

UPDATE: RECOMMENDED 2017 RATES

Board of Directors Regular Meeting
November 21, 2016



BARTLE WELLS ASSOCIATES
Independent Public Finance Advisors

PRESENTATION OVERVIEW

- **Summary of proposed 2017 water rates and fixed fees**
- **Revised renewable water plan financing**
 - **Public input**
- **Overview of customer bill impacts**
- **Next steps**
 - **Decision-making timeline**

2017 PROPOSED WATER RATES AND FIXED FEES

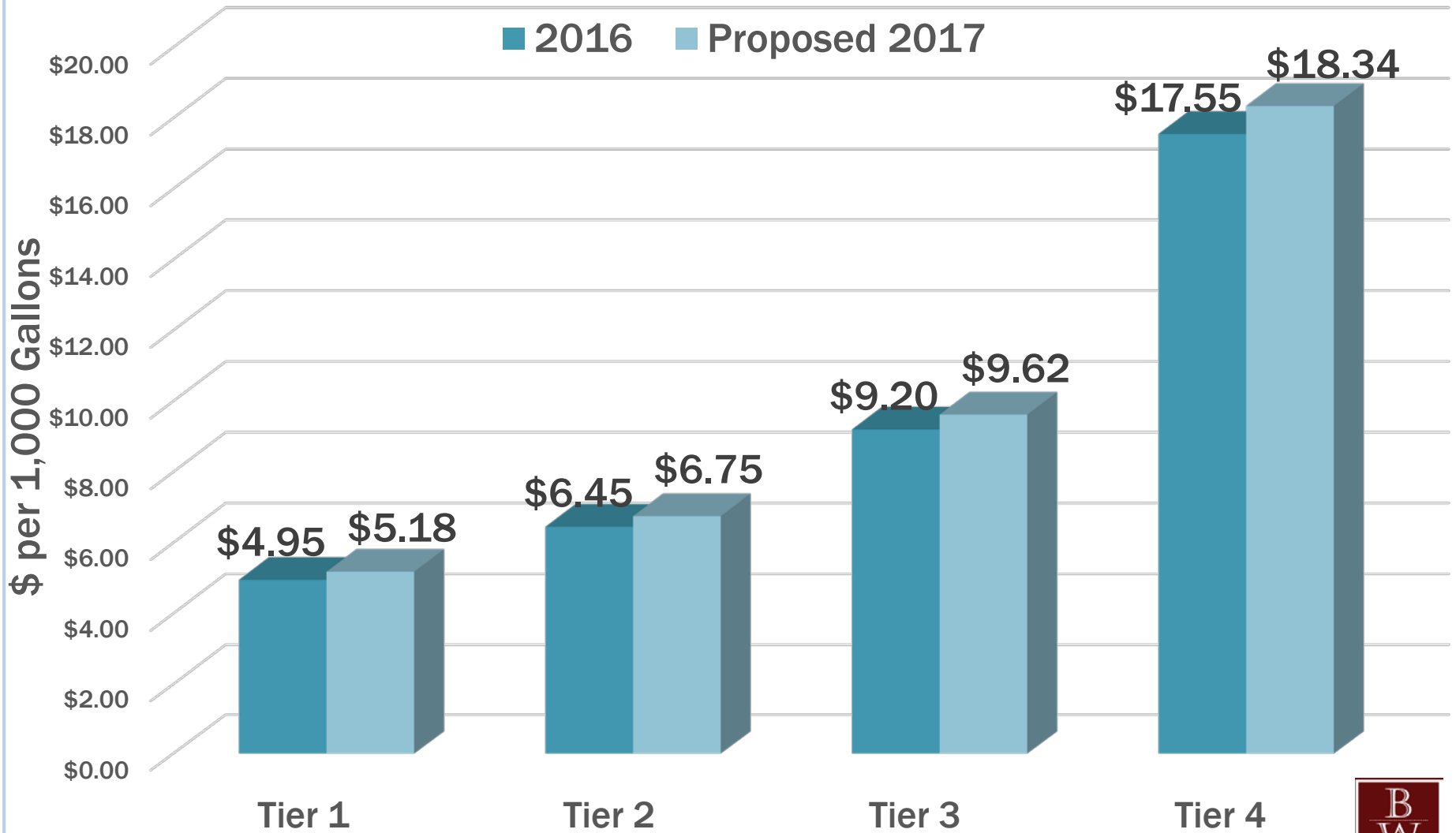


OVERVIEW OF PROPOSED CHANGES

	Current	Proposed 2017
Wastewater use charge (by volume)	\$5.95	\$6.00
Wastewater fixed charges (residential & townhouse only)	\$11.40 per 1,000 gallons	\$12.35 per 1,000 gallons
Stormwater charge	\$5.00	\$5.00
Drinking water use charge (by volume based on 4 tiers)		4.5% increase
Drinking water capital improvement fee	\$29.70	\$31.05
Drinking water customer charge	\$10.30	\$10.75
Renewable water fee	\$0.00	\$15.00



PROPOSED RESIDENTIAL DRINKING WATER VOLUME CHARGES: 4.5% INCREASE



REVISED RENEWABLE WATER FINANCING PLAN



SUMMARY

- We have been gathering public input over the past month through meetings, open houses and a survey.
- After much discussion, we've concluded that \$106.5 million for 100% renewable water is not a reality.
- While this remains a long-term goal, we have revised our plan.
- This new plan will align us with our neighboring groundwater-based providers.



