

FY 2018 and FY 2019 Public Hearing, Rates & Charges

Board of Directors Meeting
July 11, 2017

FY18 & FY19 Public Hearing, Rates & Charges



Agenda Item

- 14 Conduct a public hearing to consider Water System and Wastewater System proposed changes to the Schedules of Rates and Charges**
- 15.1 Adopt the rates and charges subject to Proposition 218**
- 15.2 Adopt drought surcharge rates subject to Proposition 218**
- 15.3 Adopt the rates, charges and regulations not subject to Proposition 218**
- 16 Adopt position resolution**

Budget and Rates Calendar



Budget Workshop #1 and #2	Jan 24, March 14
Budget Workshop #3	April 11
<ul style="list-style-type: none">- Biennial Budget FY18 & FY19- FY18 & FY19 Prop 218 rates and charges	
Mail Updated Proposition 218 Notice	May 19 - May 27
Board Meetings	
<ul style="list-style-type: none">- GM's report on rates & charges- Board adoption of FY18/19 budget- Public hearing on rates and charges- Board consideration of FY18/19 rates and position resolution	June 13 June 27 July 11 July 11
FY18 Rates & Charges Effective	July 12

15.1 Prop 218 Rates and Charges

Water and Wastewater System FY18 & FY19 Proposed Rate Increases



	Proposed		Projected		
	FY18	FY19	FY20	FY21	FY22
Water	9.25%	9.0%	7.0%	7.0%	5.0%
Wastewater	5.0%	5.0%	4.0%	4.0%	4.0%

10 Year Rate Increase History



Fiscal Year	Water	Wastewater
2007	3.75%	3.75%
2008	5.00%	4.00%
2009	5.00%	3.75%
2010	7.50%	5.00%
2011	7.50%	5.00%
2012	6.00%	6.00%
2013	6.00%	6.00%
2014	9.75%	9.00%
2015	9.50%	8.50%
2016	8.00%	5.00%
2017	7.00%	5.00%
2018	9.25%	5.00%
2019	9.00%	5.00%

- FY07 to FY17 10 year water rate increase of 7.1% per year
- Increase in actual water revenue collected is only 3.8% per year
- 31% decline in volume of water sold explains difference

Monthly Water and Wastewater Impacts—Average SFR



	FY17 Current	FY18 Proposed	Change		FY19 Proposed	Change	
Water - 8 CCF/mo	\$47.15	\$51.49	\$4.34	9.2%	\$56.12	\$4.63	9.0%
Wastewater - 6 CCF/mo	\$19.93	\$20.89	\$0.96	4.8%	\$21.95	\$1.06	5.1%

Monthly Single Family Residential Customer Impacts – Water



	SFR Use (CCF)	FY17 Bill	FY18 Bill	Change	FY19 Bill	Change
25 th Percentile	4	\$33.33	\$36.40	9.2%	\$39.67	9.0%
50 th Percentile	6	\$39.65	\$43.30	9.2%	\$47.19	9.0%
75 th Percentile	10	\$55.83	\$60.97	9.2%	\$66.46	9.0%
95 th Percentile	22	\$116.31	\$127.03	9.2%	\$138.46	9.0%
Average SFR Use*	8	\$47.15	\$51.49	9.2%	\$56.12	9.0%

*8 CCF/month represents recent average single family residential use, down from 10 CCF/month historic use

Monthly Other Customer Impacts – Water



	Use (CCF)	FY17 Bill	FY18 Bill	Change	FY19 Bill	Change
Multi-Family Residential 4 dwelling units	25	\$142.74	\$155.88	9.2%	\$169.95	9.0%
Multi-Family Residential 5+dwelling units	50	\$254.24	\$277.63	9.2%	\$302.70	9.0%
Commercial	50	\$253.24	\$276.63	9.2%	\$301.70	9.1%
Industrial	500	\$2,309.32	\$2,522.58	9.2%	\$2,751.36	9.1%

Monthly Customer Impacts— Wastewater Treatment



	Use (CCF)	FY17 Current	FY18 Proposed	Change	FY19 Proposed	Change
Average Single Family Residential	6	\$19.93	\$20.89	4.8%	\$21.95	5.1%
Single Family Residential	9	\$23.20	\$24.31	4.8%	\$25.55	5.1%
Multi-Family Residential 4 dwelling units	25	\$64.16	\$67.21	4.8%	\$70.64	5.1%
Commercial	50	\$135.03	\$140.81	4.3%	\$148.10	5.2%
Industrial	500	\$7,261.03	\$7,621.31	5.0%	\$8,006.60	5.1%

