



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)

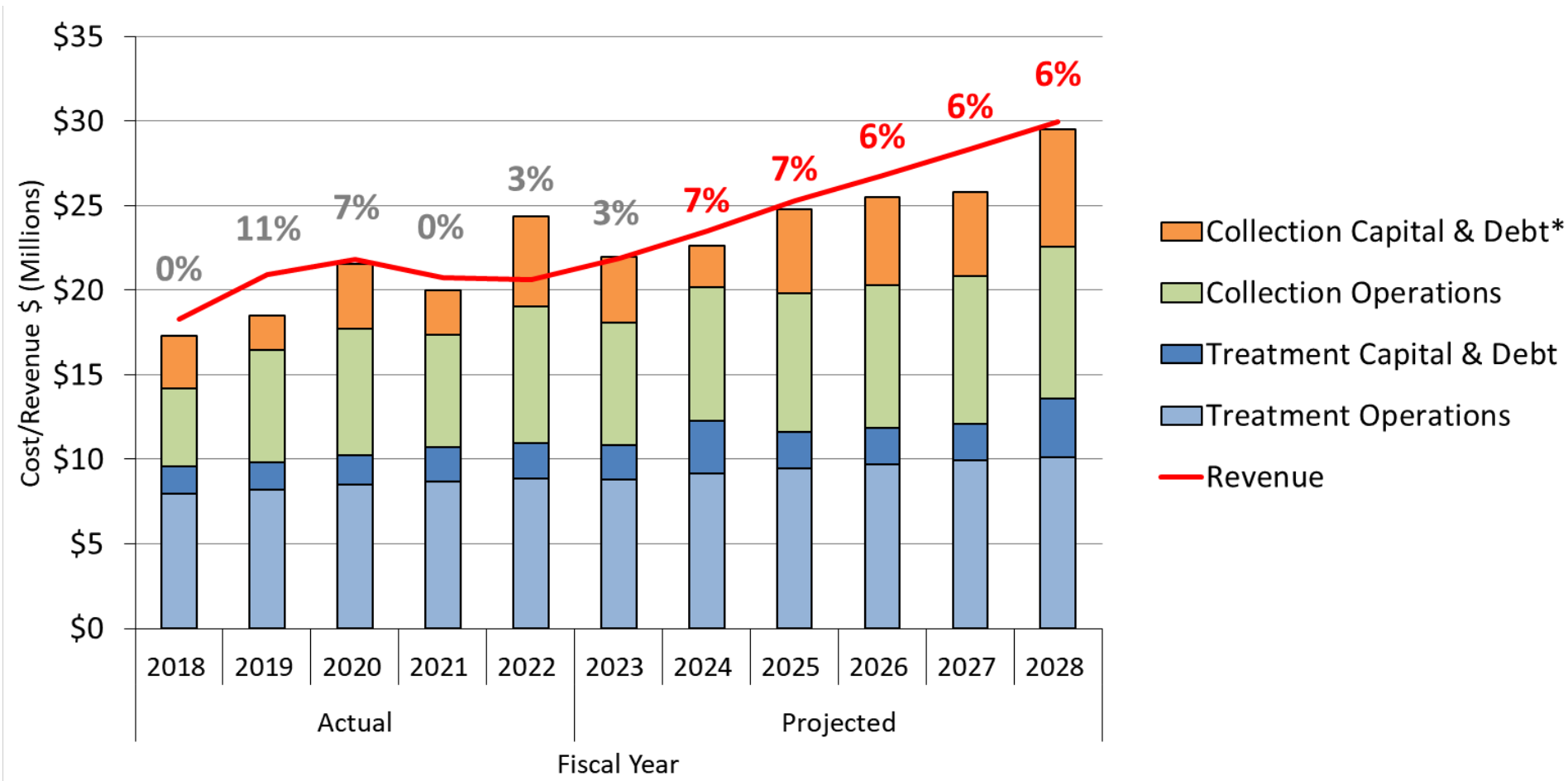
FY 2024 recommendation: 9% overall rate increase

