

Special Meeting



5-16-23

GRIZZLY RANCH
COMMUNITY
SERVICES DISTRICT
RATE STUDY

OUTLINE

- ✔ Discuss rate structure changes since the last meeting
- ✔ Sample Bills
- ✔ Rate Comparison
- ✔ Recommendation

SEWER PROPOSED RATES FY 24

Customer Class	Proposed Rates
Residential	\$577.44
Commercial	\$512.90
Standby	\$218.54

SEWER PROPOSED RATES COST BREAKDOWN

Question: Why are Residential customers being charged a higher rate than Commercial customers?

Customer Class	Flows per Customer Class (gal/year)*	Customer Numbers	Flows per Customer
Residential	1,681,050	53	31,718
Commercial	260,142	239	26,014
*60% of annual water usage			

SEWER PROPOSED RATES COST BREAKDOWN

Customer Class	Residential	Commercial	Delta (Res-Com)
Customer	\$ 218.54	\$ 218.54	\$ -
Flow	\$ 179.75	\$ 147.43	\$ 32.32
BOD	\$ 179.14	\$ 146.93	\$ 32.21
Total	\$ 577.44	\$ 512.90	\$ 64.54

SEWER RATE SCHEDULE

	Current Rates		FY 2024		FY 2025	
	Customer Base	Volume Charge per kgal	Customer Base	Volume Charge per kgal	Customer Base	Volume Charge per kgal
Residential	\$ 389.00	\$ -	\$577.44	\$ -	\$ 772.44	\$ -
Commercial	\$ 389.00	\$ -	\$512.90	\$ -	\$ 686.10	\$ -
Standby	\$ 462.00	\$ -	\$218.54	\$ -	\$ 292.35	\$ -
% Increase			Restructured rates to increase revenues by 35% + CPI		30% + CPI	
	FY 2026		FY 2027		FY 2028	
	Customer Base	Volume Charge per kgal	Customer Base	Volume Charge per kgal	Customer Base	Volume Charge per kgal
Residential	\$794.84	\$ -	\$ 817.89	\$ -	\$841.61	\$ -
Commercial	\$706.00	\$ -	\$ 726.48	\$ -	\$747.54	\$ -
Standby	\$300.82	\$ -	\$ 309.55	\$ -	\$318.53	\$ -
% Increase	CPI		CPI		CPI	

WATER PROPOSED RATES FY 24

Customer Class	Proposed Base Rate	Proposed Fire Protection Charge	Proposed Volumetric Charge*
Residential	\$ 378.84	\$ 10.16	\$ 7.56
Commercial	\$ 378.85	\$ 10.16	\$ 3.24
Standby	\$ 200.07	\$ 10.16	\$ -
*3,000 gallons included per quarter			

WATER RATE SCHEDULE

Current Rates				FY 2024			FY 2025		
	Base	Fire Protection	Volume Rate per kgal	Customer and Meter	Fire Protection	Volume Rate per kgal	Customer and Meter	Fire Protection	Volume Rate per kgal
Residential	\$ 389.00	-	\$ 11.40	\$ 378.84	\$ 10.16	\$ 7.56	\$ 389.82	\$ 10.45	\$ 7.78
Commercial	\$ 389.00	-	\$ 11.40	\$ 378.85	\$ 10.16	\$ 3.24	\$ 389.83	\$ 10.45	\$ 3.33
Standby	\$ 462.00	-	-	\$ 200.07	\$ 10.16	-	\$ 205.87	\$ 10.45	-
% Increase	-	-	-	-	-	-	-	-	-
CPI									
FY 2026				FY 2027			FY 2028		
	Customer and Meter	Fire Protection	Volume Rate per kgal	Customer and Meter	Fire Protection	Volume Rate per kgal	Customer and Meter	Fire Protection	Volume Rate per kgal
Residential	\$401.13	\$ 10.76	\$ 8.00	\$ 412.76	\$ 11.07	\$ 8.24	\$ 424.73	\$ 11.39	\$ 8.47
Commercial	\$401.14	\$ 10.76	\$ 3.43	\$ 412.77	\$ 11.07	\$ 3.53	\$ 424.74	\$ 11.39	\$ 3.63
Standby	\$211.84	\$ 10.76	-	\$ 217.98	\$ 11.07	-	\$ 224.30	\$ 11.39	-
% Increase	CPI			CPI			CPI		

