



STAFF REPORT

TO: Board of Directors
THRU: Mark Foree, General Manager
FROM: Michele Sullivan, CFO
DATE: November 7, 2016
SUBJECT: Discussion and action, and possible direction to staff regarding proposed rate adjustment process and schedule

RECOMMENDATION

Pursuant to the presentation of the funding plan at the October strategic planning meeting, Staff is presenting a recommendation for a multi-year rate adjustment based on two possible options presented herein. The Standing Advisory Committee (SAC) reviewed the following proposals and recommended adopting Proposal 1. Customer charges, unit charges and commodity charges would all be increased by the increments indicated in this presentation (see Attachment A).

Also, included is a proposed rate adjustment calendar for Board approval (see Attachment B).

DISCUSSION

Based on the funding plan presented through FY2022 including assumptions related to water revenue increases of 3% over calendar year 2015 drought levels from residential customers, and estimated benefits from the refunding of 2007 Bonds in 2017, the funding gap between recurring revenue and cost of service increases to an annual gap of \$13.0 million by 2022. In order to close the funding gap, and strengthen our financial metrics related to maintaining TMWA’s favorable credit rating, a schedule of rate adjustments is proposed to the Board. Maintaining a favorable credit rating is essential to the success of the refunding transaction in 2017. Two scenarios are presented.

Both proposals set pricing to recover TMWA costs of providing service while encouraging efficient use of resources and facilities through appropriate pricing signals by:

1. Adjusting rates to meet current financial needs but phasing-in a rate increase to reduce the impact of a single large adjustment thereby allowing time for economic conditions and TMWA financial metrics to improve.
2. Minimizing the size of rate adjustments as much as possible when comparing the cost of service in the funding plan to proposed rates required.

Proposal 1:

As presented in the funding plan, TMWA can close the funding gap with rate increases of:

- 3% in years 1 & 2
- 2.5% in years 3, 4 & 5

Staff and the SAC recommend this proposal with the first two 3% increases being implemented in anticipation of higher debt service beginning in FY2020. After implementation of year 1 & 2 rate adjustments, increases in years 3-5 should be subject to an annual review of TMWA's financial performance to determine if rate increases can be lowered or deferred. This will set TMWA up to meet its debt service requirements, and allows for more time to discern whether customer water usage will continue at current levels.

Proposal 2:

Another option to close TMWA's funding gap would be rate increases of:

- 3% in years 1 & 2
- Increases in years 3, 4 & 5 commensurate with the CPI-U (all items) for the west urban region as published in December by the Bureau of Labor Statistics, with a condition that the annual increase will not exceed 3% or be less than 1%

Staff again recommends that the first two 3% increases be implemented in anticipation of higher debt service beginning in FY2020. After implementation of year 1 & 2 rate adjustments, increases in years 3-5 should be subject to an annual review of TMWA's financial performance to determine if rate increases can be lowered or deferred. The ceiling of 3% protects the customer from a large increase after already experiencing two 3% increases in years 1 & 2. The floor protects TMWA from having to implement a negative index or an index that is so small that it is not cost effective. This will set TMWA up to meet its debt service requirements, and allows for more time to discern whether customer conservation will continue at current levels.

TMWA
 Average Metered Residential Bill (excludes multi tenant)

	TMWA	WC	STMGID	Combined
Current Average Bill Oct 15 - Sept 16	\$44.88	\$59.12	\$42.72	\$47.45
Average monthly increase -Year 1	1.35	1.77	1.28	1.42
Average monthly increase -Year 2	1.39	1.83	1.32	1.47
Average Monthly bill Year 2	\$47.61	\$62.72	\$45.32	\$50.34
Average monthly increase -Year 3	1.19	1.57	1.13	1.26
Average monthly increase -Year 4	1.22	1.61	1.16	1.29
Average monthly increase -Year 5	1.25	1.65	1.19	1.32
Average Monthly bill Year 5	\$51.27	\$67.54	\$48.81	\$54.21