- 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

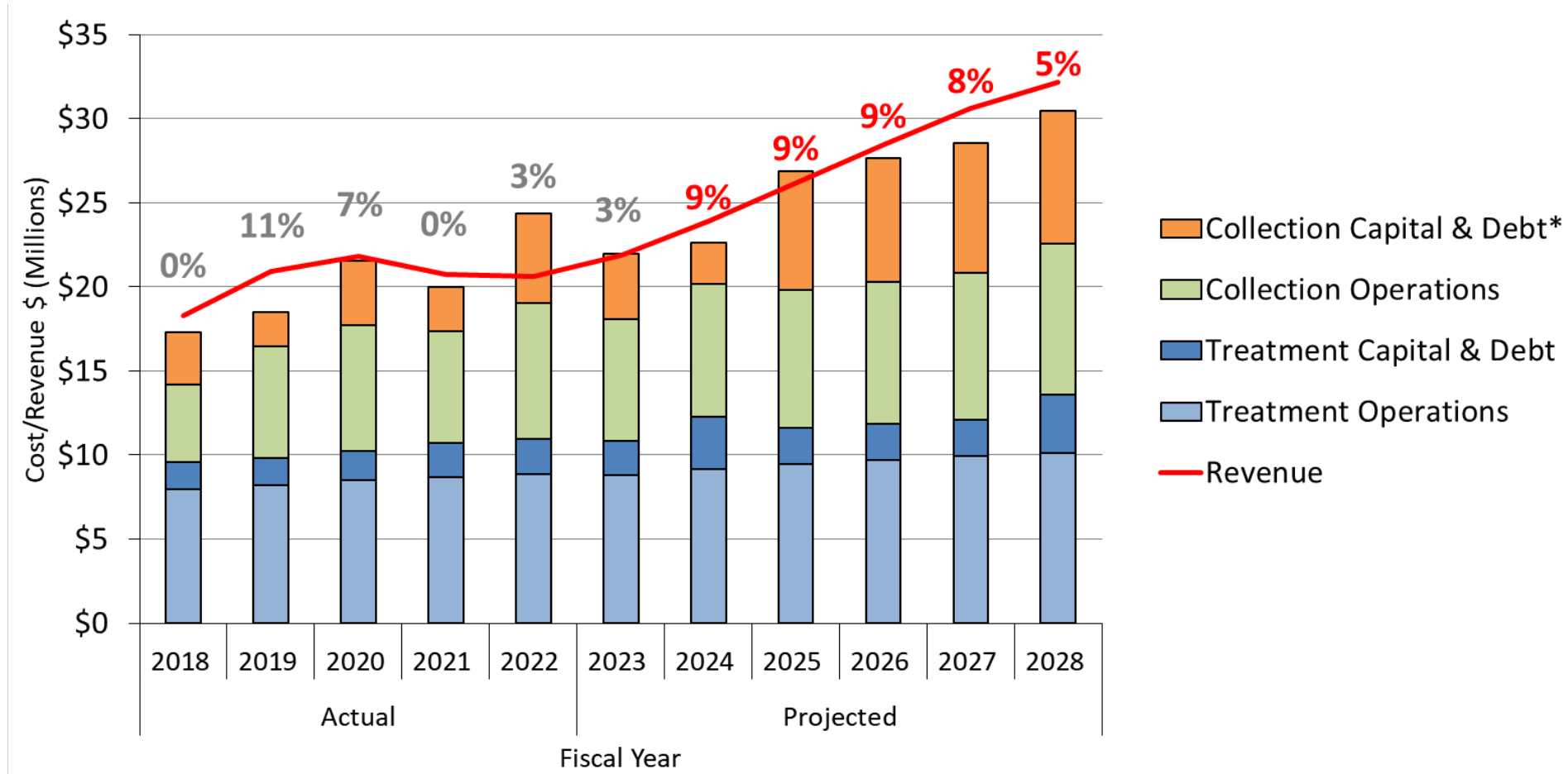
WASTEWATER COST AND REVENUE PROJ. (Modified Alternative B)



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

WASTEWATER COST AND REVENUE PROJ.

