual O&M costs once up and running = \$4.6M
- Net Present Value (2018\$) = \$0.29 per HCF



Water Reliability Charge

Recommendation	<ul style="list-style-type: none">- Add charge to all quantity charges (including Irrigation customers)- Charge is uniform per HCF Charge derived as a flat amount based on the life cycle cost- \$10 million general fund contribution will subsidize Inside City customer charge for a period of time to be determined
Rationale	<ul style="list-style-type: none">- Creating a separate charge for a major capital improvement highlights the cost of improving supplies
Outcomes	<ul style="list-style-type: none">- Provides an additional funding source based on long-term cost recovery that is clearly identified- Revenue will not match annual cash flow and may require loan support from the General Fund



Water Reliability Funding Strategies

- Significant investment necessary to get up and running \$60.3M by 2025
 - General fund has already purchased the Coffee Bean/La Cienega property for \$9.0M
 - \$20.0M bond to be issued in 2020
 - \$12.5M available from Water Enterprise reserves
 - Reserves will be paid back from Water Reliability Charge revenue
 - Requires temporarily dipping below City reserve target policy of 50% of Water Rate Revenue
 - NEVER dips below 25% of Water Rate Revenue (minimum industry standard)
 - Reserves paid back by 2040
 - Remaining balance will come from the Water Reliability Charge
- A Water Reliability Charge of \$0.29 per HCF (with annual inflationary increases) covers the total cost over time but does not meet cash flow requirements



Start-Up period Cash Flow Analysis

- A Water Reliability Charge of \$0.29 per HCF (with annual inflationary increases) covers the total cost over time but does not meet cash flow requirements

Line	Revenue	2018	2019	2020	2021	2022	2023	2024	2025	2026
1	Water Reliability Charge Revenue									
2	Water Sales (HCF)		2,150,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000
3	\$/HCF WR Charge		\$0.29	\$0.30	\$0.31	\$0.32	\$0.33	\$0.34	\$0.35	\$0.35
4	Total Water Reliability Charge Revenue		\$623,500	\$1,284,410	\$1,322,942	\$1,362,631	\$1,403,509	\$1,445,615	\$1,488,983	\$1,488,983
5										
6	General Fund land purchase	\$9,000,000								
7	General Fund contribution		\$10,000,000							
8	Bond Proceeds			\$20,000,000						
9	Transfer in from Reserves		\$9,500,000	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0
10	Total Revenue	\$9,000,000	\$20,123,500	\$21,284,410	\$2,322,942	\$2,362,631	\$2,403,509	\$1,445,615	\$1,488,983	\$1,488,983
11										
12	Expenses									
13	Capital Expenses	\$9,000,000	\$8,485,106	\$11,328,354	\$9,522,555	\$11,525,340	\$5,245,356	\$680,186	\$0	\$0
14	O&M per PDR	\$0	\$0	\$0	\$347,782	\$358,216	\$368,962	\$380,031	\$1,467,870	\$1,511,906
15	Additional Staffing	\$0	\$425,382	\$437,997	\$450,990	\$464,373	\$641,730	\$660,835	\$680,660	\$701,080
16	Debt Service	\$0	\$0	\$1,156,602	\$1,156,602	\$1,156,602	\$1,156,602	\$1,156,602	\$1,156,602	\$1,156,602
17	Less: MWD Water Purchase Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,514,300)	(\$2,589,729)
18	Net Expenditures/Cost Savings	\$9,000,000	\$8,910,488	\$12,922,953	\$11,477,929	\$13,504,530	\$7,412,650	\$2,877,654	\$790,832	\$779,859
19										
20	Net Operating Surplus/(Shortfall)	\$0	\$11,213,012	\$8,361,457	(\$9,154,986)	(\$11,141,899)	(\$5,009,141)	(\$1,432,039)	\$698,152	\$709,125
21	Cash Balance for WR Expenditures	\$0	\$11,213,012	\$19,574,469	\$10,419,483	(\$722,416)	(\$5,731,557)	(\$7,163,596)	(\$6,465,445)	(\$5,756,320)

- We have developed four alternative Water Reliability Charge scenarios which meet the cash flow requirement



Water Reliability Charge Scenarios

Scenario Assumptions	Scenarios		
	1	2a	2b
			3
General Fund land purchase	\$9,000,000	Same as 1	Same as 1
Bond proceeds (FYE 2020)	\$20,000,000	Same as 1	Same as 1
General Fund contribution (FYE 2019)	\$10,000,000	Same as 1	Same as 1
Water Enterprise reserves	\$12,500,000	Same as 1	Same as 1
General Fund loan	\$18,000,000	\$0	\$10,000,000
Interest cost (30 yrs, 3%)	\$14,000,000	\$0	\$5,400,000
Inside City General Fund credit			
100% credit	First 8+ years	First 2+ years	--
75% credit	--	--	First 5+ years
40% credit	--	--	First 6 years
Water Reliability Charge Rate (\$/HCF)			
	Inside City		
FY 2021-22	\$0.00	\$1.20	\$0.72
FY 2026-27	\$0.15	\$0.31	\$0.31
FY 2048-49	\$0.70	\$0.05	\$0.05
	Outside City		
FY 2021-22	\$0.32	\$1.20	\$1.20
FY 2026-27	\$0.37	\$0.31	\$0.31
FY 2048-49	\$0.70	\$0.05	\$0.05

Blue shading indicates Inside when Inside City rates are subsidized by the General Fund contribution



Summary of Water Reliability Charge Rates

Fiscal Year	Scenario 1		Scenario 2a		Scenario 2b		Scenario 3	
	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside
General Fund loan:	\$18M loan		No loan		No loan		\$10M loan	
Inside City credit:	100% 8+ yrs		100% 2+ yrs		40% 6 yrs		75% 5+ yrs	
FY 2018-19	\$0.00	\$0.29	\$0.00	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2019-20	\$0.00	\$0.30	\$0.00	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2020-21	\$0.00	\$0.31	\$0.36	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2021-22	\$0.00	\$0.32	\$1.20	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2022-23	\$0.00	\$0.33	\$1.20	\$1.20	\$0.72	\$1.20	\$0.19	\$0.75
FY 2023-24	\$0.00	\$0.34	\$1.20	\$1.20	\$0.72	\$1.20	\$0.64	\$0.75
FY 2024-25	\$0.00	\$0.35	\$0.31	\$0.31	\$0.31	\$0.31	\$0.75	\$0.75
FY 2025-26	\$0.00	\$0.36	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2026-27	\$0.15	\$0.37	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2027-28	\$0.38	\$0.38	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2028-29	\$0.39	\$0.39	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2018-30	\$0.40	\$0.40	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2018-31	\$0.41	\$0.41	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2018-32	\$0.43	\$0.43	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2018-33	\$0.44	\$0.44	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2018-34	\$0.45	\$0.45	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2034-35	\$0.47	\$0.47	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2035-36	\$0.48	\$0.48	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2036-37	\$0.49	\$0.49	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2037-38	\$0.51	\$0.51	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2038-39	\$0.52	\$0.52	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2039-40	\$0.54	\$0.54	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2040-41	\$0.56	\$0.56	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.44
FY 2041-42	\$0.57	\$0.57	\$0.10	\$0.10	\$0.10	\$0.10	\$0.44	\$0.44
FY 2042-43	\$0.59	\$0.59	\$0.10	\$0.10	\$0.10	\$0.10	\$0.44	\$0.44
FY 2043-44	\$0.61	\$0.61	\$0.10	\$0.10	\$0.10	\$0.10	\$0.44	\$0.44
FY 2044-45	\$0.63	\$0.63	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2045-46	\$0.64	\$0.64	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2046-47	\$0.66	\$0.66	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2047-48	\$0.68	\$0.68	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2048-49	\$0.70	\$0.70	\$0.05	\$0.05	\$0.05	\$0.05	\$0.03	\$0.03
FY 2049-50	\$0.30	\$0.30	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
FY 2050-51	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Blue shading indicates when Inside City rates are subsidized by the General Fund contribution