TMWA Rate Tables

	CURRENT RATES	3.0% Year 1		3.0% Year 2		2.5% Year 3		2.5% Year 4		2.5% Year 5		
		ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	
RESIDENTIAL SCHEDULES/CHARGES												
METERED RESIDENTIAL - Schedule RMWS	¾"	18.54	19.10	0.56	19.67	0.57	20.16	0.49	20.66	0.50	21.18	0.52
Customer Charge per meter, per Billing Period	1"	20.40	21.01	0.61	21.64	0.63	22.18	0.54	22.74	0.55	23.31	0.57
	1-½"	23.20	23.90	0.70	24.61	0.72	25.23	0.62	25.86	0.63	26.51	0.65
	2"	26.90	27.71	0.81	28.54	0.83	29.25	0.71	29.98	0.73	30.73	0.75
	3"	30.60	31.52	0.92	32.46	0.95	33.28	0.81	34.11	0.83	34.96	0.85
	4"	35.20	36.26	1.06	37.34	1.09	38.28	0.93	39.23	0.96	40.22	0.98
	6"	40.80	42.02	1.22	43.28	1.26	44.37	1.08	45.48	1.11	46.61	1.14
Commodity Charge per 1,000 gallons per billing period												
Usage <= 6 mgal		1.72	1.77	0.05	1.82	0.05	1.87	0.05	1.92	0.05	1.97	0.05
Usage > 6 & <= 25 mgal		2.78	2.86	0.08	2.95	0.09	3.02	0.07	3.10	0.08	3.18	0.08
Usage > 25 mgal		3.25	3.35	0.10	3.45	0.10	3.53	0.09	3.62	0.09	3.71	0.09
METERED RESIDENTIAL - Schedule RMWD	¾"	17.43	17.95	0.52	18.49	0.54	18.95	0.46	19.43	0.47	19.91	0.49
Customer Charge per meter, per Billing Period	1"	22.42	23.09	0.67	23.79	0.69	24.38	0.59	24.99	0.61	25.61	0.62
	1-½"	32.07	33.03	0.96	34.02	0.99	34.87	0.85	35.75	0.87	36.64	0.89
	2"	42.76	44.04	1.28	45.36	1.32	46.50	1.13	47.66	1.16	48.85	1.19
	3"	68.85	70.92	2.07	73.04	2.13	74.87	1.83	76.74	1.87	78.66	1.92
	4"	100.84	103.87	3.03	106.98	3.12	109.66	2.67	112.40	2.74	115.21	2.81
	6"	183.85	189.37	5.52	195.05	5.68	199.92	4.88	204.92	5.00	210.04	5.12
Commodity Charge per 1,000 gallons per billing period- meters less than 1 1/2"												
Usage < 7 mgal		2.62	2.70	0.08	2.78	0.08	2.85	0.07	2.92	0.07	2.99	0.07
Usage >= 7 & < 21 mgal		3.27	3.37	0.10	3.47	0.10	3.56	0.09	3.64	0.09	3.74	0.09
Usage >= 21 & < 41 mgal		3.93	4.05	0.12	4.17	0.12	4.27	0.10	4.38	0.11	4.49	0.11
Usage >= 41 mgal		5.25	5.41	0.16	5.57	0.16	5.71	0.14	5.85	0.14	6.00	0.15
Commodity Charge per 1000 gallons per billing period - meters more than 1 1/2"												
Usage < 29 mgal		2.62	2.70	0.08	2.78	0.08	2.85	0.07	2.92	0.07	2.99	0.07
Usage >= 29 & < 151 mgal		3.27	3.37	0.10	3.47	0.10	3.56	0.09	3.64	0.09	3.74	0.09
Usage >= 151 & < 601 mgal		3.93	4.05	0.12	4.17	0.12	4.27	0.10	4.38	0.11	4.49	0.11
Usage >= 601 mgal		5.25	5.41	0.16	5.57	0.16	5.71	0.14	5.85	0.14	6.00	0.15
METERED RESIDENTIAL - Schedule RMWG	¾"	9.49	9.77	0.28	10.07	0.29	10.32	0.25	10.58	0.26	10.84	0.26
Customer Charge per meter, per Billing Period	1"	11.61	11.96	0.35	12.32	0.36	12.62	0.31	12.94	0.32	13.26	0.32
	1-½"	16.47	16.96	0.49	17.47	0.51	17.91	0.44	18.36	0.45	18.82	0.46
Commodity Charge per 1,000 gallons per billing period												
Usage <= 6 mgal		1.36	1.40	0.04	1.44	0.04	1.48	0.04	1.52	0.04	1.55	0.04
Usage > 6 & <= 20 mgal		1.80	1.85	0.05	1.91	0.06	1.96	0.05	2.01	0.05	2.06	0.05
Usage > 20 & <= 40 mgal		2.21	2.28	0.07	2.34	0.07	2.40	0.06	2.46	0.06	2.52	0.06
Usage > 40 & <= 65 mgal		2.58	2.66	0.08	2.74	0.08	2.81	0.07	2.88	0.07	2.95	0.07
Usage > 65 mgal		2.73	2.81	0.08	2.90	0.08	2.97	0.07	3.04	0.07	3.12	0.08
FLAT-RATE SMALL RESIDENTIAL - Sched. SUFR (lot size < 3000 sq ft)	¾"	39.12	40.29	1.17	41.50	1.21	42.54	1.04	43.60	1.06	44.69	1.09
RESIDENTIAL UNMETERED - Sched. RFWG		44.91	46.26	1.35	47.65	1.39	48.84	1.19	50.06	1.22	51.31	1.25

