

# City of Davis

2020 WASTEWATER RATE & COST OF SERVICE STUDY

RATE STUDY INTRODUCTION

UTILITIES COMMISSION MEETING

DECEMBER 16, 2020



BARTLE WELLS ASSOCIATES  
INDEPENDENT PUBLIC FINANCE ADVISORS





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# 2020 Wastewater Rate & Cost of Service Study Overview

**Data Collection & Review**

**Financial Plan**

*Road map to financial sustainability*

**Cost of Service Study**

*Cost allocation to customer classes*

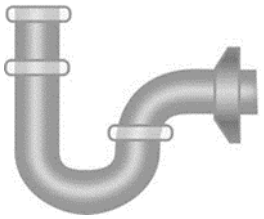
**Wastewater Rate Design**

*Develop rate recommendations*

**Public Outreach &  
Prop 218 Requirements**

*Opportunity for written protest*

**Wastewater  
Rate Adoption  
FY 2021 –  
FY 2025**



# Current Monthly Wastewater Rates

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## Three Components:

### Fixed Charges

#### (1) Base Charge

- Recovers admin and billing costs

#### (2) Per Unit Charge

- Recovers fixed sewer service costs
- Residential customers only, commercial customers pay higher variable charges

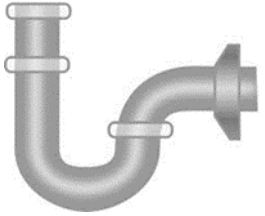
### Variable Charges

#### (3) Volume Rate / Variable Charge

- Recovers demand-related sewer service costs
- Commercial charges based on wastewater flow and strength
- Residential flow estimated with winter water use Dec - March
- Commercial customers pay more

***No wastewater rate increases since 2015***



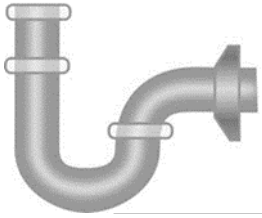


# Current Monthly Fixed Rates

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<b>Rates Effective</b>	<b>1/1/2019</b>
<b>1. Monthly Base Rate - (\$/customer)</b>	<b>\$3.94</b>
<b>2. Monthly Per Unit Rate (\$/unit - residential only)</b>	
Single Family	\$18.26
Multi Family	
Condominium	\$12.46
Duplex	\$14.22
3 Units	\$15.02
4 Units	\$15.32
5+ Units	\$12.88
Mobile Home	\$12.85





# Current Monthly Variable Rates

*based on winter water bill Dec to Mar (use Nov – Feb)*

## Rates Effective

1/1/2019

### Residential Users (\$/ccf)

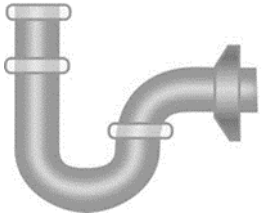
\$3.13

*Single Family, Multi Family, Mobile home*

### Commercial Users (\$/ccf by strength class)

C-1	<i>Office, Retail, Motels</i>	\$4.53
C-2	<i>Laundry, Dry Cleaning</i>	\$4.69
C-3	<i>Churches, Schools, Medical/Dental, Manufacturing, Storage</i>	\$4.69
C-4	<i>Convalescent Hospital</i>	\$4.96
C-5	<i>Auto Repair / Auto Dealers / Car Wash</i>	\$5.33
C-6	<i>Restaurants / Fast Food</i>	\$8.12
C-7	<i>Industrial</i>	\$6.74



