

Staff: Lisa Bilir



# WASTEWATER COLLECTION UTILITY FINANCIAL PROJECTIONS

(revised as of March 21, 2023)

March 21, 2023

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# WASTEWATER PROJECTIONS (revised as of March 21, 2023)

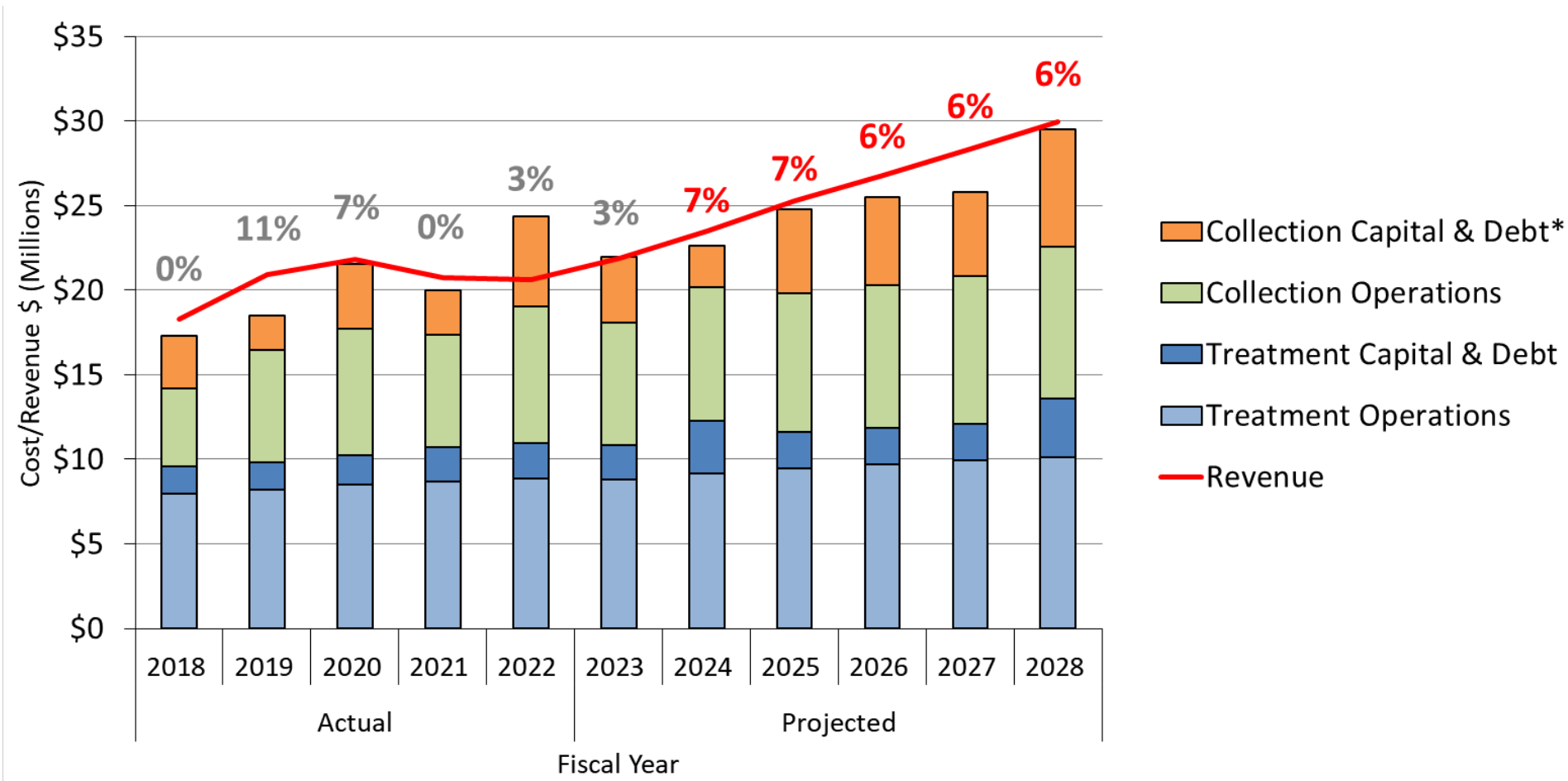
**FY 2024 recommendation:** 9% overall rate increase

- Accelerate main replacement from 1 mile per year to 2.5 miles per year in FY 2026 to replace the last main no more than ~ 8 years beyond ~100 year life expectancy
- Alternatives A, B and C lower sewer rate increases & slower transition to 2.5 miles per year; increasing likelihood of increased repair and maintenance costs, sanitary sewer overflows, sinkholes or other catastrophic impacts
- Fully funds current main replacement project (SSR 31)