TMWA Rate Tables

	CURRENT RATES	3.0% Year 1		3.0% Year 2		2.5% Year 3		2.5% Year 4		2.5% Year 5		
		ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	
MULTI TENANT SCHEDULES/CHARGES												
METERED MULTI TENANT - Schedule MMWS	¾"	18.54	19.10	0.56	19.67	0.57	20.16	0.49	20.66	0.50	21.18	0.52
Customer Charge per meter, per Billing Period	1"	20.40	21.01	0.61	21.64	0.63	22.18	0.54	22.74	0.55	23.31	0.57
	1-½"	23.20	23.90	0.70	24.61	0.72	25.23	0.62	25.86	0.63	26.51	0.65
	2"	26.90	27.71	0.81	28.54	0.83	29.25	0.71	29.98	0.73	30.73	0.75
	3"	30.60	31.52	0.92	32.46	0.95	33.28	0.81	34.11	0.83	34.96	0.85
	4"	35.20	36.26	1.06	37.34	1.09	38.28	0.93	39.23	0.96	40.22	0.98
	6"	40.80	42.02	1.22	43.28	1.26	44.37	1.08	45.48	1.11	46.61	1.14
	8"	47.30	48.72	1.42	50.18	1.46	51.44	1.25	52.72	1.29	54.04	1.32
	10"	55.60	57.27	1.67	58.99	1.72	60.46	1.47	61.97	1.51	63.52	1.55
Commodity Charge per 1,000 gallons times number of units												
Usage <= 4 mgal per unit		1.72	1.77	0.05	1.82	0.05	1.87	0.05	1.92	0.05	1.97	0.05
Usage >4 mgal per unit		2.78	2.86	0.08	2.95	0.09	3.02	0.07	3.10	0.08	3.18	0.08
METERED MULTI TENANT - Schedule MMWD	¾"	17.43	17.95	0.52	18.49	0.54	18.95	0.46	19.43	0.47	19.91	0.49
Customer Charge per meter, per Billing Period	1"	22.42	23.09	0.67	23.79	0.69	24.38	0.59	24.99	0.61	25.61	0.62
	1-½"	32.07	33.03	0.96	34.02	0.99	34.87	0.85	35.75	0.87	36.64	0.89
	2"	42.76	44.04	1.28	45.36	1.32	46.50	1.13	47.66	1.16	48.85	1.19
	3"	68.85	70.92	2.07	73.04	2.13	74.87	1.83	76.74	1.87	78.66	1.92
	4"	100.84	103.87	3.03	106.98	3.12	109.66	2.67	112.40	2.74	115.21	2.81
	6"	183.85	189.37	5.52	195.05	5.68	199.92	4.88	204.92	5.00	210.04	5.12
Commodity Charge per 1,000 gallons per billing period												
Usage < 29 mgal		2.62	2.70	0.08	2.78	0.08	2.85	0.07	2.92	0.07	2.99	0.07
Usage >= 29 mgal & < 151 mgal		3.27	3.37	0.10	3.47	0.10	3.56	0.09	3.64	0.09	3.74	0.09
Usage >= 151 mgal & < 601 mgal		3.93	4.05	0.12	4.17	0.12	4.27	0.10	4.38	0.11	4.49	0.11
Usage >= 601 mgal per unit		5.25	5.41	0.16	5.57	0.16	5.71	0.14	5.85	0.14	6.00	0.15
FLAT-RATE MULTI-TENANT - Schedule MRFS	¾"	17.00	17.51	0.51	18.04	0.53	18.49	0.45	18.95	0.46	19.42	0.47
Customer Charge per service connection, per Billing Period	1"	18.70	19.26	0.56	19.84	0.58	20.33	0.50	20.84	0.51	21.36	0.52
(without irrigation)	1-½"	21.30	21.94	0.64	22.60	0.66	23.16	0.56	23.74	0.58	24.33	0.59
	2"	24.70	25.44	0.74	26.20	0.76	26.86	0.66	27.53	0.67	28.22	0.69
	3"	28.10	28.94	0.84	29.81	0.87	30.56	0.75	31.32	0.76	32.10	0.78
	4"	32.30	33.27	0.97	34.27	1.00	35.12	0.86	36.00	0.88	36.90	0.90
	6"	37.40	38.52	1.12	39.68	1.16	40.67	0.99	41.69	1.02	42.73	1.04
Monthly Unit Rate (per dwelling unit)		10.90	11.23	0.33	11.56	0.34	11.85	0.29	12.15	0.30	12.45	0.30
FLAT RATE MULTI-TENANT - Schedule MRIS	¾"	34.20	35.23	1.03	36.28	1.06	37.19	0.91	38.12	0.93	39.07	0.95
Customer Charge per service connection, per Billing Period	1"	50.30	51.81	1.51	53.36	1.55	54.70	1.33	56.06	1.37	57.47	1.40
(with irrigation)	1-½"	79.40	81.78	2.38	84.24	2.45	86.34	2.11	88.50	2.16	90.71	2.21
	2"	125.30	129.06	3.76	132.93	3.87	136.25	3.32	139.66	3.41	143.15	3.49
	3"	210.30	216.61	6.31	223.11	6.50	228.68	5.58	234.40	5.72	240.26	5.86
	4"	429.30	442.18	12.88	455.44	13.27	466.83	11.39	478.50	11.67	490.46	11.96
	6"	693.10	713.89	20.79	735.31	21.42	753.69	18.38	772.53	18.84	791.85	19.31
	8"	885.40	911.96	26.56	939.32	27.36	962.80	23.48	986.87	24.07	1,011.55	24.67
	10"	1,260.40	1,298.21	37.81	1,337.16	38.95	1,370.59	33.43	1,404.85	34.26	1,439.97	35.12
Monthly Unit Rate (per dwelling unit)		11.50	11.85	0.35	12.20	0.36	12.51	0.31	12.82	0.31	13.14	0.32

