



SPRINGFIELD UTILITY BOARD

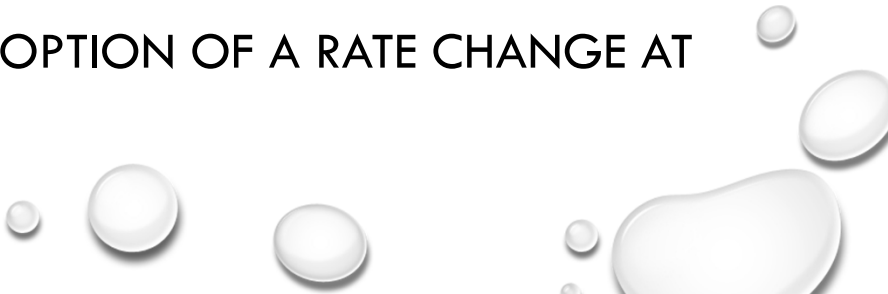
**PROPOSED 9.0%
WATER RATE CHANGE
EFFECTIVE JANUARY 1, 2020
1ST PUBLIC HEARING**

PRESENTED NOVEMBER 13, 2019

RESOURCE MANAGEMENT

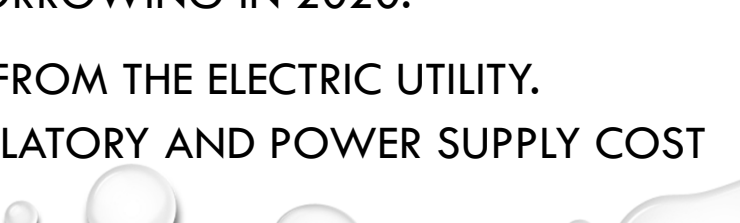


PROCESS

- THE 10-YEAR PLAN WAS REVIEWED BY THE SUB RATEPAYER BUDGET COMMITTEE AND THE BUDGET COMMITTEE ALSO MET TO REVIEW THE DRAFT PROPOSED 2020 BUDGET.
 - TONIGHT IS THE FIRST PUBLIC HEARING ON THE PROPOSED RATE INCREASE
 - A SECOND PUBLIC HEARING WILL BE AT THE REGULAR BOARD MEETING AT 6:00 PM ON DECEMBER 11TH.
 - THE BOARD WILL BE ASKED TO CONSIDER ADOPTION OF A RATE CHANGE AT THE DECEMBER 11TH MEETING.
- 



BUDGET COMMITTEE FEEDBACK / BOARD RESERVE POLICY

- THE BOARD MINIMUM RESERVE TARGET IS 3 MONTHS OF OPERATING EXPENSES
 - IN ORDER TO ADDRESS THE MINIMUM RESERVE TARGET, BORROWING OR RATE INCREASES ARE NEEDED.
 - BASED ON BUDGET COMMITTEE FEEDBACK, STAFF IS RECOMMENDING A 9.0% WATER RATE INCREASE IN 2020. THE PROPOSAL WOULD HAVE THE RATE EFFECTIVE JANUARY 1, 2020 FOR BILLS RENDERED ON OR AFTER FEBRUARY 1, 2020.
 - IF THE BOARD ELECTS MOVE FORWARD WITH A LOWER RATE INCREASE, STAFF RECOMMENDS CONSIDERATION OF 3RD PARTY BORROWING IN 2020.
 - THE BOARD MAY ALSO CONSIDER BORROWING FROM THE ELECTRIC UTILITY. HOWEVER, THE ELECTRIC UTILITY IS FACING REGULATORY AND POWER SUPPLY COST UNCERTAINTY IN THE FUTURE.
- 