KEY PLANNING DRIVERS

- We've been purchasing renewable water rights for 10 years, but must build the infrastructure to tap into them.
- This is a long-term capital project that will rely on partnership(s) with neighboring providers.
- CPNMD has studied options for renewable water for 3+ years, starting with 315 options and narrowing it to 3.
- If voters had approved bond financing of the renewable water plan, this would have alleviated substantial pressure on water rates by shifting cost recovery to property taxes.
- Implementation of the renewable water plan is delayed and financing of the plan will need to be revised. Each year we delay creates an increase in costs.

OVERVIEW OF PROPOSED CHANGES

	Previous (Oct '16)	Revised ('16 Nov)
Portion of renewable water	100%	50%
Estimated infrastructure completion date	2023	2030
Total capital cost	\$106.5 million	\$65.5 million

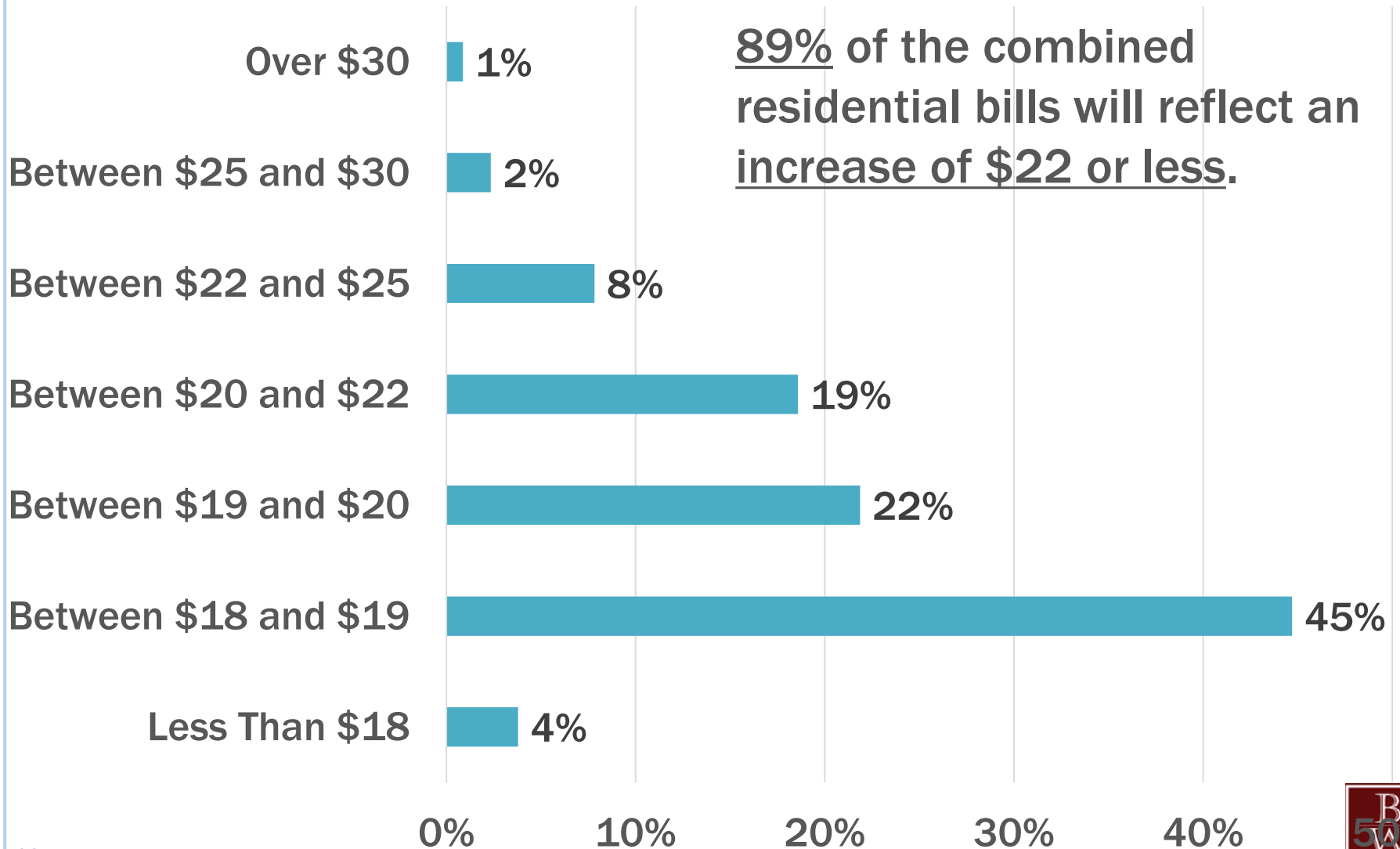
OPTIONS FOR FINANCING

- **4.5% Increase to all Rates for 2017.**
- **Implementation of a new Renewable Water Fee of \$15/month per equivalent meter. This is a reduction; if the bond had passed, it would have equated to \$50/month.**
- **If a future bond election is pursued and successful in the next three years, projected increases of 4.5% for the remainder of the study period (10 years).**
- **Without successful bond election, enterprise funding of the Renewable Water Plan will require a minimum of 11.0% annual rate increases over 10 years.**

CUSTOMER BILL IMPACT



PROPOSED 2016 RESIDENTIAL BILL IMPACT COMBINED



NEXT STEPS



DECISION-MAKING TIMELINE

- **2 public meetings, 2 public forums Oct. & Nov.**
- **Paper and online survey closing Dec. 7**
- **Board of Directors will take into consideration all input and vote Dec. 12**