

# Requested amendment to current Utilities rate ordinance 2023 – 2024

November 2022

# 2023 Utilities rate ordinance recommendation

Amend 2023 and 2024's current rate ordinance to reflect the impact of inflation and supply chain issues on operations and project costs.



# Rate payer assistance

- ARPA funds - programmed
  - Reviewing to determine how to aid customers financially impacted by COVID-19
- Department of Commerce relief funds - application made
  - To assist ratepayers with overdue balances
  - To reduce or eliminate the utility's deficit from unpaid utility bills during the COVID-19 health emergency



# Financial benchmarks for setting rates

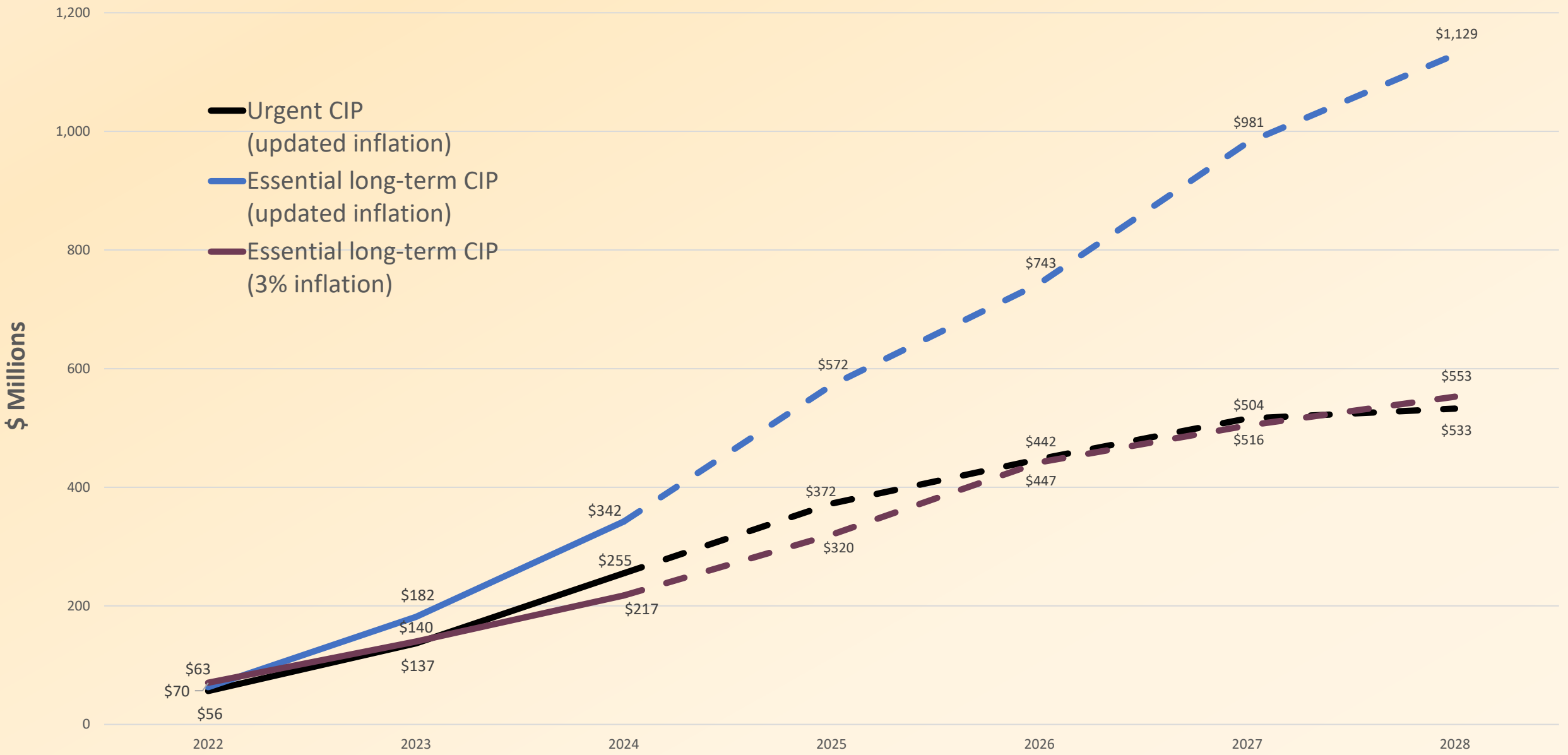
**Cash funding of capital  $\geq$  to annual depreciation**