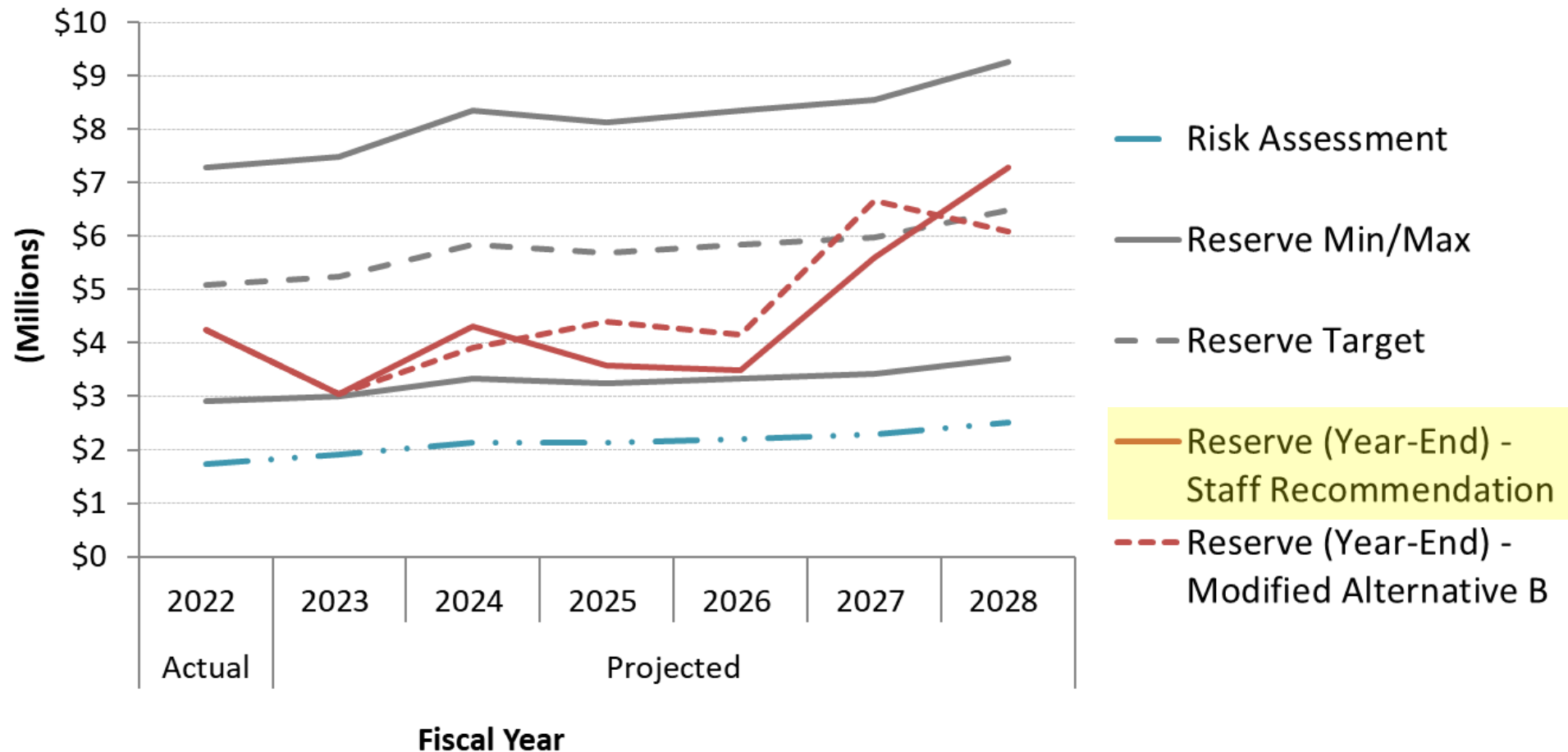
(Staff Recommendation, presented on March 7, 2023)