Bill Impacts: Scenario #1, Inside City

Average Bill Impacts: Scenario #1, Inside City Customers						
	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07
Water Reliability Charge			\$0.00	\$0.00	\$0.00	\$0.00
Total Bill			\$286.26	\$279.03	\$287.40	\$296.02
\$ Change				(\$7.23)	\$8.37	\$8.88
Multi Family (10 units)	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67
Water Reliability Charge			\$0.00	\$0.00	\$0.00	\$0.00
Total Bill			\$470.46	\$511.47	\$526.81	\$542.62
Per Dwelling Unit			\$47.05	\$51.15	\$52.68	\$54.26
\$ Change				\$4.10	\$1.53	\$1.58
Commercial	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25
Water Reliability Charge			\$0.00	\$0.00	\$0.00	\$0.00
Total Bill			\$941.77	\$921.26	\$948.90	\$977.36
\$ Change				(\$20.51)	\$27.64	\$28.47

Scenario #1

- \$18M General Fund loan
- 100% Inside City credit for first 8+ years

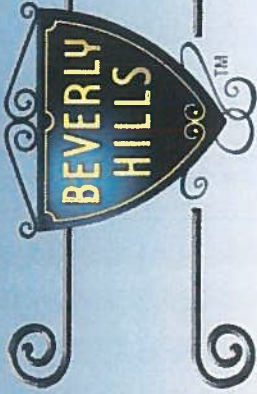


Bill Impacts: Scenario #2a, Inside City

Average Bill Impacts: Scenario #2a, Inside City Customers						
	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2022
Single Family	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$53.51
Quantity Charge			\$241.60	\$230.06	\$236.96	\$251.39
Water Reliability Charge			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$17.28</u>
Total Bill			\$286.26	\$279.03	\$287.40	\$362.50
\$ Change				(\$7.23)	\$8.37	\$49.20
Multi Family (10 units)	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$53.51
Quantity Charge			\$425.80	\$462.50	\$476.38	\$505.39
Water Reliability Charge			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$32.40</u>
Total Bill			\$470.46	\$511.47	\$526.81	\$666.90
Per Dwelling Unit			\$47.05	\$51.15	\$52.68	\$66.69
\$ Change				\$4.10	\$1.53	\$9.19
Commercial	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$93.84
Quantity Charge			\$864.36	\$835.38	\$860.44	\$912.84
Water Reliability Charge			<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$45.36</u>
Total Bill			\$941.77	\$921.26	\$948.90	\$1,157.89
\$ Change				(\$20.51)	\$27.64	\$135.16

Scenario #2a

- No General Fund loan
- 100% Inside City credit for first 2+ years



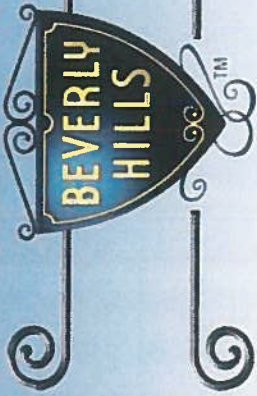
Bill Impacts: Scenario #2b, Inside City

Average Bill Impacts: Scenario #2b, Inside City Customers

	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07
Water Reliability Charge			\$0.00	\$34.56	\$34.56	\$34.56
Total Bill			\$286.26	\$313.59	\$321.96	\$339.46
\$ Change				\$27.33	\$8.37	\$8.88
Multi Family (10 units)	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67
Water Reliability Charge			\$0.00	\$64.80	\$64.80	\$64.80
Total Bill			\$470.46	\$576.27	\$591.61	\$623.70
Per Dwelling Unit			\$47.05	\$57.63	\$59.16	\$62.37
\$ Change				\$10.58	\$1.53	\$1.63
Commercial	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25
Water Reliability Charge			\$0.00	\$90.72	\$90.72	\$90.72
Total Bill			\$941.77	\$1,011.98	\$1,039.62	\$1,068.08
\$ Change				\$70.21	\$27.64	\$28.47

Scenario #2b

- No General Fund loan
- 40% Inside City credit for first 6 years



Bill Impacts: Scenario #3, Inside City

Average Bill Impacts: Scenario #3, Inside City Customers						
	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2022
Single Family	1"	48				
Service Charge			\$44.66	\$50.44	\$51.95	\$53.51
Quantity Charge			\$241.60	\$236.96	\$244.07	\$251.39
Water Reliability Charge			\$0.00	\$9.00	\$9.00	\$9.00
Total Bill			\$286.26	\$296.40	\$305.02	\$313.90
\$ Change			\$1.77	\$8.37	\$8.62	\$8.88
Multi Family (10 units)	1"	90				
Service Charge			\$44.66	\$50.44	\$51.95	\$53.51
Quantity Charge			\$425.80	\$476.38	\$490.67	\$505.39
Water Reliability Charge			\$0.00	\$16.88	\$16.88	\$16.88
Total Bill			\$470.46	\$543.69	\$559.49	\$575.77
Per Dwelling Unit			\$47.05	\$54.37	\$55.95	\$57.58
\$ Change			\$5.79	\$1.53	\$1.58	\$1.63
Commercial	1.5"	126				
Service Charge			\$77.41	\$88.46	\$91.11	\$93.84
Quantity Charge			\$864.36	\$860.44	\$886.25	\$912.84
Water Reliability Charge			\$0.00	\$23.63	\$23.63	\$23.63
Total Bill			\$941.77	\$972.52	\$1,000.99	\$1,030.31
\$ Change			\$3.12	\$27.64	\$28.47	\$29.32

