



CITY OF ST. HELENA

CITY COUNCIL MEETING

WATER & WASTEWATER RATE STUDY

September 27, 2016

NOTE: Until the rate study is completed and approved by City Council, all information presented is considered DRAFT.

RATE STUDY TEAM

City Staff

Jennifer Tuell, Project Manager
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Hansford Economic Consulting

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BACKGROUND



ST. HELENA WATER SYSTEM OVERVIEW



Bell Canyon

The Louis Stralla Water Treatment Plant draws surface water from the Bell Canyon Reservoir, which holds approximately 765 million gallons of water.



Stonebridge Wells

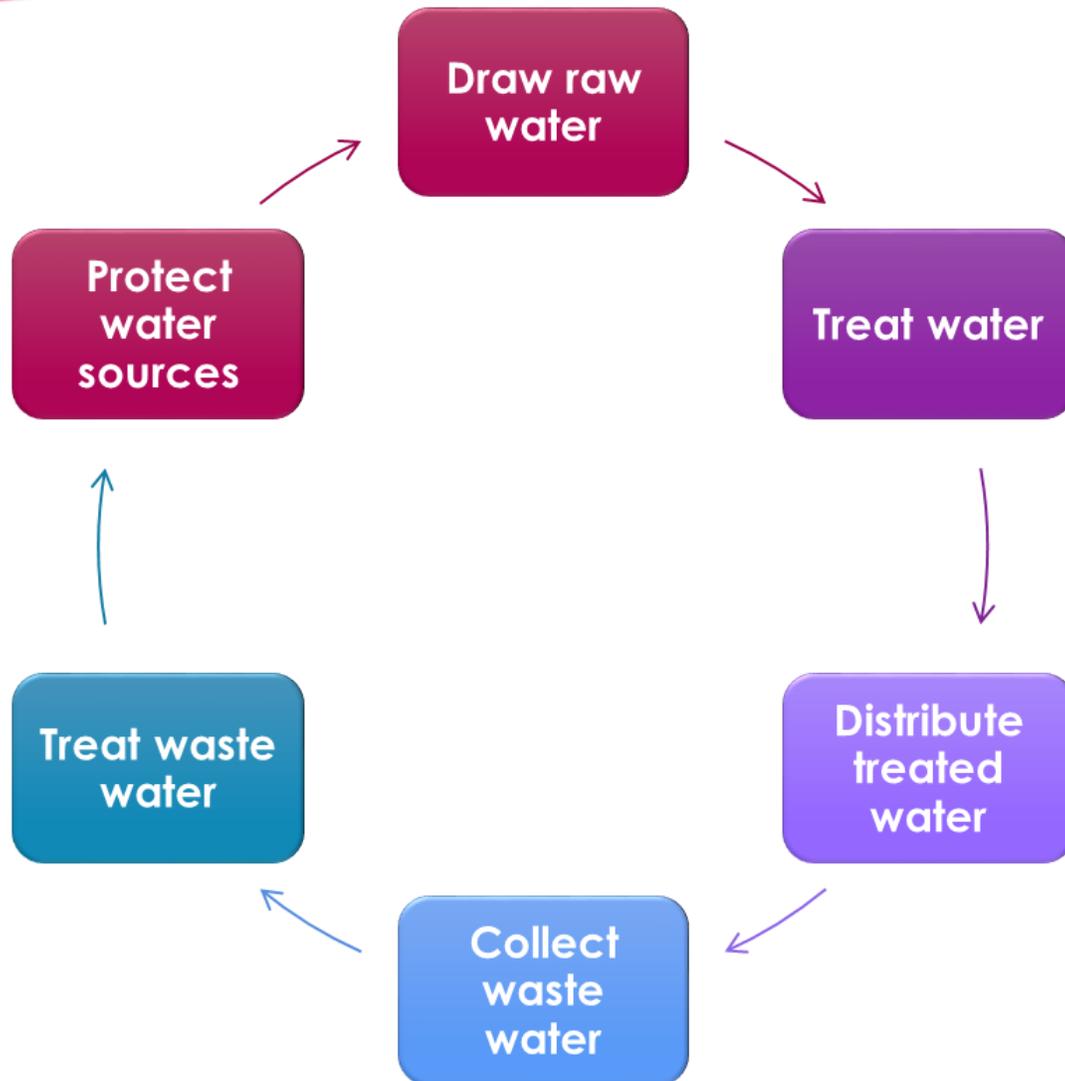
Deep groundwater fed by the Sonoma Volcanic aquifer, through two wells located 410 and 653 feet below the surface, commonly referred to as the Stonebridge Wells.