PROPOSED WATER USE RATES

PER UNIT RATES			50/50% base/usage				25/75% base/usage	
			201901		202001		202001	
Class	Period	Block	In City	Out City	In City	Out City	In City	Out City
			\$/unit	\$/unit	\$/unit	\$/unit	\$/unit	\$/unit
R / C / I 2" Meter Or Lower	June-Sept	1-13	\$2.018	\$3.361	\$2.177	\$3.626	\$2.232	\$3.718
		14-100	\$2.171	\$3.616	\$2.330	\$3.881	\$2.385	\$3.973
		101-1000	\$2.318	\$3.862	\$2.501	\$4.167	\$2.564	\$4.272
		1001+	\$2.318	\$3.862	\$2.501	\$4.167	\$2.564	\$4.272
	Oct-May	1-13	\$2.018	\$3.361	\$2.177	\$3.626	\$2.232	\$3.718
		14-100	\$2.147	\$3.577	\$2.317	\$3.859	\$2.375	\$3.956
		101-1000	\$2.147	\$3.577	\$2.317	\$3.859	\$2.375	\$3.956
		1001+	\$2.147	\$3.577	\$2.317	\$3.859	\$2.375	\$3.956
R / C / I 3" Meter Or Higher	June-Sept	1-13	\$2.239	\$3.731	\$2.416	\$4.026	\$2.477	\$4.127
		14-100	\$2.239	\$3.731	\$2.416	\$4.026	\$2.477	\$4.127
		101-1000	\$2.239	\$3.731	\$2.416	\$4.026	\$2.477	\$4.127
		1001+	\$2.239	\$3.731	\$2.416	\$4.026	\$2.477	\$4.127
	Oct-May	1-13	\$1.842	\$3.068	\$1.987	\$3.310	\$2.037	\$3.393
		14-100	\$1.842	\$3.068	\$1.987	\$3.310	\$2.037	\$3.393
		101-1000	\$1.842	\$3.068	\$1.987	\$3.310	\$2.037	\$3.393
		1001+	\$1.842	\$3.068	\$1.987	\$3.310	\$2.037	\$3.393

PROPOSED WATER BASE CHARGE RATES EFFECTIVE JANUARY, 2020

BASE CHARGES	50/50% base/usage				25/75% base/usage	
	201901		202001		202001	
	In City	Out City	In City	Out City	In City	Out City
3/4"	\$17.10	\$38.70	\$18.60	\$49.20	\$18.00	\$45.00
1"	\$49.80	\$57.90	\$60.30	\$68.40	\$56.10	\$64.20
1 1/2"	\$54.90	\$67.50	\$65.40	\$78.00	\$61.20	\$73.80
2"	\$75.00	\$92.10	\$85.50	\$102.60	\$81.30	\$98.40
3"	\$133.50	\$169.20	\$144.00	\$179.70	\$139.80	\$175.50
4"	\$171.00	\$222.60	\$181.50	\$233.10	\$177.30	\$228.90
6"	\$245.40	\$319.80	\$255.90	\$330.30	\$251.70	\$326.10
8"	\$324.60	\$425.70	\$335.10	\$436.20	\$330.90	\$432.00
10"	\$433.50	\$568.80	\$444.00	\$579.30	\$439.80	\$575.10
12"	\$598.20	\$789.90	\$608.70	\$800.40	\$604.50	\$796.20

PROPOSED OTHER WATER RATES EFFECTIVE JANUARY, 2020

	Existing 2019 Rates	Proposed 2020 Rates (50/50% base/usage)	Proposed 2020 Rates (25/75% base/usage)
Meter Station Charge	\$2.25 / 325-335 gallons	\$2.25 / 315-325 gallons	\$2.25 / 315-325 gallons
Upper Level 2 Charges	\$0.148/unit	\$0.160/unit	\$0.164/unit
Upper Level 3 Charges	\$0.220/unit	\$0.237/unit	\$0.243/unit
Upper Level 4 Charges	\$0.290/unit	\$0.313/unit	\$0.321/unit
Hydrant Use Permit Fee (Water Usage Charge)	\$6.93/unit	\$7.48/unit	\$7.66/unit