TMWA Rate Tables

	CURRENT RATES	3.0% Year 1		3.0% Year 2		2.5% Year 3		2.5% Year 4		2.5% Year 5				
		ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE			
COMMERCIAL SCHEDULES/CHARGES														
METERED COMMERCIAL - Schedule GMWS														
Customer Charge per service connection, per Billing Period														
Tier 1 mgals	Tier 2 mgals	Tier 3 mgals												
0 to 7	>7 and <=30	>30	¾"	18.54	19.10	0.56	19.67	0.57	20.16	0.49	20.66	0.50	21.18	0.52
0 to 14	>14 and <=65	>65	1"	20.40	21.01	0.61	21.64	0.63	22.18	0.54	22.74	0.55	23.31	0.57
0 to 28	>28 and <=120	>120	1-½"	23.20	23.90	0.70	24.61	0.72	25.23	0.62	25.86	0.63	26.51	0.65
0 to 50	>50 and <=210	>210	2"	26.90	27.71	0.81	28.54	0.83	29.25	0.71	29.98	0.73	30.73	0.75
0 to 165	>165 and <=640	>640	3"	30.60	31.52	0.92	32.46	0.95	33.28	0.81	34.11	0.83	34.96	0.85
0 to 300	>300 and <=1,300	>1,300	4"	35.20	36.26	1.06	37.34	1.09	38.28	0.93	39.23	0.96	40.22	0.98
0 to 1,000	>1,000 and <=2,600	>2,600	6"	40.80	42.02	1.22	43.28	1.26	44.37	1.08	45.48	1.11	46.61	1.14
0 to 1,475	>1,475 and <=6,000	>6,000	8"	47.30	48.72	1.42	50.18	1.46	51.44	1.25	52.72	1.29	54.04	1.32
0 to 9,500	>9,500 and <=15,000	>15,000	10"	55.60	57.27	1.67	58.99	1.72	60.46	1.47	61.97	1.51	63.52	1.55
Commodity Charge per 1,000 gallons per billing period														
Usage first tier - mgal	1.72	1.77	0.05	1.82	0.05	1.87	0.05	1.92	0.05	1.97	0.05	2.02	0.05	
Usage second tier - mgal	2.78	2.86	0.08	2.95	0.09	3.02	0.07	3.10	0.08	3.18	0.08	3.26	0.08	
Usage third tier - mgal	3.25	3.35	0.10	3.45	0.10	3.53	0.09	3.62	0.09	3.71	0.09	3.80	0.09	
METERED COMMERCIAL - Schedule GMWD														
Customer Charge per meter, per Billing Period														
¾"	17.43	17.95	0.52	18.49	0.54	18.95	0.46	19.43	0.47	19.91	0.49	20.39	0.48	
1"	22.42	23.09	0.67	23.79	0.69	24.38	0.59	24.99	0.61	25.61	0.62	26.24	0.63	
1-½"	32.07	33.03	0.96	34.02	0.99	34.87	0.85	35.75	0.87	36.64	0.89	37.54	0.90	
2"	42.76	44.04	1.28	45.36	1.32	46.50	1.13	47.66	1.16	48.85	1.19	50.05	1.20	
3"	68.85	70.92	2.07	73.04	2.13	74.87	1.83	76.74	1.87	78.66	1.92	80.61	1.94	