Scenario #3

- \$10M General Fund loan
- 75% Inside City credit for first 5+ years



Bill Impacts: Scenario #1, Outside City

Average Bill Impacts: Scenario #1, Outside City Customers						
	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2022
Single Family	1"	48				
Service Charge			\$55.83	\$48.97	\$50.44	\$53.51
Quantity Charge			\$302.04	\$269.42	\$277.50	\$294.40
Water Reliability Charge			\$0.00	\$13.92	\$14.34	\$15.21
Total Bill			\$357.87	\$332.31	\$342.28	\$363.12
\$ Change				(\$25.56)	\$9.97	\$10.27
Multi Family (10 units)	1"	90				
Service Charge			\$55.83	\$48.97	\$50.44	\$53.51
Quantity Charge			\$531.90	\$536.30	\$552.39	\$586.03
Water Reliability Charge			\$0.00	\$26.10	\$26.88	\$27.69
Total Bill			\$587.73	\$611.37	\$629.71	\$668.06
Per Dwelling Unit			\$58.77	\$61.14	\$62.97	\$66.81
\$ Change				\$2.36	\$1.83	\$1.95
Commercial	1.5"	126				
Service Charge			\$96.77	\$85.88	\$88.46	\$93.84
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$1,025.74
Water Reliability Charge			\$0.00	\$36.54	\$37.64	\$39.93
Total Bill			\$1,177.85	\$1,061.12	\$1,092.95	\$1,159.51
\$ Change				(\$116.73)	\$31.83	\$33.77

Scenario #1

- \$18M General Fund loan
- 100% Inside City credit for first 8+ years



Bill Impacts: Scenario #2a, Outside City

Average Bill Impacts: Scenario #2a, Outside City Customers						
	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95
Quantity Charge			\$302.04	\$269.42	\$277.50	\$285.83
Water Reliability Charge			<u>\$0.00</u>	<u>\$57.60</u>	<u>\$57.60</u>	<u>\$57.60</u>
Total Bill			\$357.87	\$375.99	\$385.54	\$395.38
\$ Change				\$18.12	\$9.55	\$9.84
						\$10.13
Multi Family (10 units)	1"	90				
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95
Quantity Charge			\$531.90	\$536.30	\$552.39	\$568.96
Water Reliability Charge			<u>\$0.00</u>	<u>\$108.00</u>	<u>\$108.00</u>	<u>\$108.00</u>
Total Bill			\$587.73	\$693.27	\$710.83	\$728.91
Per Dwelling Unit			\$58.77	\$69.33	\$71.08	\$72.89
\$ Change				\$10.55	\$1.76	\$1.81
						\$1.86
						\$53.51
						\$586.03
						\$108.00
						\$747.54
						\$74.75
						\$1.86
Commercial	1.5"	126				
Service Charge			\$96.77	\$85.88	\$88.46	\$91.11
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$995.87
Water Reliability Charge			<u>\$0.00</u>	<u>\$151.20</u>	<u>\$151.20</u>	<u>\$151.20</u>
Total Bill			\$1,177.85	\$1,175.78	\$1,206.52	\$1,238.18
\$ Change				(\$2.07)	\$30.74	\$31.66
						\$93.84
						\$1,025.74
						\$151.20
						\$1,270.79
						\$32.61

Scenario #2a

- No General Fund loan
- 100% Inside City credit for first 2+ years



Bill Impacts: Scenario #2b, Outside City

Average Bill Impacts: Scenario #2b, Outside City Customers							
	Meter Size	Water Use (HCF)	Current		Proposed		
			Bill	1/1/2019	1/1/2020	1/1/2021	1/1/2022
Single Family	1"	48					
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$302.04	\$269.42	\$277.50	\$285.83	\$294.40
Water Reliability Charge			\$0.00	\$57.60	\$57.60	\$57.60	\$57.60
Total Bill			\$357.87	\$375.99	\$385.54	\$395.38	\$405.51
\$ Change				\$18.12	\$9.55	\$9.84	\$10.13
Multi Family (10 units)	1"	90					
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$531.90	\$536.30	\$552.39	\$568.96	\$586.03
Water Reliability Charge			\$0.00	\$108.00	\$108.00	\$108.00	\$108.00
Total Bill			\$587.73	\$693.27	\$710.83	\$728.91	\$747.54
Per Dwelling Unit			\$58.77	\$69.33	\$71.08	\$72.89	\$74.75
\$ Change				\$10.55	\$1.76	\$1.81	\$1.86
Commercial	1.5"	126					
Service Charge			\$96.77	\$85.88	\$88.46	\$91.11	\$93.84
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$995.87	\$1,025.74
Water Reliability Charge			\$0.00	\$151.20	\$151.20	\$151.20	\$151.20
Total Bill			\$1,177.85	\$1,175.78	\$1,206.52	\$1,238.18	\$1,270.79
\$ Change				(\$2.07)	\$30.74	\$31.66	\$32.61

Scenario #2b

- No General Fund loan
- 40% Inside City credit for first 6 years



Bill Impacts: Scenario #3, Inside City

Average Bill Impacts: Scenario #3, Outside City Customers							
	Meter Size	Water Use (HCF)	Current		Proposed		
			Bill	1/1/2019	1/1/2020	1/1/2021	1/1/2022
Single Family	1"	48					
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$302.04	\$269.42	\$277.50	\$285.83	\$294.40
Water Reliability Charge			\$0.00	\$36.00	\$36.00	\$36.00	\$36.00
Total Bill			\$357.87	\$354.39	\$363.94	\$373.78	\$383.91
\$ Change				(\$3.48)	\$9.55	\$9.84	\$10.13
Multi Family (10 units)	1"	90					
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95	\$53.51
Quantity Charge			\$531.90	\$536.30	\$552.39	\$568.96	\$586.03
Water Reliability Charge			\$0.00	\$67.50	\$67.50	\$67.50	\$67.50
Total Bill			\$587.73	\$652.77	\$670.33	\$688.41	\$707.04
Per Dwelling Unit			\$58.77	\$65.28	\$67.03	\$68.84	\$70.70
\$ Change				\$6.50	\$1.76	\$1.81	\$1.86
Commercial	1.5"	126					
Service Charge			\$96.77	\$85.88	\$88.46	\$91.11	\$93.84
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$995.87	\$1,025.74
Water Reliability Charge			\$0.00	\$94.50	\$94.50	\$94.50	\$94.50
Total Bill			\$1,177.85	\$1,119.08	\$1,149.82	\$1,181.48	\$1,214.09
\$ Change				(\$58.77)	\$30.74	\$31.66	\$32.61

