

Surface Water Master Plan

Project and Program Recommendations

August 7, 2017



Purpose

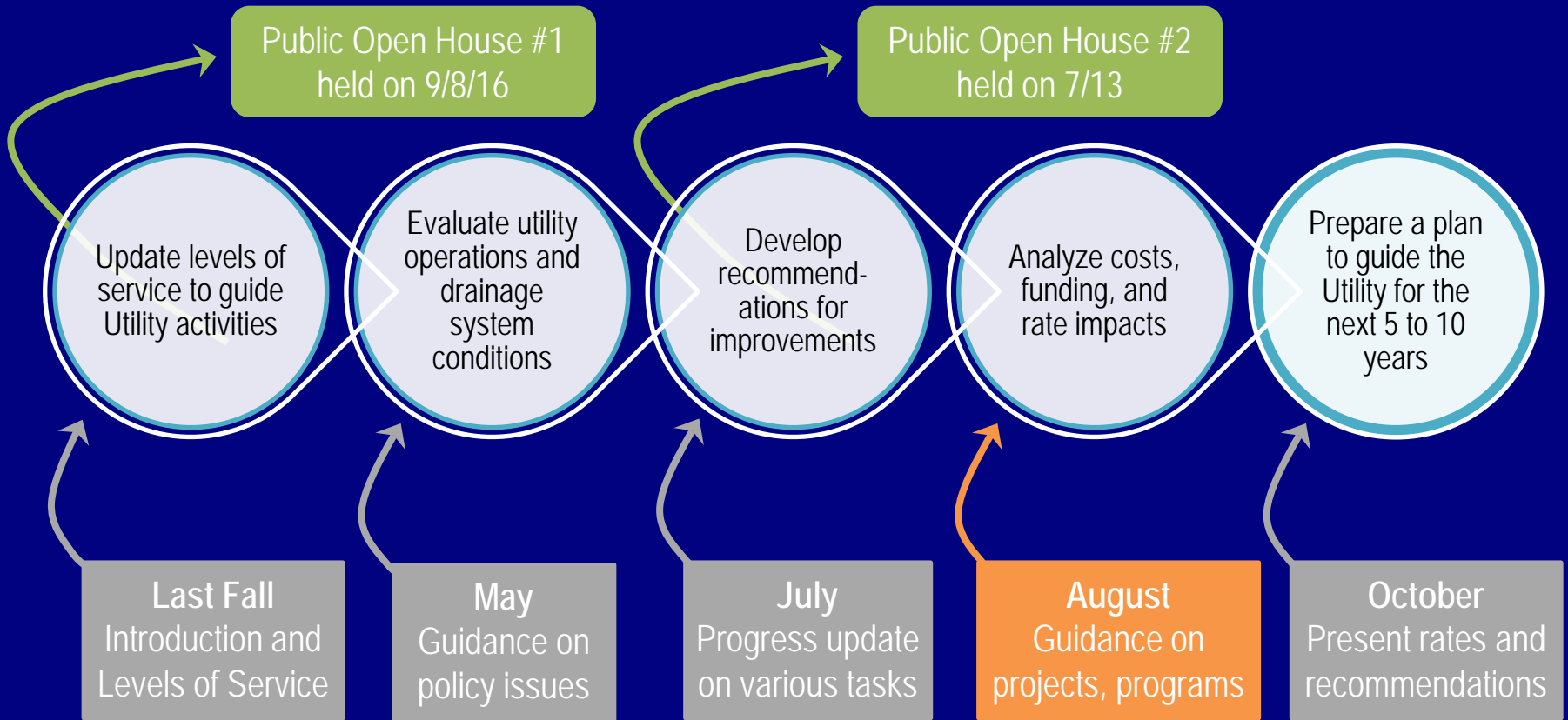
- Review management strategies and present draft rate impacts/forecast for each
- Obtain feedback on projects, programs, and selection of management strategy
- Receive guidance on the management strategy and rate forecast for the 2017 Master Plan

Overview

- Quick review of project timeline
- Review projects, programs, and management strategies
- Summary of rate study and results
- Staff recommendation
- Next steps
- Questions