## Summary of Recommended Rate Increases and Alternate Scenarios

Fiscal Year	2024	2025	2026	2027	2028	Start 2.5 Mile Per Year Main Replacement
Recommendation	9%	9%	9%	8%	5%	2026
Alternative A	9%	8%	6%	6%	6%	2028
Modified Alternative B	7%	7%	6%	6%	6%	2032
Alternative B	7%	7%	5%	5%	5%	2034
Alternative C	5%	5%	5%	5%	5%	Later than 2034

# WASTEWATER COST AND REVENUE PROJ. (Modified Alternative B)

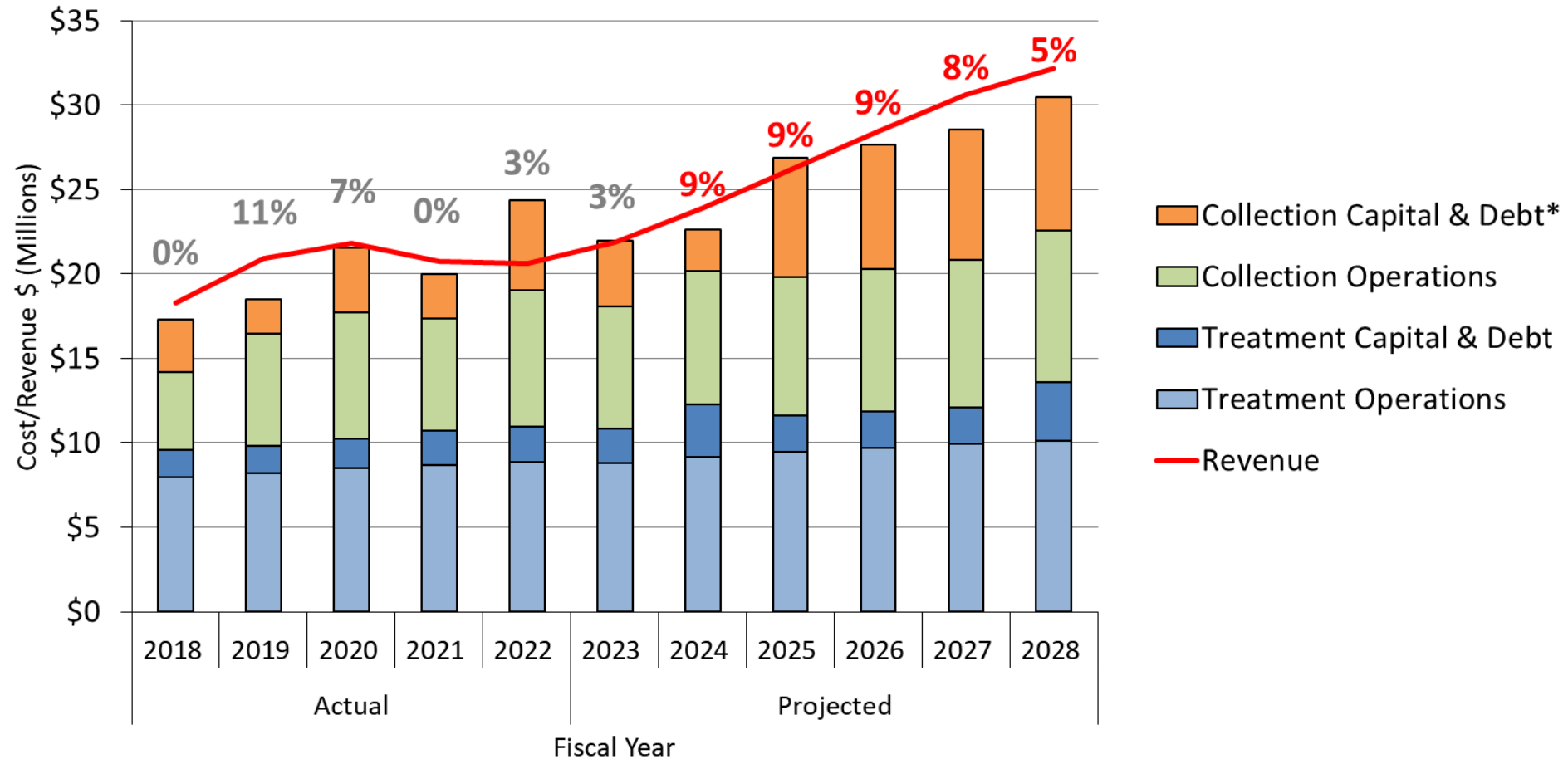


\* CIP in the projected years include changes due to commitments/reappropriations and funds transferred to the CIP Reserve