Scenario #3

- \$10M General Fund loan
- 75% Inside City credit for first 5+ years



END OF PRESENTATION

ATTACHMENT 3



Water Rate Study

Prepared by HF&H Consultants

Public Works Liaison Committee

September 24, 2018

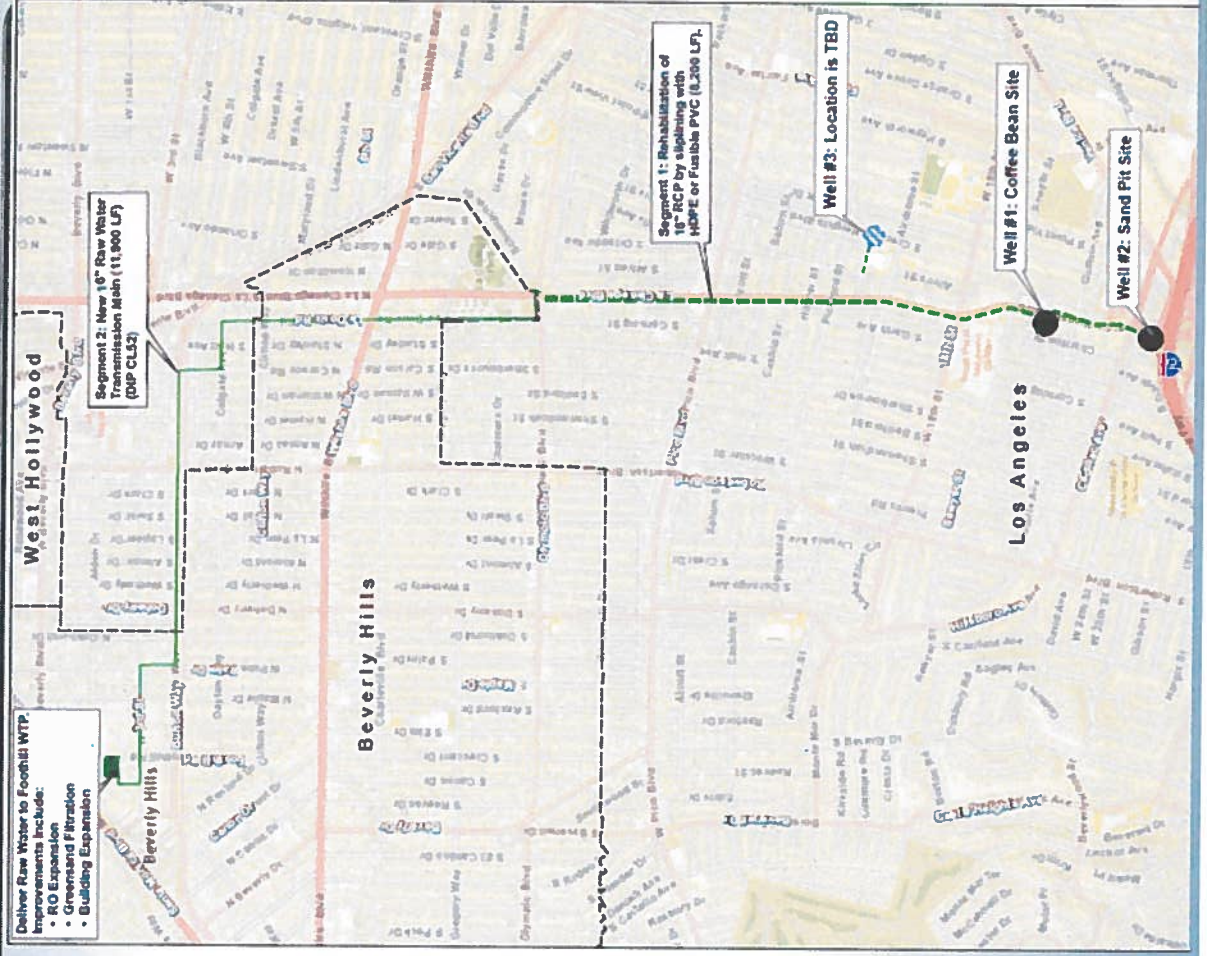


Introduction

- Meeting objectives
 - Present Water Reliability Charge Scenarios
 - Receive input and direction
- Next steps
 - Present proposed water rates (including the Water Reliability Charge) to City Council to approve mailing notice to customers
 - Prepare full cost-of-service study report
 - Conduct Proposition 218 rate adoption process



Water Reliability Project



- Objective: Create long-term local water supply
 - Deliver raw water to City's Foothill Water Treatment Plant from 3 new wells
 - 1,700 Acre Feet per year (approx. 18% of current water demand)
 - Less reliant on MWD water
- Project costs until up and running in 2025
 - \$55.8M in capital costs
 - \$4.5M in O&M costs
- Average annual O&M costs once up and running = \$4.6M
- Net Present Value (2018\$) = \$0.29 per HCF



Water Reliability Charge

Recommendation	<ul style="list-style-type: none">- Add charge to all quantity charges (including Irrigation customers)- Charge is uniform per HCF Charge derived as a flat amount based on the life cycle cost- \$10 million general fund contribution will subsidize Inside City customer charge for a period of time to be determined
Rationale	<ul style="list-style-type: none">- Creating a separate charge for a major capital improvement highlights the cost of improving supplies
Outcomes	<ul style="list-style-type: none">- Provides an additional funding source based on long-term cost recovery that is clearly identified on customer bills



Water Reliability Funding Strategies

- Significant investment necessary to get up and running \$60.3M by 2025
 - General Fund has already purchased the Coffee Bean/La Cienega property for \$9.0M
 - \$20.0M bond to be issued in 2020
 - \$12.5M available from Water Enterprise reserves
 - Reserves will be paid back from Water Reliability Charge revenue
 - Requires temporarily dipping below City reserve target policy of 50% of Water Rate Revenue
 - NEVER dips below 25% of Water Rate Revenue (minimum industry standard)
 - Reserves paid back by 2040
 - Remaining balance will come from the Water Reliability Charge and a \$10M contribution from the General Fund



Start-Up Period Cash Flow Analysis

- A Water Reliability Charge of \$0.29 per HCF (with annual inflationary increases) covers the total cost over time but does not meet cash flow requirements

Line	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenue									
1 Water Reliability Charge Revenue									
2 Water Sales (HCF)		2,150,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000	4,300,000
3 \$/HCF WR Charge		\$0.29	\$0.30	\$0.31	\$0.32	\$0.33	\$0.34	\$0.35	\$0.35
4 Total Water Reliability Charge Revenue		\$623,500	\$1,284,410	\$1,322,942	\$1,362,631	\$1,403,509	\$1,445,615	\$1,488,983	\$1,488,983
5									
6 General Fund land purchase	\$9,000,000								
7 General Fund contribution		\$10,000,000							
8 Bond Proceeds			\$20,000,000						
9 Transfer in from Reserves		\$9,500,000	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$0
10 Total Revenue	\$9,000,000	\$20,123,500	\$21,284,410	\$2,322,942	\$2,362,631	\$2,403,509	\$1,445,615	\$1,488,983	\$1,488,983
11									
Expenses									
13 Capital Expenses	\$9,000,000	\$8,485,106	\$11,328,354	\$9,522,555	\$11,525,340	\$5,245,356	\$680,186	\$0	\$0
14 O&M per PDR	\$0	\$0	\$0	\$347,782	\$358,216	\$368,962	\$380,031	\$1,467,870	\$1,511,906
15 Additional Staffing	\$0	\$425,382	\$437,997	\$450,990	\$464,373	\$641,730	\$660,835	\$680,660	\$701,080
16 Debt Service	\$0	\$0	\$1,156,602	\$1,156,602	\$1,156,602	\$1,156,602	\$1,156,602	\$1,156,602	\$1,156,602
17 Less: MWD Water Purchase Savings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$2,514,300)	(\$2,589,729)
18 Net Expenditures/Cost Savings	\$9,000,000	\$8,910,488	\$12,922,953	\$11,477,929	\$13,504,530	\$7,412,650	\$2,877,654	\$790,832	\$779,859
19									
20 Net Operating Surplus/(Shortfall)	\$0	\$11,213,012	\$8,361,457	(\$9,154,986)	(\$11,141,899)	(\$5,009,141)	(\$1,432,039)	\$698,152	\$709,125
21 Cash Balance for WR Expenditures	\$0	\$11,213,012	\$19,574,469	\$10,419,483	(\$722,416)	(\$5,731,557)	(\$7,163,596)	(\$6,465,445)	(\$5,756,320)