Project Timeline



City Council Presentations

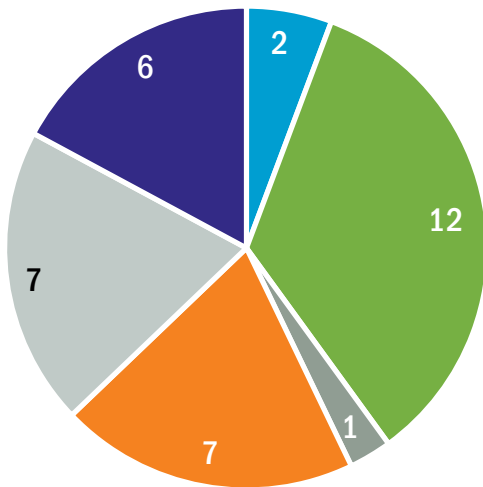
Management Strategies

Management Strategy	Projects and Programs
<p>Minimum Projects and programs that meet <i>the minimum in terms of existing system needs</i> and <i>anticipated new regulatory requirements</i></p>	<p>35 13 projects 22 programs</p>
<p>Proactive "Minimum" plus new <i>high-priority projects</i> and <i>new/enhanced programs</i> that address high priority long-term needs, as well as anticipated new regulatory requirements</p>	<p>50 26 projects 24 programs</p>
<p>Optimum "Proactive" plus <i>additional priority projects</i> and <i>programs that enhance</i> water quality and aquatic habitat</p>	<p>57 30 projects 27 programs</p>

Project and Program Breakdown

Minimum

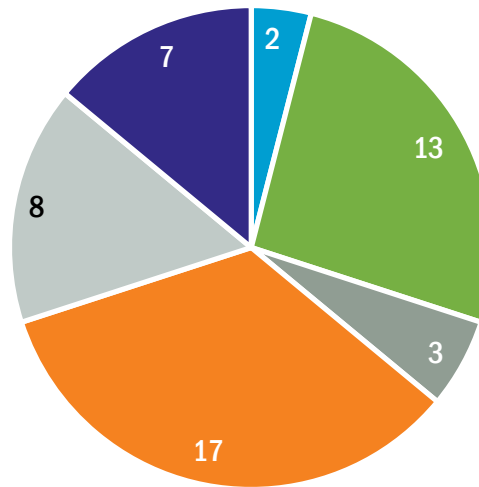
13 projects and 22 programs



- Aquatic Habitat Enhancement
- Operations & Maintenance
- Erosion Control
- Flood Mitigation
- Water Quality Improvement
- Repair and Replacement

Proactive

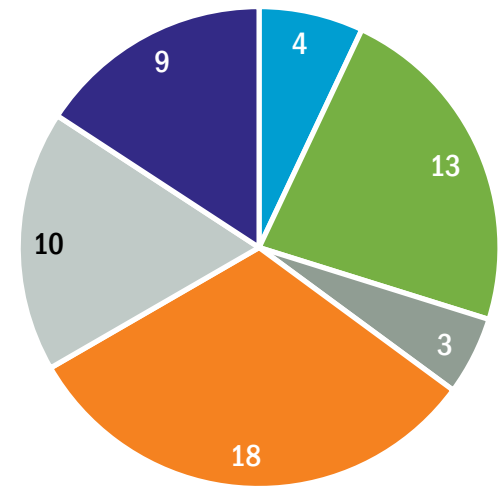
26 projects and 24 programs



- Aquatic Habitat Enhancement
- Operations & Maintenance
- Erosion Control
- Flood Mitigation
- Water Quality Improvement
- Repair and Replacement

Optimum

30 projects and 27 programs



- Aquatic Habitat Enhancement
- Operations & Maintenance
- Erosion Control
- Flood Mitigation
- Water Quality Improvement
- Repair and Replacement

Revenue Requirement Overview

- Determined amount of revenue necessary to meet all utility financial obligations
 - Operating costs (including regulatory requirements)
 - Capital costs
 - Financial policies and targets
- Evaluated existing revenue levels for sufficiency
- Developed rate implementation strategy