4"	100.84	103.87	3.03	106.98	3.12	109.66	2.67	112.40	2.74	115.21	2.81	118.07	2.86	
6"	183.85	189.37	5.52	195.05	5.68	199.92	4.88	204.92	5.00	210.04	5.12	215.28	5.24	
8"	276.42	284.71	8.29	293.25	8.54	300.59	7.33	308.10	7.51	315.80	7.70	323.60	7.80	
Commodity Charge per 1,000 gallons per billing period														
On Peak (6/1-9/30)	2.94	3.03	0.09	3.12	0.09	3.20	0.08	3.28	0.08	3.36	0.08	3.44	0.08	
Off Peak (10/1-5/31)	2.52	2.60	0.08	2.67	0.08	2.74	0.07	2.81	0.07	2.88	0.07	2.95	0.07	
COMMERCIAL AND INDUSTRIAL METERED- Schedule COM														
Customer Charge per meter, per Billing Period														
¾"	9.49	9.77	0.28	10.07	0.29	10.32	0.25	10.58	0.26	10.84	0.26	11.10	0.26	
1"	11.61	11.96	0.35	12.32	0.36	12.62	0.31	12.94	0.32	13.26	0.32	13.59	0.33	
1-½"	16.47	16.96	0.49	17.47	0.51	17.91	0.44	18.36	0.45	18.82	0.46	19.29	0.47	
2"	22.23	22.90	0.67	23.58	0.69	24.17	0.59	24.78	0.60	25.40	0.62	26.03	0.63	
3"	39.39	40.57	1.18	41.79	1.22	42.83	1.04	43.90	1.07	45.00	1.10	46.11	1.11	
4"	57.57	59.30	1.73	61.08	1.78	62.60	1.53	64.17	1.57	65.77	1.60	67.40	1.63	
6"	108.25	111.50	3.25	114.84	3.34	117.71	2.87	120.66	2.94	123.67	3.02	126.73	3.06	
8"	181.38	186.82	5.44	192.43	5.60	197.24	4.81	202.17	4.93	207.22	5.05	212.39	5.17	
10"	274.47	282.70	8.23	291.19	8.48	298.46	7.28	305.93	7.46	313.57	7.65	321.32	7.75	
Commodity Charge per 1,000 gallons per billing period- meters less than 2"														
Usage <= 20 mgal	1.41	1.45	0.04	1.50	0.04	1.53	0.04	1.57	0.04	1.61	0.04	1.65	0.04	
Usage > 20 & <= 40 mgal	1.57	1.62	0.05	1.67	0.05	1.71	0.04	1.75	0.04	1.79	0.04	1.83	0.04	
Usage > 40 mgal	1.76	1.81	0.05	1.87	0.05	1.91	0.05	1.96	0.05	2.01	0.05	2.06	0.05	
Commodity Charge per 1000 gallons per billing period- meters 2" & larger														
Usage <= 70 mgal	1.36	1.40	0.04	1.44	0.04	1.48	0.04	1.52	0.04	1.55	0.04	1.59	0.04	
Usage > 70 & <= 275 mgal	1.60	1.65	0.05	1.70	0.05	1.74	0.04	1.78	0.04	1.83	0.04	1.87	0.04	
Usage > 275 mgal	3.20	3.30	0.10	3.39	0.10	3.48	0.08	3.57	0.09	3.66	0.09	3.75	0.09	