**Minimum bond coverage level: 2.0X annual debt service**

**Cash on hand minimum = 90 days of service revenues  
(rate stabilization fund)**

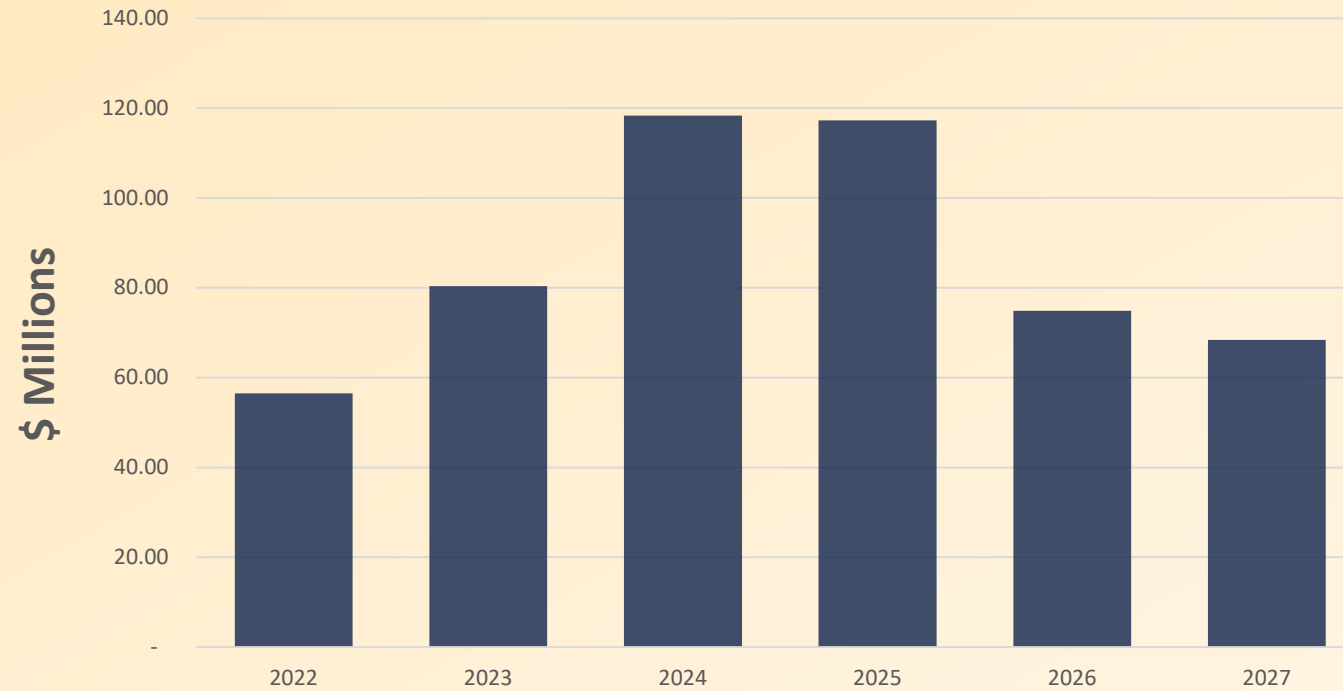


# Total CIP cumulative



Combined economic & financial factors	2022	2023	2024	2025	2026	2027	2028
Construction cost inflation	5.00%	20.00%	15.00%	10.00%	5.00%	3.00%	3.00%