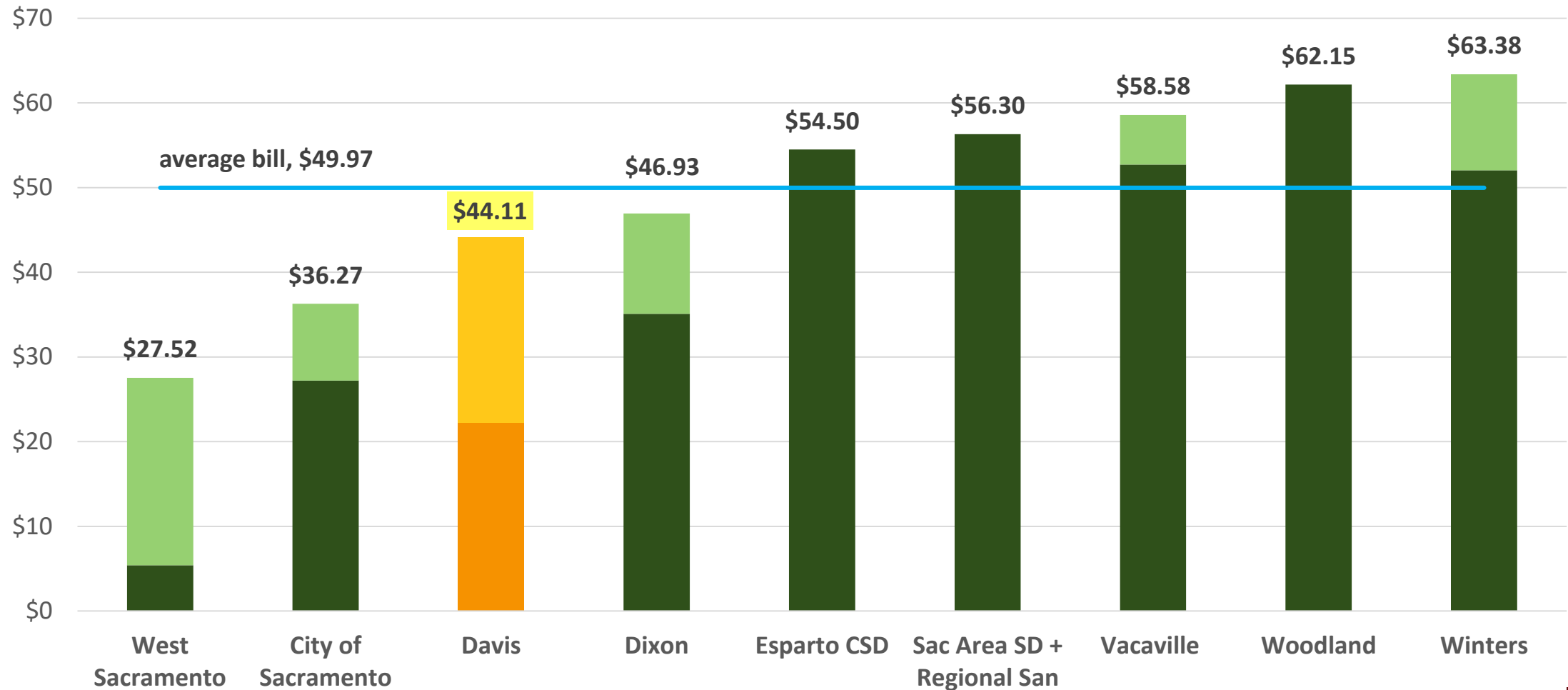


# Residential Sewer Cap (ccf)

Customer Class	City Average (ccf)	Monthly Cap (ccf)
<b>Single Family</b>	4	24
<b>Multi Family</b>		
Condo	28	19
Duplex	11	36
Triplex	16	56
Quadplex	20	76
5+ units	240	19 ccf/unit
Mobile Home Park	385	19 ccf/unit



# Single Family Wastewater Monthly Bill Survey FY 2021

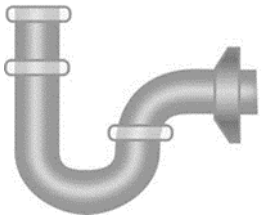


■ Variable Charge  
■ Fixed Charge

*7 ccf average SF winter water use where applicable  
 survey conducted December 2020*







# Financial Plan Introduction

**Financial Plan**

*Road map to financial sustainability*

*Determines rate revenue requirements FY 2021-FY 2025*

<b>Input (FY 2020-21 Budget)</b>	<b>10-20 Year Projection</b>
<b>Revenues</b>	Customer Demand Historical Trends
<b>Operations &amp; Maintenance Expenses</b>	Leland Model Staff Input NPDES/Environmental Factors
<b>Current Debt Service</b>	Payment Schedule
<b>Latest Capital Improvement Plan</b>	ENR Construction Cost Index Inflation



# Receive Feedback Questions & Comments

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