TMWA Rate Tables

	CURRENT RATES	3.0% Year 1		3.0% Year 2		2.5% Year 3		2.5% Year 4		2.5% Year 5		
		ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	
GOVERNMENT METERED - Schedule GOV	¾"	9.49	9.77	0.28	10.07	0.29	10.32	0.25	10.58	0.26	10.84	0.26
Customer Charge per meter, per Billing Period	1"	11.61	11.96	0.35	12.32	0.36	12.62	0.31	12.94	0.32	13.26	0.32
	1-½"	16.47	16.96	0.49	17.47	0.51	17.91	0.44	18.36	0.45	18.82	0.46
	2"	22.23	22.90	0.67	23.58	0.69	24.17	0.59	24.78	0.60	25.40	0.62
	3"	39.39	40.57	1.18	41.79	1.22	42.83	1.04	43.90	1.07	45.00	1.10
	4"	57.57	59.30	1.73	61.08	1.78	62.60	1.53	64.17	1.57	65.77	1.60
	6"	108.25	111.50	3.25	114.84	3.34	117.71	2.87	120.66	2.94	123.67	3.02
	8"	181.38	186.82	5.44	192.43	5.60	197.24	4.81	202.17	4.93	207.22	5.05
	10"	274.47	282.70	8.23	291.19	8.48	298.46	7.28	305.93	7.46	313.57	7.65
Commodity Charge per 1,000 gallons per billing period- meters less than 2"												
Usage <= 30 mgal		1.47	1.51	0.04	1.56	0.05	1.60	0.04	1.64	0.04	1.68	0.04
Usage > 30 & <= 50 mgal		1.82	1.87	0.05	1.93	0.06	1.98	0.05	2.03	0.05	2.08	0.05
Usage > 50 mgal		2.62	2.70	0.08	2.78	0.08	2.85	0.07	2.92	0.07	2.99	0.07
Commodity Charge per 1000 gallons per billing period- meters 2" & larger												
Usage <= 200 mgal		1.48	1.52	0.04	1.57	0.05	1.61	0.04	1.65	0.04	1.69	0.04
Usage > 200 & <= 700 mgal		2.09	2.15	0.06	2.22	0.06	2.27	0.06	2.33	0.06	2.39	0.06
Usage > 700 mgal		2.98	3.07	0.09	3.16	0.09	3.24	0.08	3.32	0.08	3.40	0.08

TMWA Rate Tables

	CURRENT RATES	3.0% Year 1		3.0% Year 2		2.5% Year 3		2.5% Year 4		2.5% Year 5		
		ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	
IRRIGATION SCHEDULES/CHARGES												
METERED IRRIGATION - Schedule MIS	¾"	18.54	19.10	0.56	19.67	0.57	20.16	0.49	20.66	0.50	21.18	0.52
Customer Charge per meter, per Billing Period	1"	20.40	21.01	0.61	21.64	0.63	22.18	0.54	22.74	0.55	23.31	0.57
	1-½"	23.20	23.90	0.70	24.61	0.72	25.23	0.62	25.86	0.63	26.51	0.65
	2"	26.90	27.71	0.81	28.54	0.83	29.25	0.71	29.98	0.73	30.73	0.75
	3"	30.60	31.52	0.92	32.46	0.95	33.28	0.81	34.11	0.83	34.96	0.85
	4"	35.20	36.26	1.06	37.34	1.09	38.28	0.93	39.23	0.96	40.22	0.98
	6"	40.80	42.02	1.22	43.28	1.26	44.37	1.08	45.48	1.11	46.61	1.14
	8"	47.30	48.72	1.42	50.18	1.46	51.44	1.25	52.72	1.29	54.04	1.32
	10"	55.60	57.27	1.67	58.99	1.72	60.46	1.47	61.97	1.51	63.52	1.55
Commodity Charge per 1,000 gallons per billing period												
On Peak (6/1-9/30)		3.37	3.47	0.10	3.58	0.10	3.66	0.09	3.76	0.09	3.85	0.09
Off Peak (10/1-5/31)		2.78	2.86	0.08	2.95	0.09	3.02	0.07	3.10	0.08	3.18	0.08
METERED IRRIGATION - Schedule MISD	¾"	17.43	17.95	0.52	18.49	0.54	18.95	0.46	19.43	0.47	19.91	0.49
Customer Charge per meter, per Billing Period	1"	22.42	23.09	0.67	23.79	0.69	24.38	0.59	24.99	0.61	25.61	0.62
	1-½"	32.07	33.03	0.96	34.02	0.99	34.87	0.85	35.75	0.87	36.64	0.89
	2"	42.76	44.04	1.28	45.36	1.32	46.50	1.13	47.66	1.16	48.85	1.19
	3"	68.85	70.92	2.07	73.04	2.13	74.87	1.83	76.74	1.87	78.66	1.92
	4"	100.84	103.87	3.03	106.98	3.12	109.66	2.67	112.40	2.74	115.21	2.81
Commodity Charge per 1,000 gallons per billing period		4.35	4.48	0.13	4.61	0.13	4.73	0.12	4.85	0.12	4.97	0.12
COMMERCIAL/GOVERNMENT METERED IRRIGATION - Schedule MISG	¾"	8.71	8.97	0.26	9.24	0.27	9.47	0.23	9.71	0.24	9.95	0.24
Customer Charge per meter, per Billing Period	1"	10.83	11.15	0.32	11.49	0.33	11.78	0.29	12.07	0.29	12.37	0.30
	1-½"	15.69	16.16	0.47	16.65	0.48	17.06	0.42	17.49	0.43	17.93	0.44
	2"	21.45	22.09	0.64	22.76	0.66	23.33	0.57	23.91	0.58	24.51	0.60
	3"	38.61	39.77	1.16	40.96	1.19	41.99	1.02	43.04	1.05	44.11	1.08
	4"	56.79	58.49	1.70	60.25	1.75	61.75	1.51	63.30	1.54	64.88	1.58
	6"	107.47	110.69	3.22	114.01	3.32	116.87	2.85	119.79	2.92	122.78	2.99
	8"	180.60	186.02	5.42	191.60	5.58	196.39	4.79	201.30	4.91	206.33	5.03
	10"	273.69	281.90	8.21	290.36	8.46	297.62	7.26	305.06	7.44	312.68	7.63
Commodity Charge per 1,000 gallons per billing period		1.99	2.05	0.06	2.11	0.06	2.16	0.05	2.22	0.05	2.27	0.06