# WASTEWATER COST AND REVENUE PROJ.

(Staff Recommendation, presented on March 7, 2023)

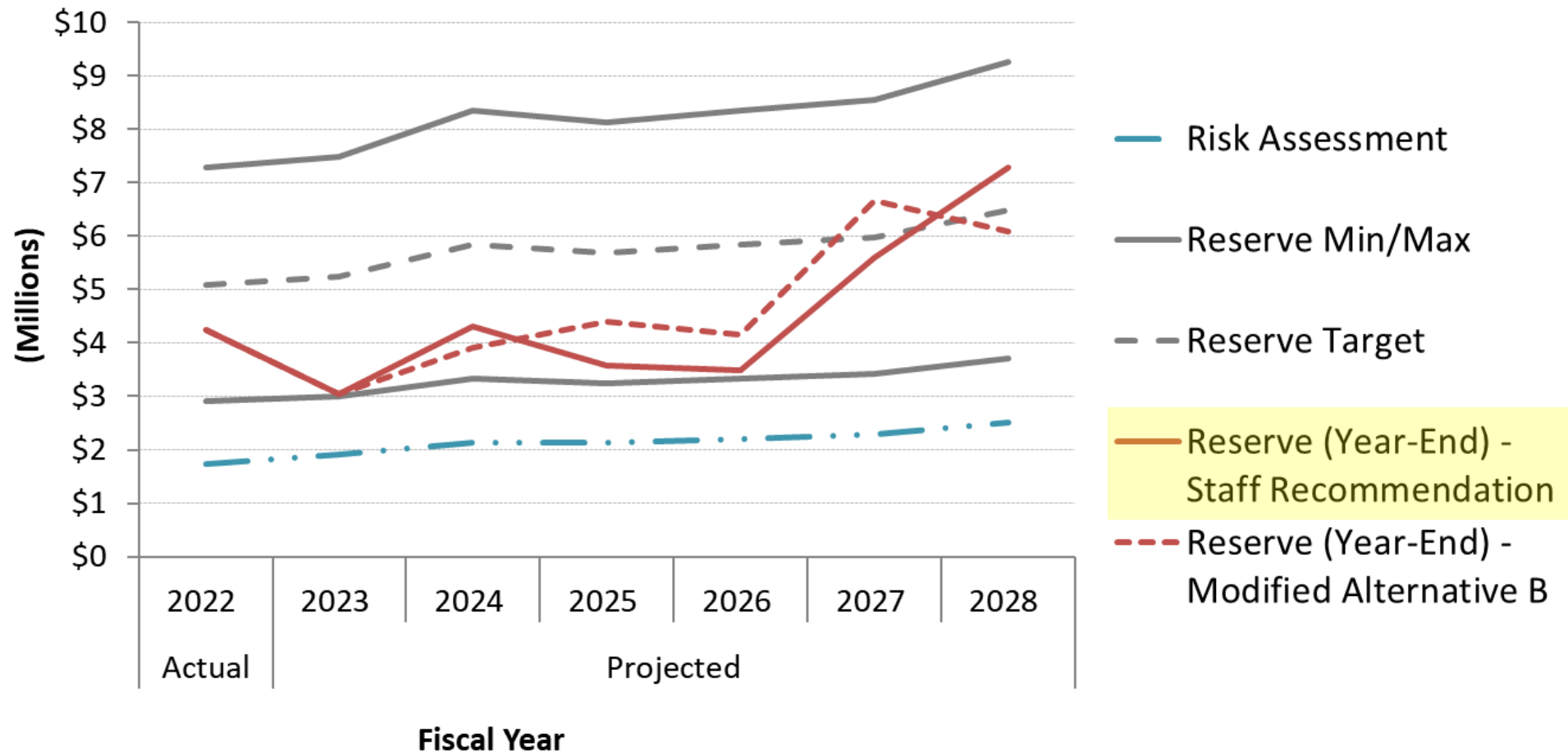


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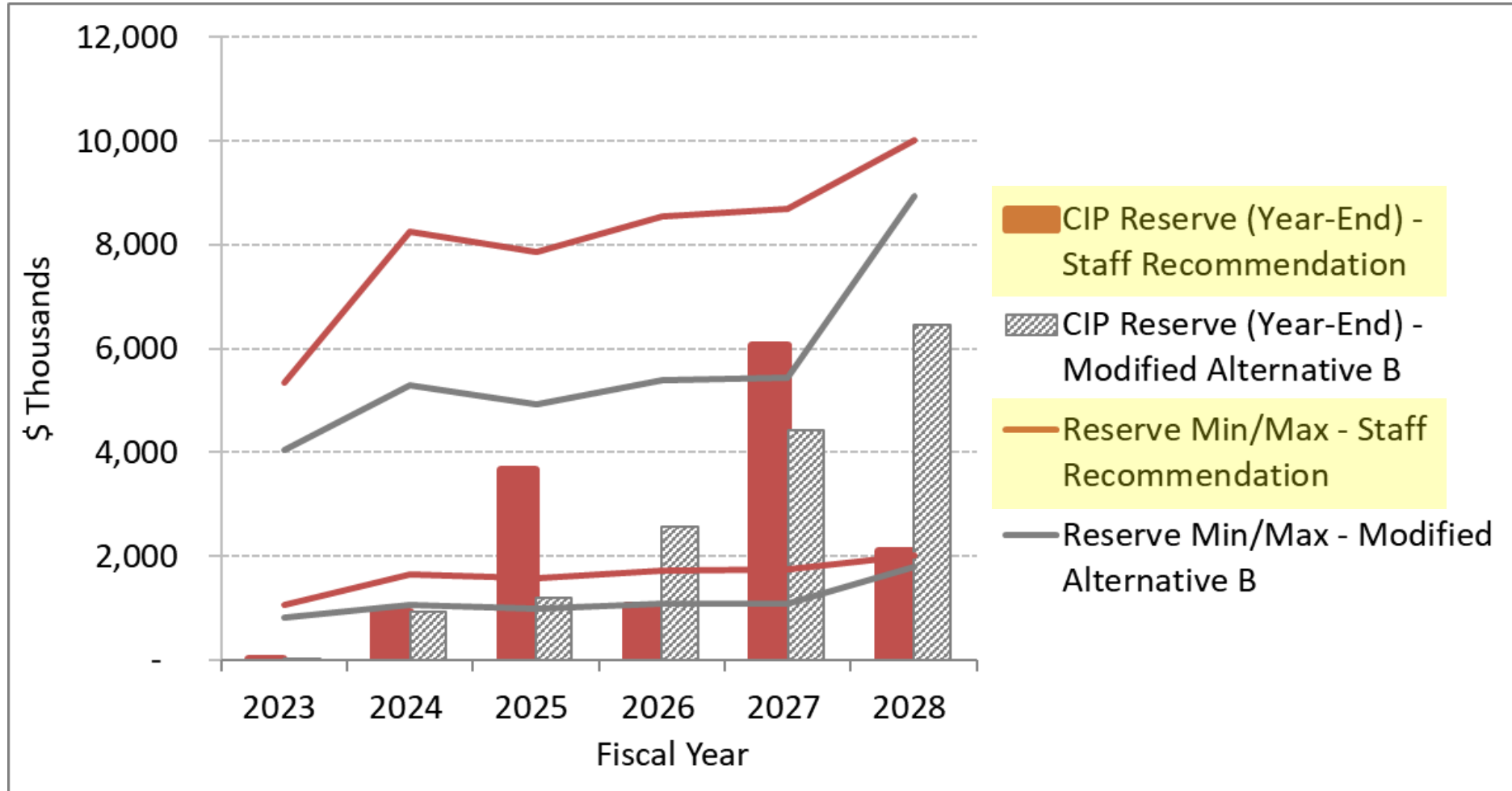
# WASTEWATER OPERATIONS RESERVE PROJECTION

(revised as of March 21, 2023)



# WASTEWATER CIP RESERVE PROJECTION

(revised as of March 21, 2023)





## RECOMMENDATION

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The Utilities Advisory Commission and Staff recommend that the Finance Committee Recommend that the City Council Adopt a resolution approving:

- The Fiscal Year 2024 Wastewater Collection Financial Plan, including 9% overall rate increase
- Transfer up to \$3.178 million from the Capital Improvements Projects Reserve to the Operations Reserve in FY 2023
- Transfer up to \$342 thousand from the Rate Stabilization Reserve to the Operations Reserve in FY 2023
- Increase Wastewater Collection Utility Rates Via the Amendment of Wastewater Collection and Disposal Rate Schedules S-1 (Residential), S-2 (Commercial), S-6 (Restaurant) and S-7 (Industrial Discharger)