## Urgent capital improvement projects



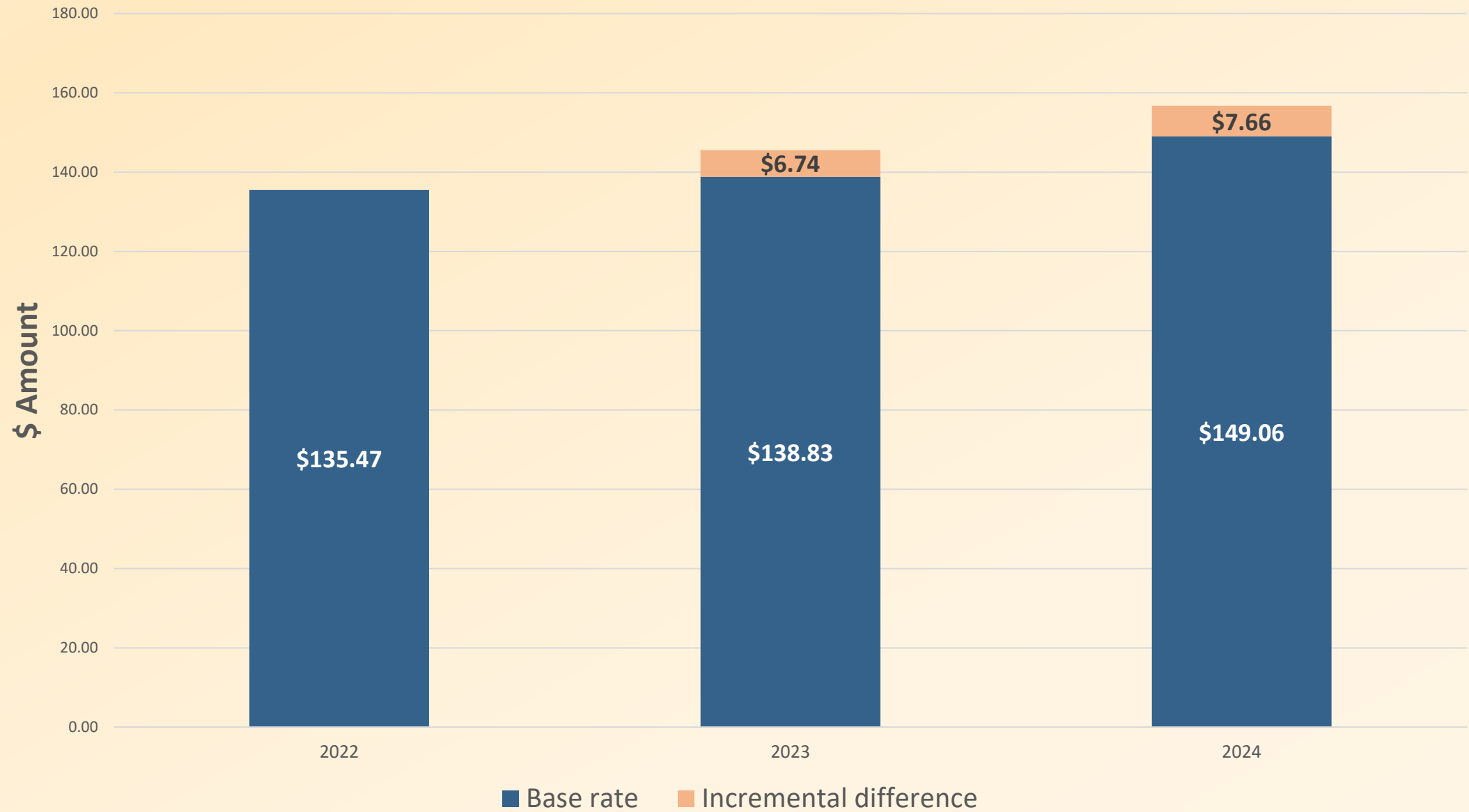
### Key capital projects for 2023-2024

- Service Center replacement development
- Port Gardner Storage Facility
- Reservoir 2 & Valve House No. 2 replacement
- Reservoir 3 replacement
- WFP Phase 2 capital upgrades
- WPCF combined conveyance pipe project