TMWA Rate Tables

	CURRENT RATES	3.0% Year 1		3.0% Year 2		2.5% Year 3		2.5% Year 4		2.5% Year 5		
		ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	ADOPTED RATES	DOLLAR CHANGE	
OTHER SCHEDULES/CHARGES												
PRIVATE FIRE - Schedule FPS (monthly charge per inch diameter of service pipe)	5.07	5.22	0.15	5.38	0.16	5.51	0.13	5.65	0.14	5.79	0.14	
FIRE PROTECTION SERVICE												
Customer Charge per meter size, per Billing Period												
3"	25.15	25.90	0.75	26.68	0.78	27.35	0.67	28.03	0.68	28.73	0.70	
4"	39.50	40.69	1.19	41.91	1.22	42.95	1.05	44.03	1.07	45.13	1.10	
6"	72.94	75.13	2.19	77.38	2.25	79.32	1.93	81.30	1.98	83.33	2.03	
8"	119.00	122.57	3.57	126.25	3.68	129.40	3.16	132.64	3.24	135.95	3.32	
10"	175.02	180.27	5.25	185.68	5.41	190.32	4.64	195.08	4.76	199.96	4.88	
12"	253.16	260.75	7.59	268.58	7.82	275.29	6.71	282.17	6.88	289.23	7.05	
FIRE PROTECTION SERVICE												
Customer Charge per meter size, per Billing Period												
¾"	0.37	0.38	0.01	0.39	0.01	0.40	0.01	0.41	0.01	0.42	0.01	
2"	4.34	4.47	0.13	4.60	0.13	4.72	0.12	4.84	0.12	4.96	0.12	
3"	12.61	12.99	0.38	13.38	0.39	13.71	0.33	14.06	0.34	14.41	0.35	
4"	26.86	27.67	0.81	28.50	0.83	29.21	0.71	29.94	0.73	30.69	0.75	
6"	78.04	80.38	2.34	82.79	2.41	84.86	2.07	86.98	2.12	89.16	2.17	
8"	166.30	171.29	4.99	176.43	5.14	180.84	4.41	185.36	4.52	189.99	4.63	
10"	299.07	308.04	8.97	317.28	9.24	325.22	7.93	333.35	8.13	341.68	8.33	
LARGE VOLUME RESALE SERVICE - Schedule LVS												
Customer Charge per meter, per Billing Period	126.50	130.30	3.79	134.20	3.91	137.56	3.36	141.00	3.44	144.52	3.52	
Commodity Charge per 1,000 gallons per billing period												
Usage <=29 Mgal per month	1.48	1.52	0.04	1.57	0.05	1.61	0.04	1.65	0.04	1.69	0.04	
Usage >29 Mgal per month	2.45	2.52	0.07	2.60	0.08	2.66	0.06	2.73	0.07	2.80	0.07	
FIRM STANDBY & PARTIAL REQUIREMENTS - Schedule FSPR												
Customer Charge per meter, per Billing Period	126.50	130.30	3.79	134.20	3.91	137.56	3.36	141.00	3.44	144.52	3.52	
Commodity Charge per 1,000 gallons per billing period	0.98	1.01	0.03	1.04	0.03	1.07	0.03	1.09	0.03	1.12	0.03	
Demand charge per mgal per month												
per 1,000 of contract demand	14.15	14.57	0.42	15.01	0.44	15.39	0.38	15.77	0.38	16.17	0.39	
per 1,000 over contract demand to allowable variance	84.90	87.45	2.55	90.07	2.62	92.32	2.25	94.63	2.31	97.00	2.37	
per 1,000 over contract demand and over allowable variance	169.80	174.89	5.09	180.14	5.25	184.64	4.50	189.26	4.62	193.99	4.73	
NON-POTABLE WATER - Schedule NPS												
Customer Charge per delivery point, per Billing Period	33.09	34.08	0.99	35.11	1.02	35.98	0.88	36.88	0.90	37.80	0.92	
Treated water rate per mgal	3.37	3.47	0.10	3.58	0.10	3.66	0.09	3.76	0.09	3.85	0.09	
Untreated water rate per mgal	0.98	1.01	0.03	1.04	0.03	1.07	0.03	1.09	0.03	1.12	0.03	
DITCH IRRIGATION SERVICE - Schedule DIS (per acre foot)	18.95	19.52	0.57	20.10	0.59	20.61	0.50	21.12	0.52	21.65	0.53	
INTERRUPTIBLE WATER - Schedule IWS												
Customer Charge per meter, per Billing Period	33.09	34.08	0.99	35.11	1.02	35.98	0.88	36.88	0.90	37.80	0.92	
Commodity Charge per 1,000 gallons per billing period	0.98	1.01	0.03	1.04	0.03	1.07	0.03	1.09	0.03	1.12	0.03	
SERVICE CHARGES - Schedule SC	various	no change										
LATE CHARGES	5%	no change										