Key Assumptions

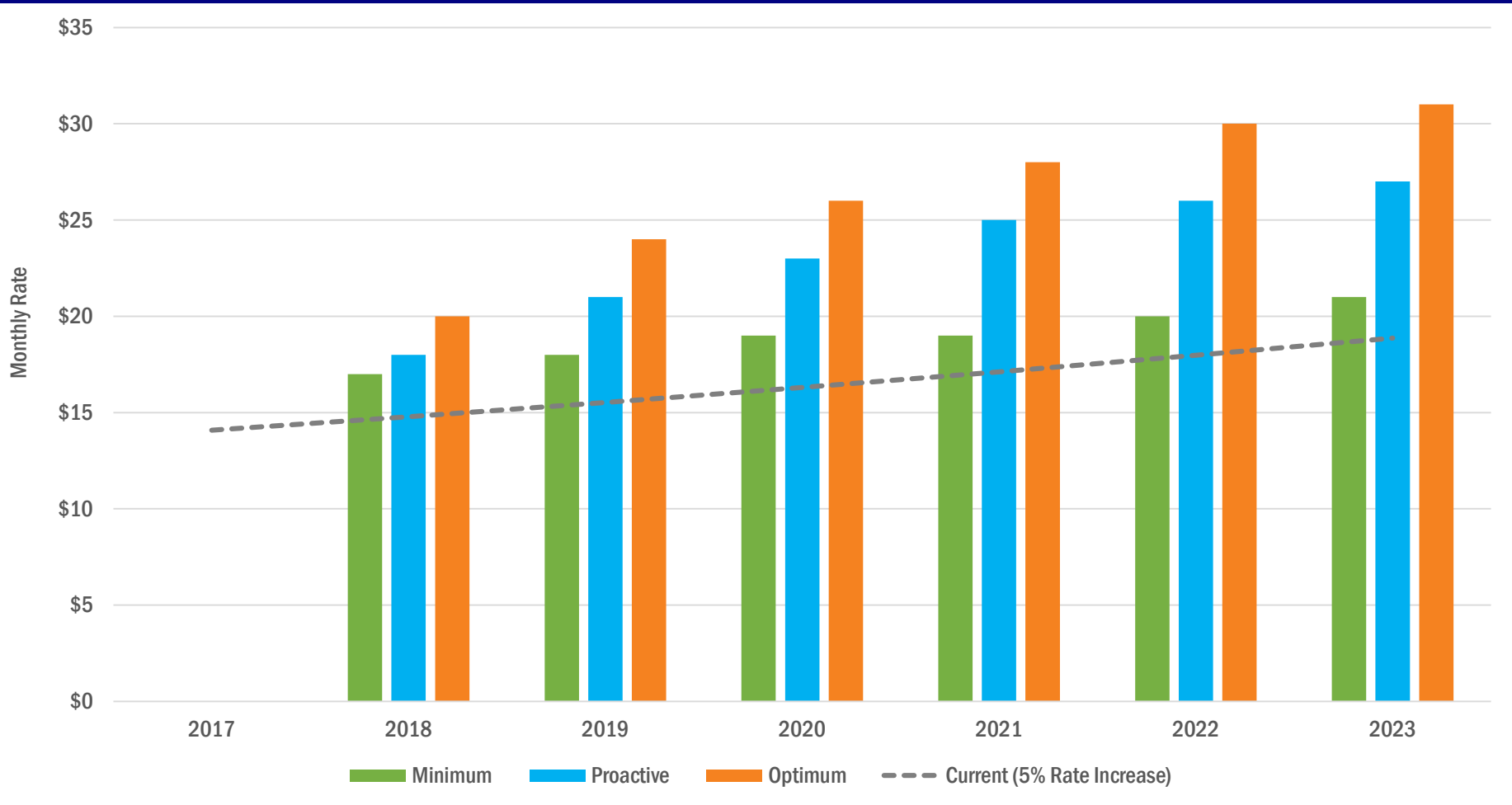
- Study period: 2018 to 2023
- Customer growth: 0.1% annually
- Escalation: inflation estimates in line with industry standards
- Fiscal policy targets:
 - 120 days of O&M expenses
 - 2% of total assets