Annual Customer Impacts— Wet Weather Facilities Charge



	FY17 Current	FY18 Proposed	Change	FY19 Proposed	Change
Small Lot 0 - 5,000 sq.ft.	\$94.10	\$98.80	5.0%	\$103.74	5.0%
Medium Lot 5,001 - 10,000 sq.ft	\$147.00	\$154.34	5.0%	\$162.06	5.0%
Large Lot >10,000 sq.ft	\$336.00	\$352.80	5.0%	\$370.44	5.0%

Water Bills Calculated for 8 CCF/Mo

Annual Charge for SFR - Effective July 2017

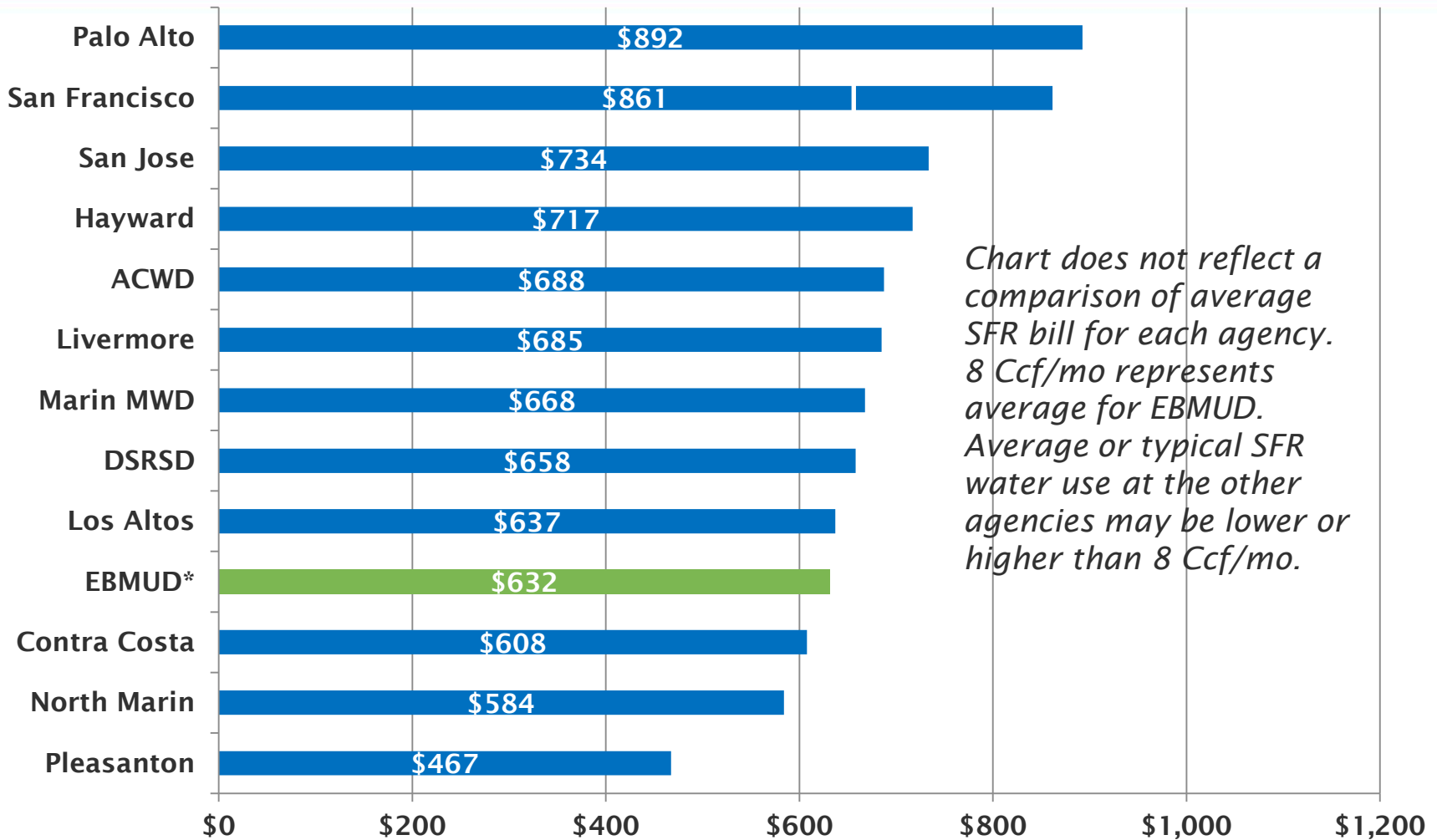
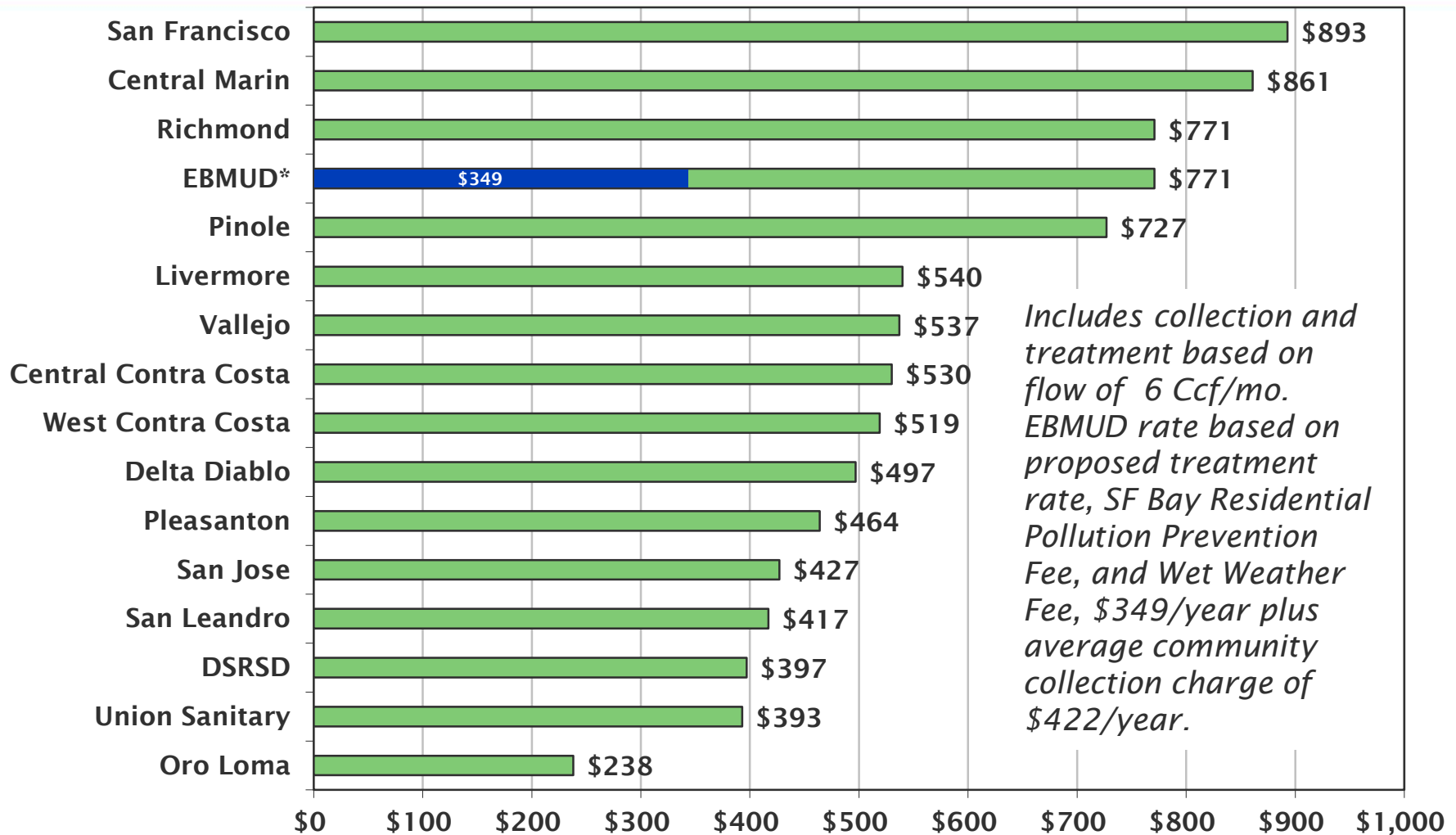


Chart does not reflect a comparison of average SFR bill for each agency. 8 Ccf/mo represents average for EBMUD. Average or typical SFR water use at the other agencies may be lower or higher than 8 Ccf/mo.