Proposed Schedule for May 2017 Rate Adjustment

Date	Organization	Item
Wednesday, November 16	BOARD	Present rate adjustment options and rate adjustment calendar
By Friday, Nov 18		Finalize calendar for rate adjustments
By Friday, December 23		Finalize special one-panel bill insert for all customers regarding open houses and Board meeting dates and times. Insert to run in all of January billings.
By Friday, January 13		Finalize February bill insert notifying customers of public hearings for adoption of rate adjustment
Wednesday, Jan 18	BOARD	Present Open House schedule
Wednesday, February 1		Send in public notice of Customer Open Houses to RGJ & Sparks Tribune for publication on January Open Houses
Tuesday, February 7	SAC	Public Open House presentation and schedule
Tuesday, February 7		Display Public Notices of Customer Open Houses published in RGJ & Sparks Tribune (<i>10 working days before open houses</i>)
Thursday, February 23		Send in legal notice of first public hearing (March 15) to RGJ & Sparks Tribune for publication on February 28
Weeks of February 20 and 27	PUBLIC	4 Public Open Houses on Rates Proposal
Tuesday, February 28		Legal Notice of first public hearing on proposed rate adjustment published in RGJ and Sparks Tribune (<i>10 days before first hearing</i>) and on TMWA website
Tuesday, March 7	SAC	Update SAC on Customer Open Houses
Wednesday, March 8		Send in legal notice of final public hearing (April 19) and adoption of rate adjustment to RGJ & Sparks Tribune for publication on March 14
Tuesday, March 14		Legal Notice of final public hearing for adoption of rate adjustment published in RGJ and Sparks Tribune and on TMWA website (<i>30 days in advance of final hearing</i>)
Wednesday, March 15	BOARD	Public Hearing- First Reading on proposed Rate Adjustment
Friday, March 17		Post copies of proposed rate adjustments and post Notice of Final Hearing date, time and location. Post in all the same locations as agenda is posted, and on TMWA Website.
Tuesday, April 4	SAC	Update on Rate Adjustments
Wednesday, April 19	BOARD	Public Hearing- Second Reading and adoption of Rate Adjustment.
Tuesday, May 2		New Rates reflected on bills issued beginning in May 2017
Tuesday, May 2	SAC	Report of Board Action on Rate Adjustment