Management Strategy Options

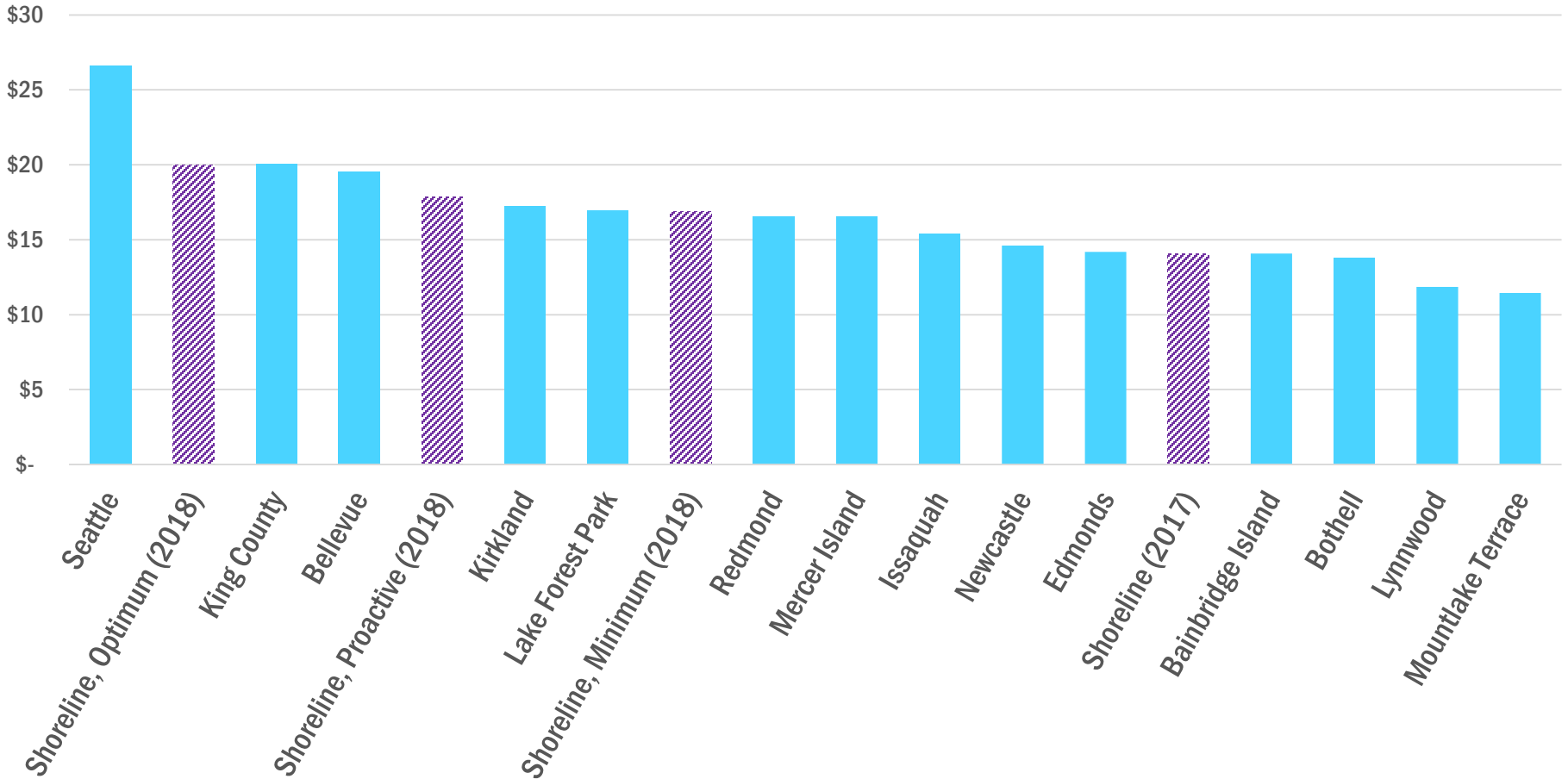
Draft Rate Study Results ¹		Year						
		2017	2018	2019	2020	2021	2022	2023
Minimum	Monthly SF SWM Fee, \$	14	17	18	19	19	20	21
	Annual SF SWM Fee, \$	169	203	213	223	232	239	246
	Resulting Revenue, \$M	4.5	5.4	5.7	6.0	6.1	6.3	6.5
	Proposed Increase	NA	20%	5%	5%	4%	3%	3%
Proactive	Monthly SF SWM Fee, \$	14	18	21	23	25	26	27
	Annual SF SWM Fee, \$	169	214	247	271	298	313	329
	Resulting Revenue, \$M	4.5	5.7	6.6	7.2	8.0	8.4	8.8
	Proposed Increase	NA	27%	15%	10%	10%	5%	5%
Optimum	Monthly SF SWM Fee, \$	14	20	24	26	28	30	31
	Annual SF SWM Fee, \$	169	240	288	316	342	359	377
	Resulting Revenue, \$M	4.5	6.4	7.7	8.4	9.1	9.6	10.1
	Proposed Increase	NA	42%	20%	10%	8%	5%	5%

[1] Current and future rates equivalent to annual single family resident (SFR)

Rate Increases



Rate Comparisons



Results and Rate Impacts



High



Medium



Low

Management Strategies	Number of Projects and Programs	[Draft]Single Family Rate (monthly)	Levels of Service			
			1	2	3	4
<i>Minimum</i>	35 13 projects 22 programs	\$17				
<i>Proactive</i>	50 26 projects 24 programs	\$18				
<i>Optimum</i>	57 30 projects 27 programs	\$20				
Current	24 6 projects 18 programs	\$14				