*Proposed FY18 rates

Wastewater Bills Calculated for 6 CCF/Mo Discharge

Annual Charge for SFR - Effective July 2017



*Proposed FY18 rates

15.2 Drought Surcharges

Drought Surcharges



- Current water supply is over 600k acre-ft
 - Drought surcharges are not anticipated for FY18 and FY19
- Maintain surcharges in Schedule L – Drought Surcharge Rate Schedule For Water Service
 - An available system of staged drought surcharges is part of the long-term financial stability efforts
 - Included in Proposition 218 Notice

15.3 Non-Prop 218 Rates and Charges

Other Fees, Charges and Regulations - Water



- **Water Fees and Charges**

- Account Establishment Fees, Charges for Special Services, Real Property Use Application Fees, Public Records Act Fees, and Recreation Use Fee increases to reflect District costs (approximately 2-5%)

- **Water Regulations**

- Changes to Explanation of Terms, Applying for Service, Standard Service, Change in Size of Service, Protection of Public Water Supply and Water Efficiency Requirements address new state laws and backflow protection issues

Other Fees, Charges and Regulations - Wastewater



- **Wastewater Permit Fees**
 - Increase fees for Discharge Permits and Estimation Permits (approximately 5% per year) to reflect District costs; Modify Limited Term Discharge Permit Fee and Treatment Charge
- **Wastewater Private Sewer Lateral (PSL) Compliance Fees**
 - Increase PSL Compliance Certificate fee \$25 and Time Extension fee \$7 to reflect District costs
- **Wastewater Resource Recovery Rates**
 - Add subcategory to Gray Water (“Brine”) material type at \$0.05 per gallon (currently \$0.04 per gallon); Increase Brine rate by \$0.01 per gallon in FY19

Proposed Water and Wastewater Capacity Charges Increase



- **Water System Capacity Charge (SCC)**
 - Adjust charges for Engineering News Record (ENR) Construction Cost Index
 - Updated costs for the Future Water Supply component
 - SFR SCC increase 4.5-4.7% for Regions 1, 2 and 3
- **Wastewater Capacity Fee (WCF)**
 - Adjust charges for ENR Construction Cost Index
 - Implement 5th year of 5 year phase-in of updated calculations from FY13; FY18
 - SFR WCF increase 16.7% from \$2,150 to \$2,510

SCC SFR Rates by Region and Sub Region



Region	SFR Consumption* (gpd)	Current SCC	Proposed FY18 SCC	Increase	Unit Costs \$/100 gpd
Region 1	280	\$16,740	\$17,530	4.7%	\$6,259
Region 2	360	\$29,040	\$30,340	4.5%	\$8,427
Region 3	580	\$37,050	\$38,770	4.6%	\$6,684
Region 3C	775	\$86,590	\$89,640	3.5%	\$11,566
Region 3D	775	\$96,870	\$100,850	4.1%	\$13,012

*Based on average water demand for a ¾-inch meter for a new single family residential premises under normal water use conditions

Proposition 218 Protest Provisions



- If written protests are received by a majority of the affected parcel owners and tenants directly liable for the payment of the water and wastewater charges then the proposed rate changes can not be implemented
- The District has 382,114 water service accounts and 176,286 wastewater service accounts
- As of July 10th, 405 valid written protests had been received, which does not constitute a majority protest

16 Position Resolution

FY18 & FY19 Biennial Budget Proposed Staffing Changes



- Total authorized FTEs will increase from 2,068 to:
 - ~~2,102~~ 2,106 (FY18)
 - ~~2,109~~ 2,113 (FY19)

- Net increase of 41 FTEs:

	FY18	FY19	Total
Additions	39	7	46
Deletions	(5)	-	(5)
Total	34	7	41

- Flex staffing change of 12 existing FTEs

Since the 4/11 workshop, new proposed FTE changes include:

- *Temporary Reallocations (4.0)*
 - 2 Temporary Administrative Clerks to Temporary Construction (TC)
 - 6 Temporary Meter Reader/Mechanic to Limited-Term (LT)
- *TC Extension Status (3.0)*
 - 3 Water Distribution Plumber I TC positions extended to July 23, 2017
 - Proposed in April workshop to convert TC to Regular
- *Temporary Extension Status (3.0)*
 - 6 Meter Reader/Mechanic Temporary positions extended up to six months

Cont.

- *Retitle & Change Character (0.0)*
 - Manager of Meter Reading & Maintenance to Manager of Maintenance Support
 - Update salary grade from 80 to 86
 - Change character from Manager to Exempt status
- *Change Character (0.0)*
 - Senior Community Affairs Representative from Manager to Exempt status
 - No salary change

Public Comment



Adoption of Proposition 218 & Non Proposition 218 Rates and Charges



Agenda Item

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