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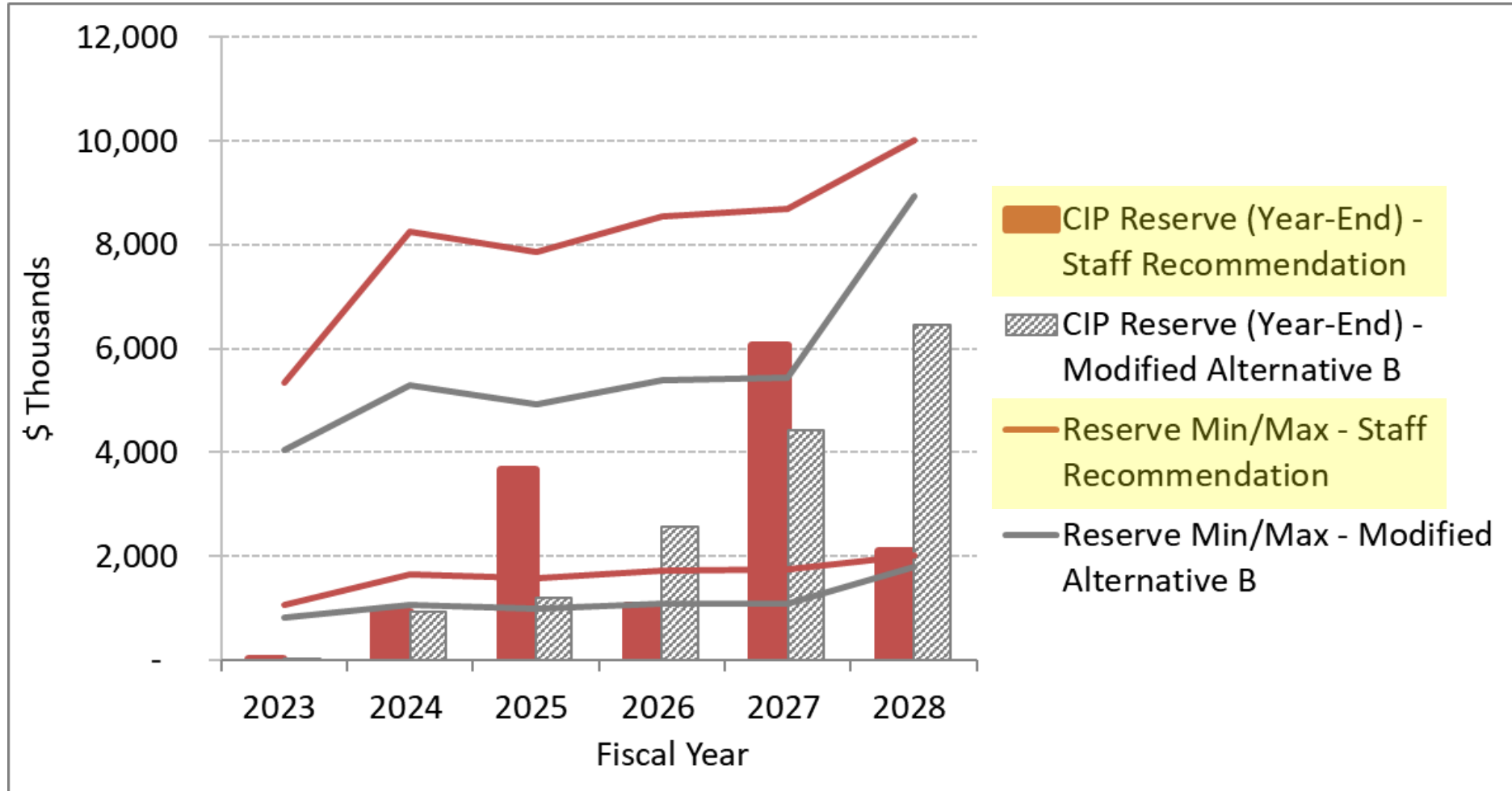
WASTEWATER OPERATIONS RESERVE PROJECTION

(revised as of March 21, 2023)



WASTEWATER CIP RESERVE PROJECTION

(revised as of March 21, 2023)





RECOMMENDATION

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)