SAMPLE SEWER BILLS

Quarters 1 - 4

Existing Sewer	Per Quarter	Annual Revenue per customer
Residential	\$ 389.00	\$ 1,556.00
Commercial	\$ 389.00	\$ 1,556.00
Standby	\$ 462.00	\$ 1,848.00

Proposed Sewer	Per Quarter Bill	Annual Revenue per customer	Number of Customers	Total revenue
Residential	\$ 577.44	\$ 2,309.75	53	\$ 122,416.76
Commercial	\$ 512.90	\$ 2,051.60	10	\$ 20,515.96
Standby	\$ 218.54	\$ 874.18	239	\$ 208,928.20
Revenue Requirement				\$ 351,860.92

SAMPLE WATER BILLS Q1 AND Q2

Existing Water	Flows kgal per Customer	Charged Flow kgal	Quarter 1 Bill
Residential	2.3	-	\$ 389.00
Commercial	0.9	-	\$ 389.00
Standby	-	-	\$ 462.00
Proposed Water	Flows kgal per Customer	Charged Flow kgal	Quarter 1 Bill
Residential	2.3	-	\$ 389.00
Commercial	0.9	-	\$ 389.00
Standby	-	-	\$ 210.23

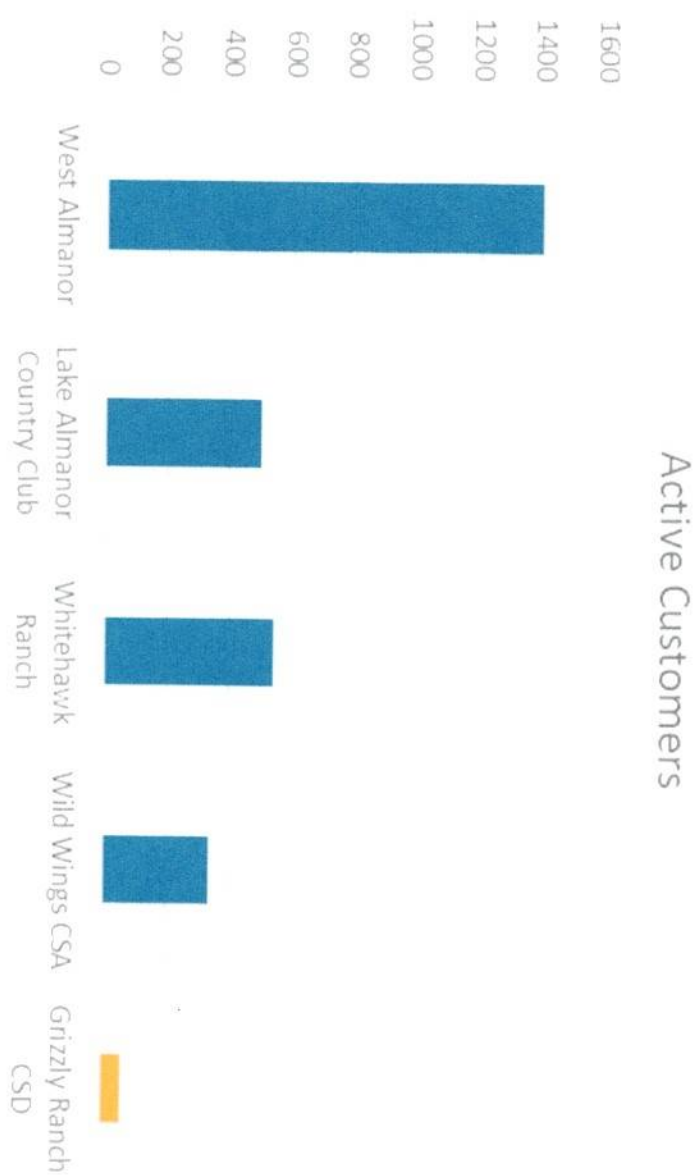
Existing Water	Flows kgal per Customer	Charged Flow kgal	Quarter 2 Bill
Residential	18.0	15.0	\$ 559.88
Commercial	6.5	3.5	\$ 429.00
Standby	-	-	\$ 462.00
Proposed Water	Flows kgal per Customer	Charged Flow kgal	Quarter 2 Bill
Residential	18.0	15.0	\$ 502.31
Commercial	6.5	3.5	\$ 400.37
Standby	-	-	\$ 210.23