9/13 Presentation to Public Works Commission

- Presented 4 scenarios
 - All scenarios provided subsidies to Inside City customers from the \$10M General Fund contribution
 - #1 & #3 utilized 30-year loans from the General Fund to keep rates lower during start up
 - #2a & #2b relied on higher rates during start up which taper down over time; no General fund loan
 - Commission was not in favor of utilizing a loan from the General Fund

Scenario Assumptions	Scenarios			
	1	2a	2b	3
General Fund land purchase	\$9,000,000	Same as 1	Same as 1	Same as 1
Bond proceeds (FYE 2020)	\$20,000,000	Same as 1	Same as 1	Same as 1
General Fund contribution (FYE 2019)	\$10,000,000	Same as 1	Same as 1	Same as 1
Water Enterprise reserves	\$12,500,000	Same as 1	Same as 1	Same as 1
General Fund loan	\$18,000,000	\$0	Same as 2	\$10,000,000
Interest cost (30 yrs, 3%)	\$14,000,000	\$0	\$0	\$5,400,000
Inside City General Fund credit				
100% credit	First 8+ years	First 2+ years	--	--
75% credit	--	--	--	First 5+ years
40% credit	--	--	First 6 years	--
Water Reliability Charge Rate (\$/HCF)				
	Inside City			
FY 2021-22*	\$0.00	\$1.20	\$0.72	\$0.19
FY 2026-27**	\$0.15	\$0.31	\$0.31	\$0.44
FY 2048-49***	\$0.70	\$0.05	\$0.05	\$0.03
	Outside City			
FY 2021-22*	\$0.32	\$1.20	\$1.20	\$0.75
FY 2026-27**	\$0.37	\$0.31	\$0.31	\$0.44
FY 2048-49***	\$0.70	\$0.05	\$0.05	\$0.03

Blue shading indicates Inside when Inside City rates are subsidized by the General Fund contribution

* Final year of rates currently being adopted

** First year of full operations

*** Last year of separate water supply reliability charge



Updated Water Reliability Charge Scenarios

Scenario Assumptions	Scenarios				
	2a	2b	2c	2d	2e
General Fund land purchase	\$9,000,000	Same as 2a	Same as 2a	Same as 2a	Same as 2a
Bond proceeds	\$20,000,000	Same as 2a	Same as 2a	Same as 2a	Same as 2a
Water Enterprise reserves	\$12,500,000	Same as 2a	Same as 2a	Same as 2a	Same as 2a
General Fund contribution*	\$10,000,000	Same as 2a	Same as 2a	Same as 2a	Same as 2a
*Inside City subsidy from \$10M contribution					
100% subsidy	First 2+ years	--	--	--	--
80% subsidy	--	--	--	--	First 3+ years
60% subsidy	--	--	--	First 4+ years	--
40% subsidy	--	First 6 years	--	--	--
25% subsidy	--	--	First 15 years	--	--

Green shading denotes the two scenarios presented to the Public Works Commission on 9/13