Staff Recommendation



High



Medium



Low

Management Strategies	Number of Projects and Programs	[Draft]Single Family Rate (monthly)	Levels of Service			
			1	2	3	4
<i>Minimum</i>	35 13 projects 22 programs	\$17				
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<i>Optimum</i>	57 30 projects 27 programs	\$20				
Current	24 6 projects 18 programs	\$14				

Staff Recommendation

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[1] Current and future rates equivalent to annual single family resident (SFR)

Next Steps

- Finalize resources needed to deliver the selected management strategy
- Validate rate forecast for budget preparation using Council guidance
- Preliminary view of the 2018 budget and 2018 - 2023 CIP [9/18]
- Finalize Financial plan and Fee Schedule [10/2]
- Prepare draft master plan document [11/20]



Comments/ Feedback



Reserve Slides



Proactive Strategy Rate Table

		Existing						
		2017	2018	2019	2020	2021	2022	2023
<u>Service Charge:</u>	<u>Unit</u>							
Single Family Residential	Parcel	\$ 168.81	\$ 214.38	\$ 246.54	\$ 271.19	\$ 298.31	\$ 313.23	\$ 328.89
Very Light	Parcel	\$ 168.81	\$ 214.38	\$ 246.54	\$ 271.19	\$ 298.31	\$ 313.23	\$ 328.89
Light	Acre	\$ 392.06	\$ 497.92	\$ 572.61	\$ 629.87	\$ 692.85	\$ 727.50	\$ 763.87
Moderate	Acre	\$ 809.98	\$ 1,028.67	\$ 1,182.97	\$ 1,301.27	\$ 1,431.40	\$ 1,502.97	\$ 1,578.11
Moderately Heavy	Acre	\$ 1,570.94	\$ 1,995.10	\$ 2,294.36	\$ 2,523.80	\$ 2,776.18	\$ 2,914.98	\$ 3,060.73
Heavy	Acre	\$ 1,990.22	\$ 2,527.58	\$ 2,906.72	\$ 3,197.39	\$ 3,517.13	\$ 3,692.99	\$ 3,877.64
Very Heavy	Acre	\$ 2,606.90	\$ 3,310.76	\$ 3,807.38	\$ 4,188.12	\$ 4,606.93	\$ 4,837.27	\$ 5,079.14
Minimum Rate	n/a	\$ 168.81	\$ 214.38	\$ 246.54	\$ 271.19	\$ 298.31	\$ 313.23	\$ 328.89

[1] Rates are inclusive of 6% Utility Tax and represent charge per annual billing cycle



Management Strategy Options (3)

Results Summary	2017	2018	2019	2020	2021	2022	2023
Minimum							
Annual SFR Rate	\$ 168.81	\$ 202.57	\$ 212.69	\$ 223.33	\$ 232.26	\$ 239.23	\$ 246.41
Resulting Revenue	\$4,488,372	\$5,391,433	\$5,666,666	\$ 5,955,949	\$ 6,200,381	\$ 6,392,779	\$ 6,591,147
Proactive							
Annual SFR Rate	\$ 168.81	\$ 214.38	\$ 246.54	\$ 271.19	\$ 298.31	\$ 313.23	\$ 328.89
Resulting Revenue	\$4,488,372	\$5,705,933	\$6,568,385	\$ 7,232,449	\$ 7,963,649	\$ 8,370,193	\$ 8,797,492
Optimal							
Annual SFR Rate	\$ 168.81	\$ 239.70	\$ 287.64	\$ 316.41	\$ 341.72	\$ 358.81	\$ 376.75
Resulting Revenue	\$4,488,372	\$6,379,862	\$7,663,490	\$ 8,438,269	\$ 9,122,444	\$ 9,588,145	\$10,077,620



Public Involvement

Open House #2 held July 13, 2017

- Presented on project and program prioritization process and management strategies
- Conducted survey
- Obtained feedback



Public Survey

- Conducted July 5th through the 16th
- 140 resident responses
- 49% of respondents selected the “proactive” management strategy



Public Survey

Q4 A key objective of the Master Plan is to identify improvements that will help the Utility meet levels of service that reflect the expectations of customers and that are appropriately in line with stormwater fees. What management level would you recommend for the stormwater strategy in your area?