SAMPLE WATER BILLS Q3 AND Q4

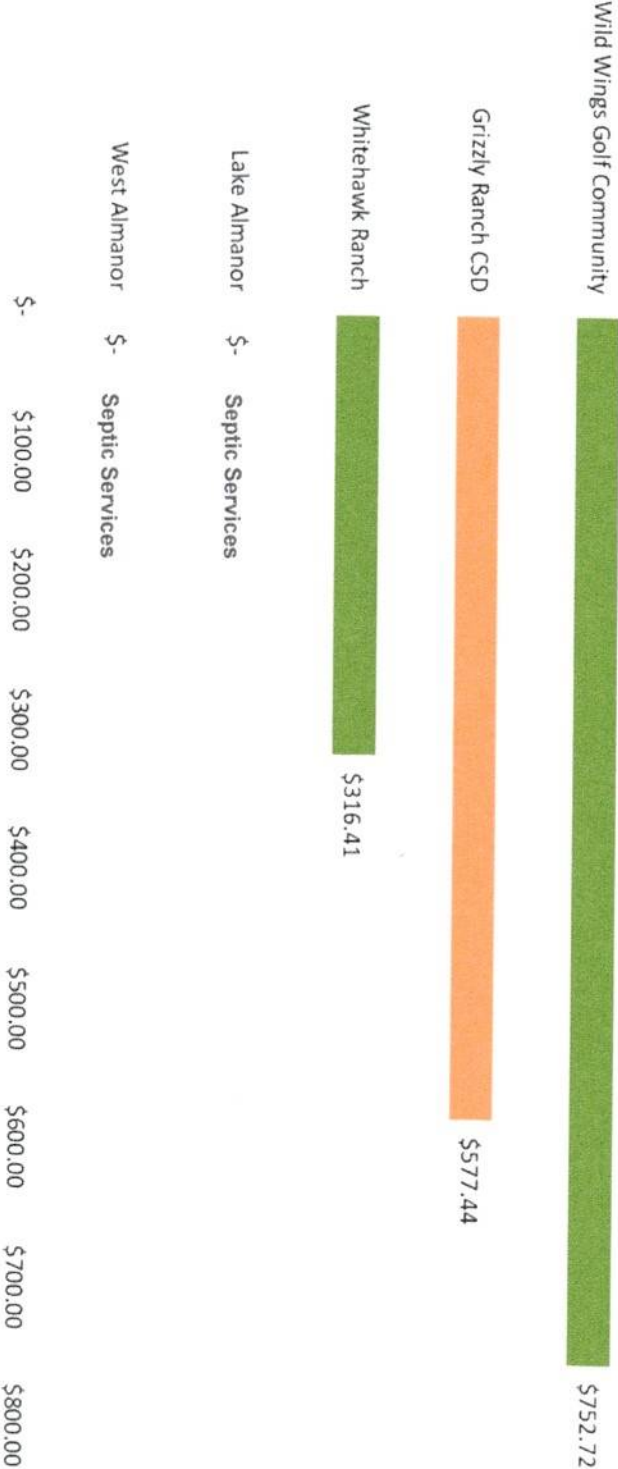
Existing Water	Flows kgal per Customer	Charged Flow kgal	Quarter 3 Bill
Residential	29.0	26.0	\$ 684.89
Commercial	34.8	31.8	\$ 751.51
Standby	-	-	\$ 462.00
Proposed Water	Flows kgal per Customer	Charged Flow kgal	Quarter 3 Bill
Residential	29.0	26.0	\$ 585.20
Commercial	34.8	31.8	\$ 492.02
Standby	-	-	\$ 210.23