Summary of Water Reliability Charge Rates

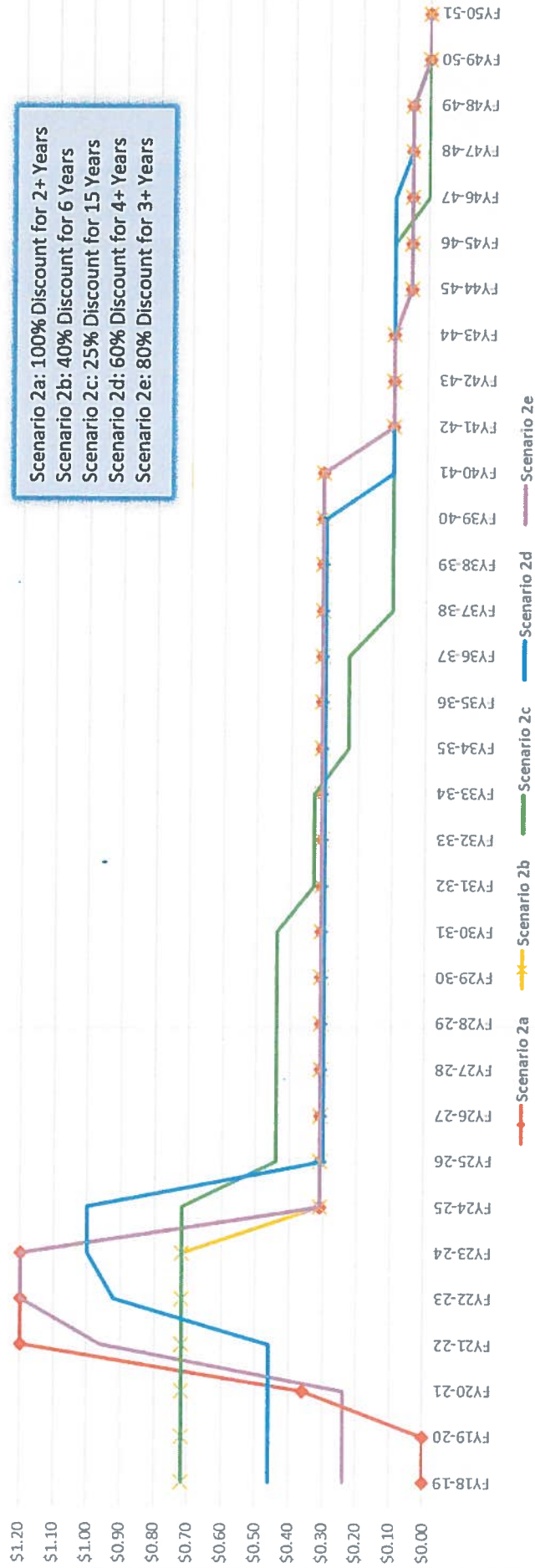
Fiscal Year	Scenario 2a		Scenario 2b		Scenario 2c		Scenario 2d		Scenario 2e	
	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside	Inside	Outside
<i>Inside City Subsidy:</i>	100%; 2+ yrs		40%; 6 yrs		25%; 15 yrs		60%; 4+ yrs		80%; 3+ yrs	
FY 2018-19	\$0.00	\$1.20	\$0.72	\$1.20	\$0.72	\$0.96	\$0.46	\$1.15	\$0.24	\$1.20
FY 2019-20	\$0.00	\$1.20	\$0.72	\$1.20	\$0.72	\$0.96	\$0.46	\$1.15	\$0.24	\$1.20
FY 2020-21	\$0.36	\$1.20	\$0.72	\$1.20	\$0.72	\$0.96	\$0.46	\$1.15	\$0.24	\$1.20
FY 2021-22	\$1.20	\$1.20	\$0.72	\$1.20	\$0.72	\$0.96	\$0.46	\$1.15	\$0.96	\$1.20
FY 2022-23	\$1.20	\$1.20	\$0.72	\$1.20	\$0.72	\$0.96	\$0.92	\$1.15	\$1.20	\$1.20
FY 2023-24	\$1.20	\$1.20	\$0.72	\$1.20	\$0.72	\$0.96	\$1.00	\$1.00	\$1.20	\$1.20
FY 2024-25	\$0.31	\$0.31	\$0.31	\$0.31	\$0.72	\$0.96	\$1.00	\$1.00	\$0.31	\$0.31
FY 2025-26	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.58	\$0.30	\$0.30	\$0.31	\$0.31
FY 2026-27	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.58	\$0.30	\$0.30	\$0.31	\$0.31
FY 2027-28	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.58	\$0.30	\$0.30	\$0.31	\$0.31
FY 2028-29	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.58	\$0.30	\$0.30	\$0.31	\$0.31
FY 2018-30	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.58	\$0.30	\$0.30	\$0.31	\$0.31
FY 2018-31	\$0.31	\$0.31	\$0.31	\$0.31	\$0.44	\$0.58	\$0.30	\$0.30	\$0.31	\$0.31
FY 2018-32	\$0.31	\$0.31	\$0.31	\$0.31	\$0.33	\$0.44	\$0.30	\$0.30	\$0.31	\$0.31
FY 2018-33	\$0.31	\$0.31	\$0.31	\$0.31	\$0.33	\$0.44	\$0.30	\$0.30	\$0.31	\$0.31
FY 2018-34	\$0.31	\$0.31	\$0.31	\$0.31	\$0.33	\$0.33	\$0.30	\$0.30	\$0.31	\$0.31
FY 2034-35	\$0.31	\$0.31	\$0.31	\$0.31	\$0.23	\$0.23	\$0.30	\$0.30	\$0.31	\$0.31
FY 2035-36	\$0.31	\$0.31	\$0.31	\$0.31	\$0.23	\$0.23	\$0.30	\$0.30	\$0.31	\$0.31
FY 2036-37	\$0.31	\$0.31	\$0.31	\$0.31	\$0.23	\$0.23	\$0.30	\$0.30	\$0.31	\$0.31
FY 2037-38	\$0.31	\$0.31	\$0.31	\$0.31	\$0.10	\$0.10	\$0.30	\$0.30	\$0.31	\$0.31
FY 2038-39	\$0.31	\$0.31	\$0.31	\$0.31	\$0.10	\$0.10	\$0.30	\$0.30	\$0.31	\$0.31
FY 2039-40	\$0.31	\$0.31	\$0.31	\$0.31	\$0.10	\$0.10	\$0.30	\$0.30	\$0.31	\$0.31
FY 2040-41	\$0.31	\$0.31	\$0.31	\$0.31	\$0.10	\$0.10	\$0.10	\$0.10	\$0.31	\$0.31
FY 2041-42	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
FY 2042-43	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
FY 2043-44	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
FY 2044-45	\$0.05	\$0.05	\$0.05	\$0.05	\$0.10	\$0.10	\$0.10	\$0.10	\$0.05	\$0.05
FY 2045-46	\$0.05	\$0.05	\$0.05	\$0.05	\$0.10	\$0.10	\$0.10	\$0.10	\$0.05	\$0.05
FY 2046-47	\$0.05	\$0.05	\$0.05	\$0.05	\$0.00	\$0.00	\$0.10	\$0.10	\$0.05	\$0.05
FY 2047-48	\$0.05	\$0.05	\$0.05	\$0.05	\$0.00	\$0.00	\$0.00	\$0.05	\$0.05	\$0.05
FY 2048-49	\$0.05	\$0.05	\$0.05	\$0.05	\$0.00	\$0.00	\$0.00	\$0.05	\$0.05	\$0.05
FY 2049-50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Blue shading indicates when Inside City rates are subsidized by the General Fund \$10.0M contribution