PROPOSED WATER RATE COMPARISON

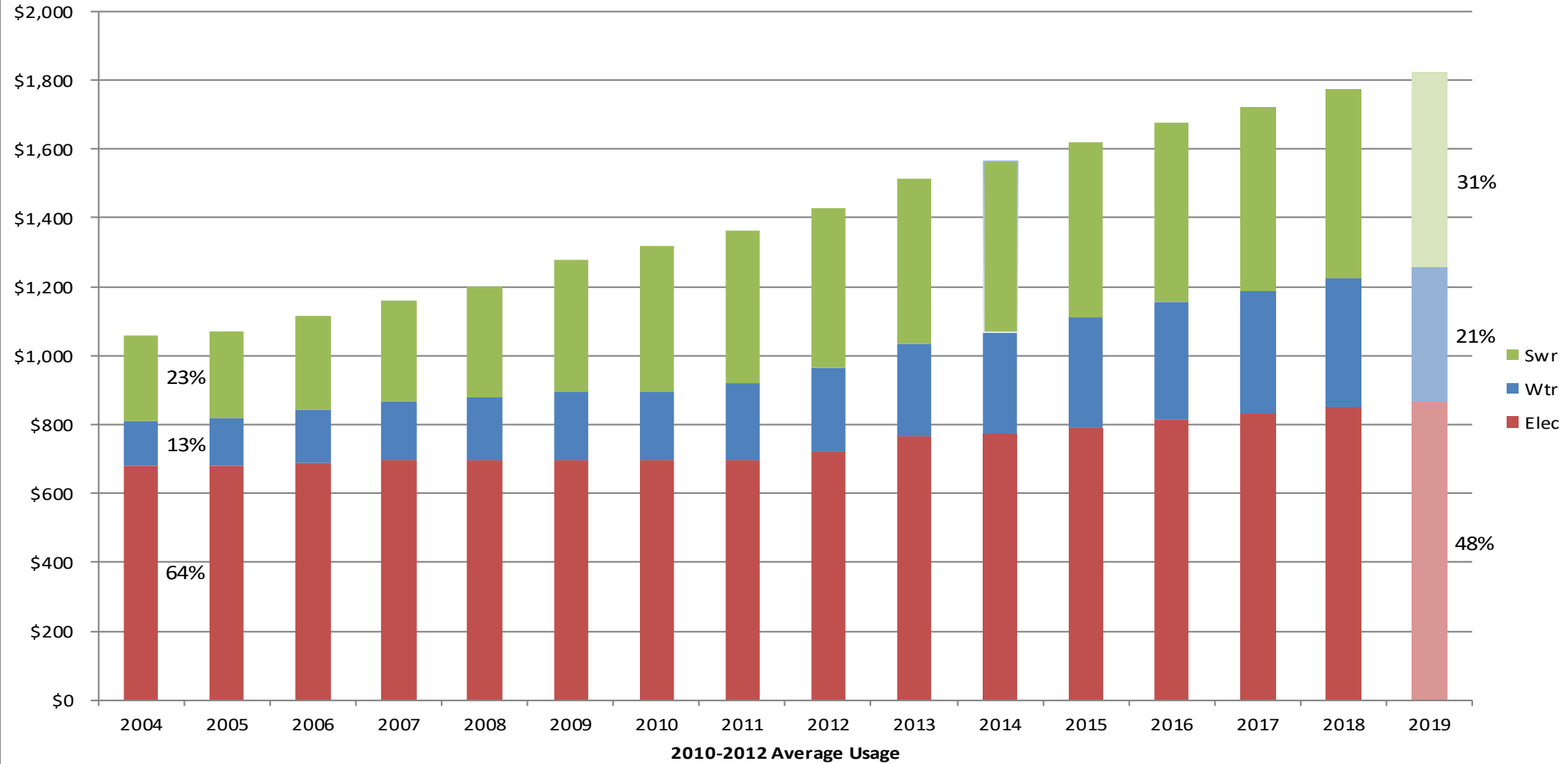
2020 Rate Increase Sample Customers (\$/month)		
Individual Results Will Vary	50/50% base/usage	25/75% base/usage
Typical Residential Customer	\$2.97	\$2.88
Small Commercial	\$30.65	\$33.37
Public (Irrigation Customer)	\$89.80	\$116.10
Large Industrial	\$559.19	\$743.49