Existing Water	Flows kgal per Customer	Charged Flow kgal	Quarter 4 Bill
Residential	3.6	0.6	\$ 396.27
Commercial	1.1	-	\$ 389.00
Standby	-	-	\$ 462.00
Proposed Water	Flows kgal per Customer	Charged Flow kgal	Quarter 4 Bill
Residential	3.6	0.6	\$ 393.53
Commercial	1.1	-	\$ 389.00
Standby	-	-	\$ 210.23

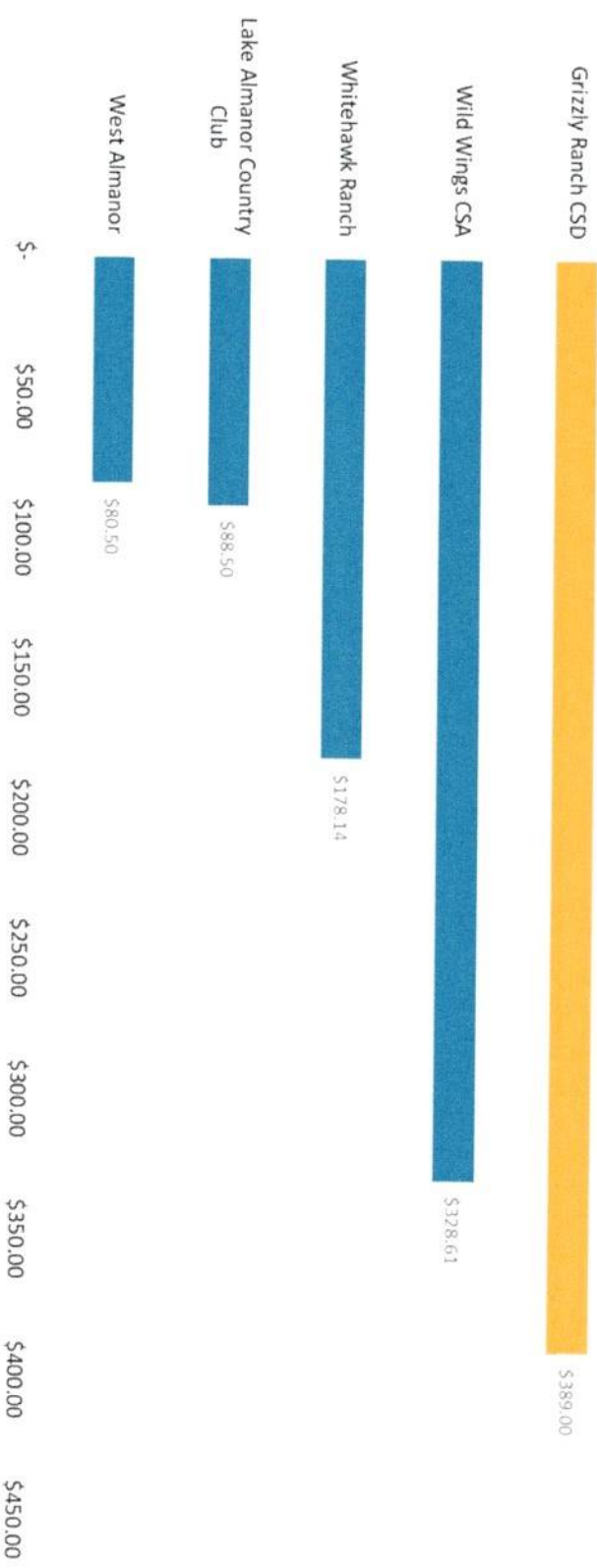
UTILITY COMPARISON



SEWER RATE COMPARISONS



WATER RATE COMPARISONS



RECOMMENDATIONS

- ✔ Keep track of water and sewer funds separately
- ✔ Implement the proposed water and sewer rates over the next 5-year study period
- ✔ Board to complete the Proposition 218 process & adopt new rates; target implementation July 2023 (Start of FY 24)
- ✔ Review rates every 5 years

THANK YOU...

Any Questions? Comments?