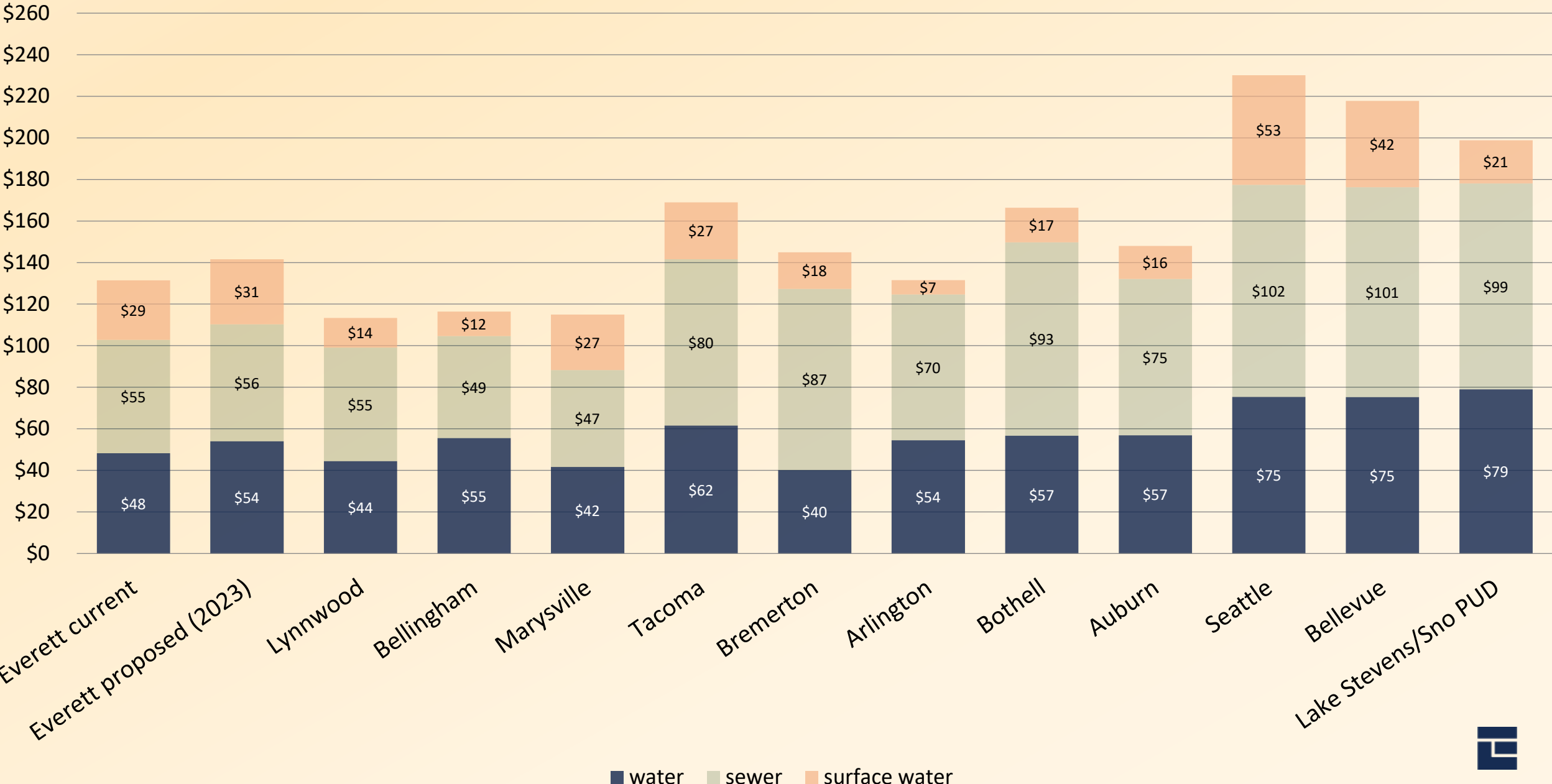


# Single family monthly utility bill based on 10 CCF

## Incremental rate increase 2023-2024

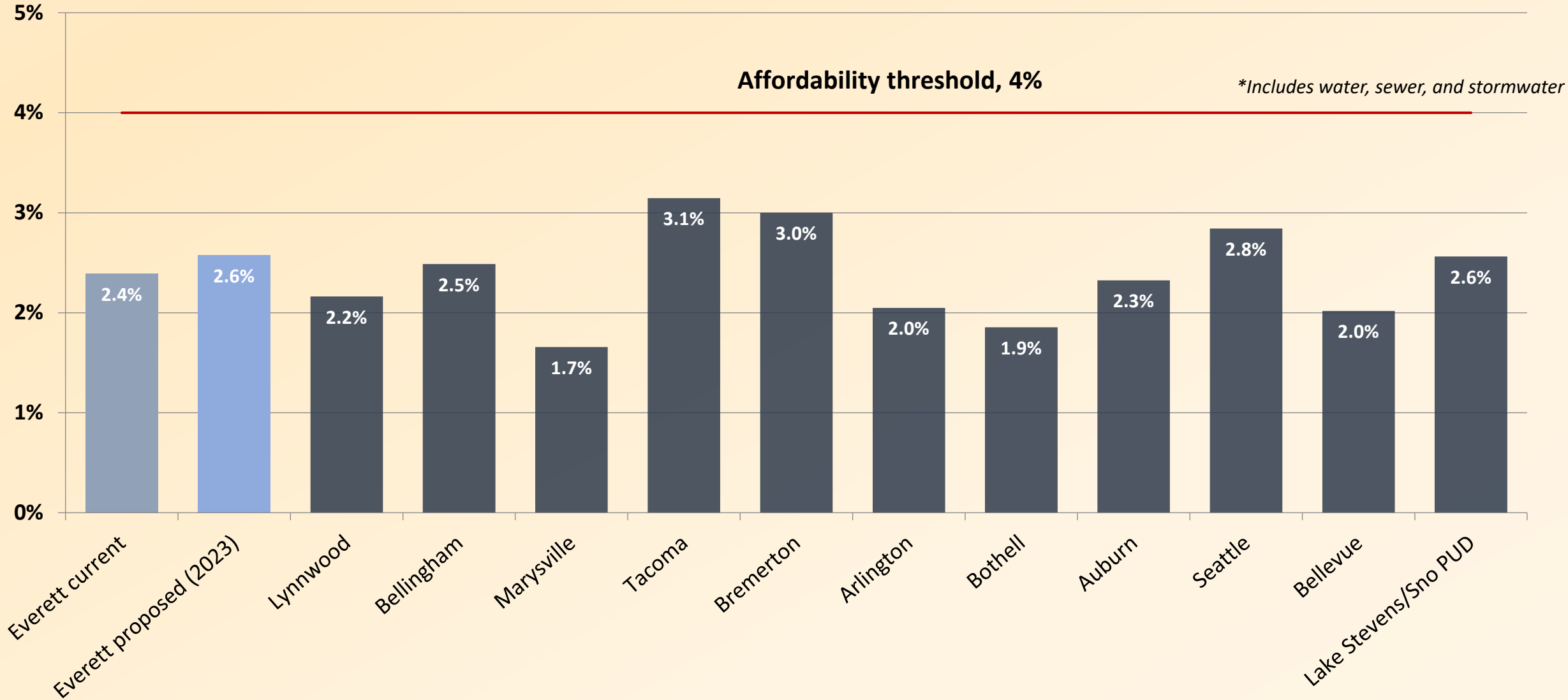


# Utility bill comparison | water, sewer and stormwater rates per month





# Measure of affordability | annual utility bill as a percent of median income



# Schedule

**Nov. 9, 2022**

- Council briefing
- First reading

**Nov. 16, 2022**

- Second reading
- Public hearing

**Nov. 30, 2022**

- Final reading
- Public hearing
- Council action

**Jan. 1, 2023**

- Ordinance effective date



Questions?