Rate Changes by Year by Customer Class

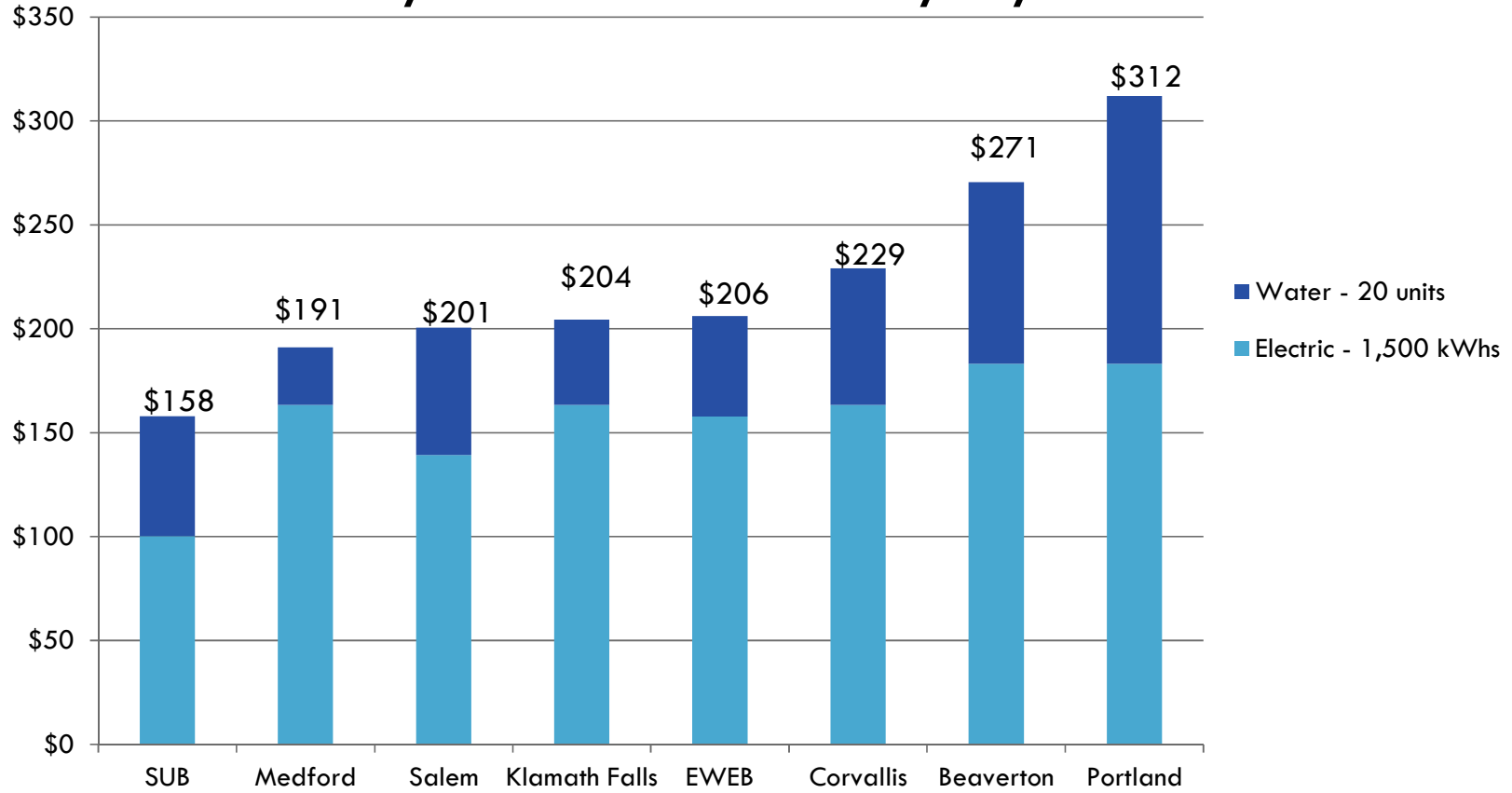
Effective Year	Commercial	Industrial	Public	Residential	Meter Station	Total
2005	11.88%	14.29%	13.32%	8.52%	0.00%	10.00%
2006	10.80%	12.80%	12.70%	8.40%	0.00%	9.60%
2007	11.80%	15.00%	12.80%	7.90%	0.00%	9.60%
2008	11.70%	14.10%	12.60%	7.90%	0.00%	9.60%
2009	9.40%	9.70%	9.60%	9.80%	0.00%	9.60%
2010	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2011	9.90%	7.80%	10.60%	9.70%	66.70%	9.70%
2012	8.50%	10.50%	8.70%	10.00%	9.10%	9.70%
2013	10.70%	11.50%	10.70%	8.70%	10.00%	9.50%
2014	8.40%	8.00%	8.40%	10.20%	10.00%	9.50%
2015	9.73%	10.71%	9.72%	9.23%	9.40%	9.50%
2016	7.40%	6.40%	7.40%	6.90%	7.60%	7.00%
2017	5.10%	3.50%	4.30%	5.20%	5.80%	5.00%
2018	5.10%	5.30%	4.60%	4.90%	6.80%	5.00%
2019	<u>10.10%</u>	<u>10.70%</u>	<u>10.40%</u>	<u>8.20%</u>	<u>28.80%</u>	<u>9.00%</u>
Total	162.77%	179.22%	171.77%	136.33%	154.20%	147.98%

2020*	9.70%	8.30%	8.90%	8.80%	10.30%	9.03%	50/50 base/usage
2020*	10.50%	10.90%	10.40%	8.00%	10.30%	9.04%	25/75 base/usage

SUB Total Bill By Year Average Residential Customer



Monthly Electric and Water Bill by City





ACTION

- **NO ACTION AT THIS TIME. STAFF WOULD LIKE BOARD DIRECTION ON POTENTIAL CHANGES PRIOR TO THE 2ND PUBLIC HEARING ON DECEMBER 11TH**
- 