Water Reliability Charge Rates – Inside City

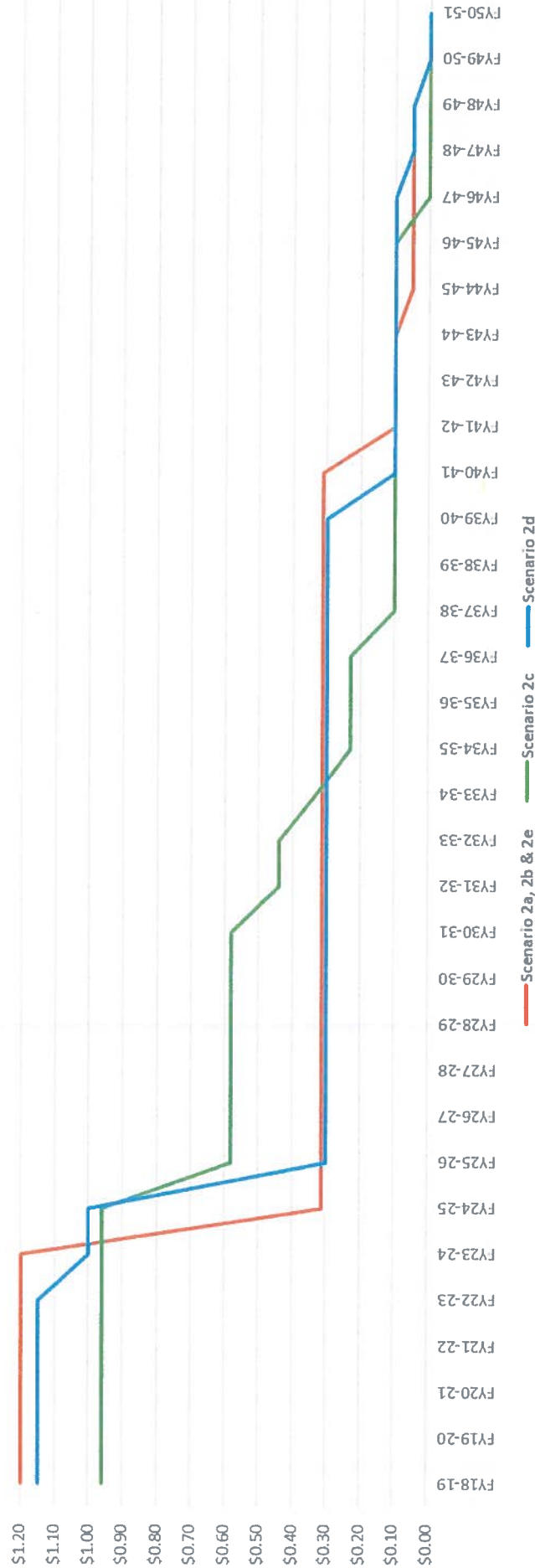
Inside Customer Rates





Water Reliability Charge Rates – Outside City

Outside Customer Rates





Bi-monthly Bill Impacts: Scenario #2a, Inside City

Scenario #2a

- \$10M General Fund contribution
- 100% Inside City subsidy for first 2+ years

Average Bi-monthly Bill Impacts: Scenario #2a, Inside City Customers						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07
Water Reliability Charge			\$0.00	\$0.00	\$0.00	\$17.28
Total Bill			\$286.26	\$279.03	\$287.40	\$313.30
\$ Change				(\$7.23)	\$8.37	\$25.90
						\$53.51
						\$251.39
						\$57.60
						\$362.50
						\$49.20
Multi Family (10 units)	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67
Water Reliability Charge			\$0.00	\$0.00	\$0.00	\$32.40
Total Bill			\$470.46	\$511.47	\$526.81	\$575.02
Per Dwelling Unit			\$47.05	\$51.15	\$52.68	\$57.50
\$ Change				\$4.10	\$1.53	\$4.82
						\$9.19
						\$53.51
						\$505.39
						\$108.00
						\$666.90
						\$66.69
						\$9.19
Commercial	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25
Water Reliability Charge			\$0.00	\$0.00	\$0.00	\$45.36
Total Bill			\$941.77	\$921.26	\$948.90	\$1,022.72
\$ Change				(\$20.51)	\$27.64	\$73.83
						\$135.16
						\$93.84
						\$912.84
						\$151.20
						\$1,157.89



Bi-monthly Bill Impacts: Scenario #2b, Inside City

- Scenario #2b
- \$10M General Fund contribution
- 40% Inside City subsidy for first 6 years

Average Bi-monthly Bill Impacts: Scenario #2b, Inside City Customers						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07
Water Reliability Charge			<u>\$0.00</u>	<u>\$34.56</u>	<u>\$34.56</u>	<u>\$34.56</u>
Total Bill			\$286.26	\$313.59	\$321.96	\$330.58
\$ Change				\$27.33	\$8.37	\$8.62
Multi Family (10 units)	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67
Water Reliability Charge			<u>\$0.00</u>	<u>\$64.80</u>	<u>\$64.80</u>	<u>\$64.80</u>
Total Bill			\$470.46	\$576.27	\$591.61	\$607.42
Per Dwelling Unit			\$47.05	\$57.63	\$59.16	\$60.74
\$ Change				\$10.58	\$1.53	\$1.58
Commercial	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25
Water Reliability Charge			<u>\$0.00</u>	<u>\$90.72</u>	<u>\$90.72</u>	<u>\$90.72</u>
Total Bill			\$941.77	\$1,011.98	\$1,039.62	\$1,068.08
\$ Change				\$70.21	\$27.64	\$28.47



Bi-monthly Bill Impacts: Scenario #2c, Inside City

Average Bi-monthly Bill Impacts: Scenario #2c, Inside City Customers						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07
Water Reliability Charge			\$0.00	\$34.56	\$34.56	\$34.56
Total Bill			\$286.26	\$313.59	\$321.96	\$330.58
\$ Change				\$27.33	\$8.37	\$8.62
Multi Family (10 units)	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67
Water Reliability Charge			\$0.00	\$64.80	\$64.80	\$64.80
Total Bill			\$470.46	\$576.27	\$591.61	\$607.42
Per Dwelling Unit			\$47.05	\$57.63	\$59.16	\$60.74
\$ Change				\$10.58	\$1.53	\$1.58
Commercial	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25
Water Reliability Charge			\$0.00	\$90.72	\$90.72	\$90.72
Total Bill			\$941.77	\$1,011.98	\$1,039.62	\$1,068.08
\$ Change				\$70.21	\$27.64	\$28.47

Scenario #2c

- \$10M General Fund contribution
- 25% Inside City subsidy for first 15 years



Bi-monthly Bill Impacts: Scenario #2d, Inside City

- Scenario #2d
- \$10M General Fund contribution
- 60% Inside City subsidy for first 4+ years

Average Bi-monthly Bill Impacts: Scenario #2d, Inside City Customers						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07
Water Reliability Charge			\$0.00	\$22.08	\$22.08	\$22.08
Total Bill			\$286.26	\$301.11	\$309.48	\$318.10
\$ Change				\$14.85	\$8.37	\$8.62
Multi Family (10 units)	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67
Water Reliability Charge			\$0.00	\$41.40	\$41.40	\$41.40
Total Bill			\$470.46	\$552.87	\$568.21	\$584.02
Per Dwelling Unit			\$47.05	\$55.29	\$56.82	\$58.40
\$ Change				\$8.24	\$1.53	\$1.58
Commercial	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25
Water Reliability Charge			\$0.00	\$57.96	\$57.96	\$57.96
Total Bill			\$941.77	\$979.22	\$1,006.86	\$1,035.32
\$ Change				\$37.45	\$27.64	\$28.47



Bi-monthly Bill Impacts: Scenario #2e, Inside City

Average Bi-monthly Bill Impacts: Scenario #2e, Inside City Customers						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$241.60	\$230.06	\$236.96	\$244.07
Water Reliability Charge			\$0.00	\$11.52	\$11.52	\$11.52
Total Bill			\$286.26	\$290.55	\$298.92	\$307.54
\$ Change				\$4.29	\$8.37	\$8.62
Multi Family (10 units)	1"	90				
Service Charge			\$44.66	\$48.97	\$50.44	\$51.95
Quantity Charge			\$425.80	\$462.50	\$476.38	\$490.67
Water Reliability Charge			\$0.00	\$21.60	\$21.60	\$21.60
Total Bill			\$470.46	\$533.07	\$548.41	\$564.22
Per Dwelling Unit			\$47.05	\$53.31	\$54.84	\$56.42
\$ Change				\$6.26	\$1.53	\$1.58
Commercial	1.5"	126				
Service Charge			\$77.41	\$85.88	\$88.46	\$91.11
Quantity Charge			\$864.36	\$835.38	\$860.44	\$886.25
Water Reliability Charge			\$0.00	\$30.24	\$30.24	\$30.24
Total Bill			\$941.77	\$951.50	\$979.14	\$1,007.60
\$ Change				\$9.73	\$27.64	\$28.47

Scenario #2e

- \$10M General Fund loan
- 80% Inside City subsidy for first 3+ years



Bi-monthly Bill Impacts: Scenario #2a, Outside City

Scenario #2a

- \$10M General Fund contribution
- 100% Inside City subsidy for first 2+ years

Average Bi-monthly Bill Impacts: Scenario #2a, Outside City Customers						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95
Quantity Charge			\$302.04	\$269.42	\$277.50	\$285.83
Water Reliability Charge			<u>\$0.00</u>	<u>\$57.60</u>	<u>\$57.60</u>	<u>\$57.60</u>
Total Bill			\$357.87	\$375.99	\$385.54	\$395.38
\$ Change				\$18.12	\$9.55	\$9.84
Multi Family (10 units)	1"	90				
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95
Quantity Charge			\$531.90	\$536.30	\$552.39	\$568.96
Water Reliability Charge			<u>\$0.00</u>	<u>\$108.00</u>	<u>\$108.00</u>	<u>\$108.00</u>
Total Bill			\$587.73	\$693.27	\$710.83	\$728.91
Per Dwelling Unit			\$58.77	\$69.33	\$71.08	\$72.89
\$ Change				\$10.55	\$1.76	\$1.81
Commercial	1.5"	126				
Service Charge			\$96.77	\$85.88	\$88.46	\$91.11
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$995.87
Water Reliability Charge			<u>\$0.00</u>	<u>\$151.20</u>	<u>\$151.20</u>	<u>\$151.20</u>
Total Bill			\$1,177.85	\$1,175.78	\$1,206.52	\$1,238.18
\$ Change				(\$2.07)	\$30.74	\$31.66



Bi-monthly Bill Impacts: Scenario #2b, Outside City

- Scenario #2b
- \$10M General Fund contribution
- 40% Inside City subsidy for first 6 years

Average Bi-monthly Bill Impacts: Scenario #2b, Outside City Customers						
	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$55.83	\$50.44	\$51.95	\$53.51
Quantity Charge			\$302.04	\$277.50	\$285.83	\$294.40
Water Reliability Charge			\$0.00	\$57.60	\$57.60	\$57.60
Total Bill			\$357.87	\$385.54	\$395.38	\$405.51
\$ Change				\$9.55	\$9.84	\$10.13
Multi Family (10 units)	1"	90				
Service Charge			\$55.83	\$50.44	\$51.95	\$53.51
Quantity Charge			\$531.90	\$552.39	\$568.96	\$586.03
Water Reliability Charge			\$0.00	\$108.00	\$108.00	\$108.00
Total Bill			\$587.73	\$710.83	\$728.91	\$747.54
Per Dwelling Unit			\$58.77	\$71.08	\$72.89	\$74.75
\$ Change				\$1.76	\$1.81	\$1.86
Commercial	1.5"	126				
Service Charge			\$96.77	\$88.46	\$91.11	\$93.84
Quantity Charge			\$1,081.08	\$966.86	\$995.87	\$1,025.74
Water Reliability Charge			\$0.00	\$151.20	\$151.20	\$151.20
Total Bill			\$1,177.85	\$1,206.52	\$1,238.18	\$1,270.79
\$ Change				\$30.74	\$31.66	\$32.61



Bi-monthly Bill Impacts: Scenario #2c, Outside City

Average Bi-monthly Bill Impacts: Scenario #2c, Outside City Customers						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95
Quantity Charge			\$302.04	\$269.42	\$277.50	\$285.83
Water Reliability Charge			\$0.00	\$46.08	\$46.08	\$46.08
Total Bill			\$357.87	\$364.47	\$374.02	\$383.86
\$ Change				\$6.60	\$9.55	\$9.84
Multi Family (10 units)	1"	90				
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95
Quantity Charge			\$531.90	\$536.30	\$552.39	\$568.96
Water Reliability Charge			\$0.00	\$86.40	\$86.40	\$86.40
Total Bill			\$587.73	\$671.67	\$689.23	\$707.31
Per Dwelling Unit			\$58.77	\$67.17	\$68.92	\$70.73
\$ Change				\$8.39	\$1.76	\$1.81
Commercial	1.5"	126				
Service Charge			\$96.77	\$85.88	\$88.46	\$91.11
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$995.87
Water Reliability Charge			\$0.00	\$120.96	\$120.96	\$120.96
Total Bill			\$1,177.85	\$1,145.54	\$1,176.28	\$1,207.94
\$ Change				(\$32.31)	\$30.74	\$31.66

Scenario #2c

- \$10M General Fund contribution
- 25% Inside City subsidy for first 15 years



Bi-monthly Bill Impacts: Scenario #2d, Outside City

Scenario #2d

- \$10M General Fund contribution
- 60% Inside City subsidy for first 4+ years

Average Bi-monthly Bill Impacts: Scenario #2d, Outside City Customers						
	Meter Size	Water Use (HCF)	Current Bill	Proposed		
				1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$55.83	\$50.44	\$51.95	\$53.51
Quantity Charge			\$302.04	\$277.50	\$285.83	\$294.40
Water Reliability Charge			<u>\$0.00</u>	<u>\$55.20</u>	<u>\$55.20</u>	<u>\$55.20</u>
Total Bill			\$357.87	\$383.14	\$392.98	\$403.11
\$ Change				\$9.55	\$9.84	\$10.13
Multi Family (10 units)	1"	90				
Service Charge			\$55.83	\$50.44	\$51.95	\$53.51
Quantity Charge			\$531.90	\$552.39	\$568.96	\$586.03
Water Reliability Charge			<u>\$0.00</u>	<u>\$103.50</u>	<u>\$103.50</u>	<u>\$103.50</u>
Total Bill			\$587.73	\$706.33	\$724.41	\$743.04
Per Dwelling Unit			\$58.77	\$70.63	\$72.44	\$74.30
\$ Change				\$1.76	\$1.81	\$1.86
Commercial	1.5"	126				
Service Charge			\$96.77	\$88.46	\$91.11	\$93.84
Quantity Charge			\$1,081.08	\$966.86	\$995.87	\$1,025.74
Water Reliability Charge			<u>\$0.00</u>	<u>\$144.90</u>	<u>\$144.90</u>	<u>\$144.90</u>
Total Bill			\$1,177.85	\$1,200.22	\$1,231.88	\$1,264.49
\$ Change				\$30.74	\$31.66	\$32.61



Bill Impacts: Scenario #2e, Inside City

Average Bi-monthly Bill Impacts: Scenario #2e, Outside City Customers						
	Meter Size	Water Use (HCF)	Current		Proposed	
			Bill	1/1/2019	1/1/2020	1/1/2021
Single Family	1"	48				
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95
Quantity Charge			\$302.04	\$269.42	\$277.50	\$285.83
Water Reliability Charge			<u>\$0.00</u>	<u>\$57.60</u>	<u>\$57.60</u>	<u>\$57.60</u>
Total Bill			\$357.87	\$375.99	\$385.54	\$405.51
\$ Change				\$18.12	\$9.55	\$9.84
Multi Family (10 units)	1"	90				
Service Charge			\$55.83	\$48.97	\$50.44	\$51.95
Quantity Charge			\$531.90	\$536.30	\$552.39	\$568.96
Water Reliability Charge			<u>\$0.00</u>	<u>\$108.00</u>	<u>\$108.00</u>	<u>\$108.00</u>
Total Bill			\$587.73	\$693.27	\$710.83	\$728.91
Per Dwelling Unit			\$58.77	\$69.33	\$71.08	\$72.89
\$ Change				\$10.55	\$1.76	\$1.81
Commercial	1.5"	126				
Service Charge			\$96.77	\$85.88	\$88.46	\$91.11
Quantity Charge			\$1,081.08	\$938.70	\$966.86	\$995.87
Water Reliability Charge			<u>\$0.00</u>	<u>\$151.20</u>	<u>\$151.20</u>	<u>\$151.20</u>
Total Bill			\$1,177.85	\$1,175.78	\$1,206.52	\$1,238.18
\$ Change				(\$2.07)	\$30.74	\$31.66

Scenario #2e

- \$10M General Fund loan
- 80% Inside City subsidy for first 3+ years



END OF PRESENTATION