City of Napa

St. Helena purchases 600 acre feet of water from the City of Napa every year.

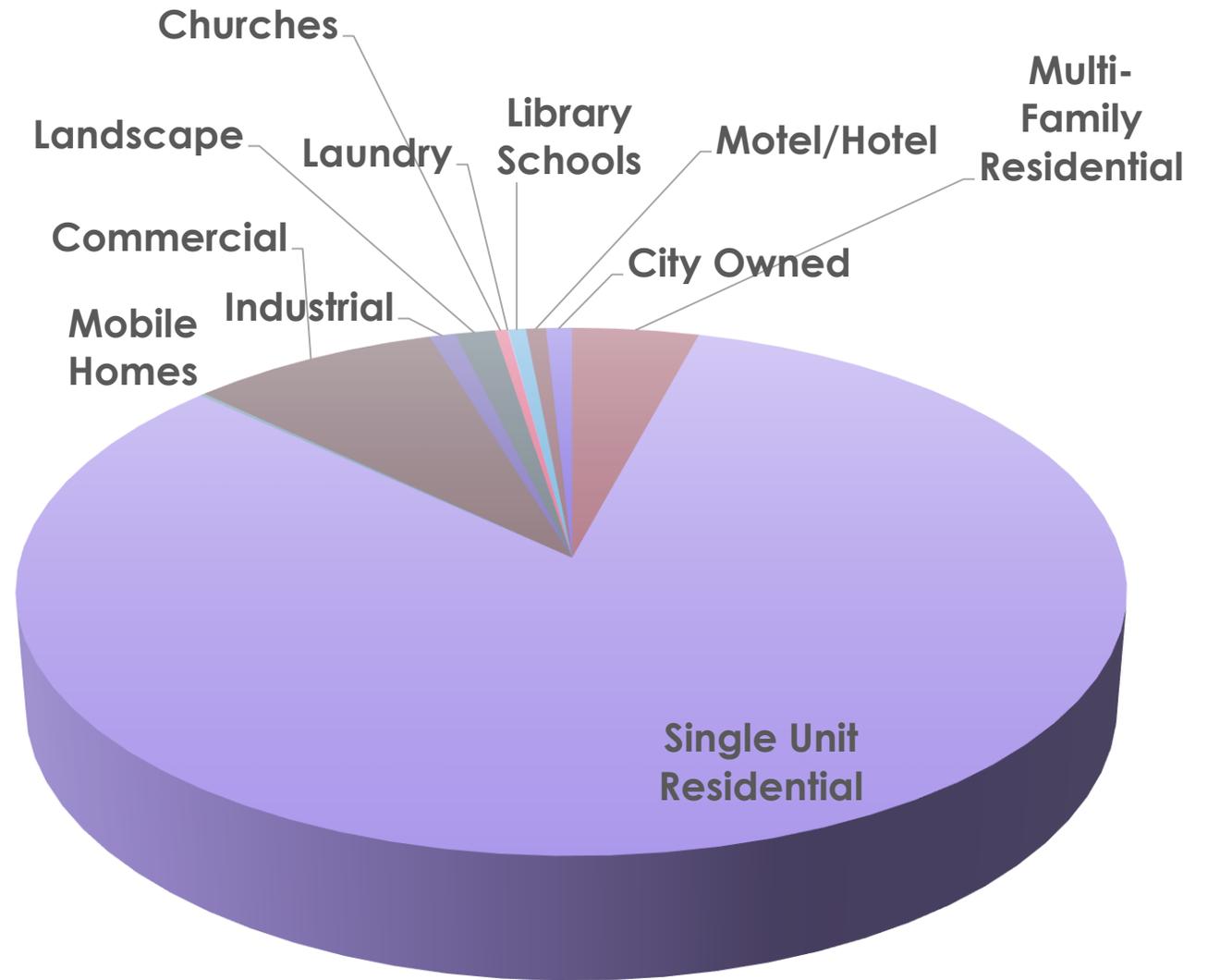
MISSION



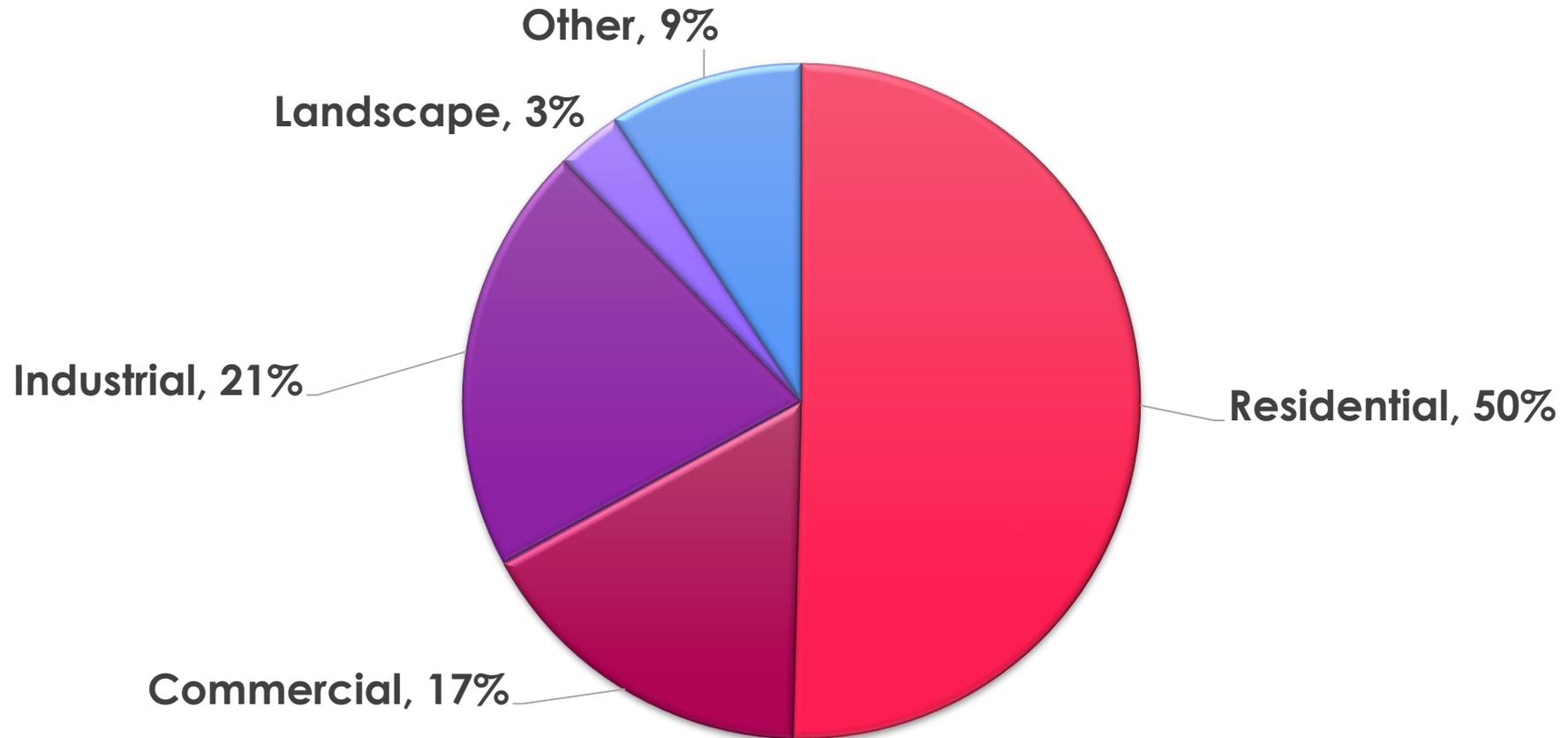
- Protect public health & environment
- Protect and sustain economic growth
- Manage & maintain infrastructure
- Support public safety
- Provide direct utility services to approximately 6,000 residents
- Utility refers to only water and wastewater services

ST. HELENA UTILITY CUSTOMERS

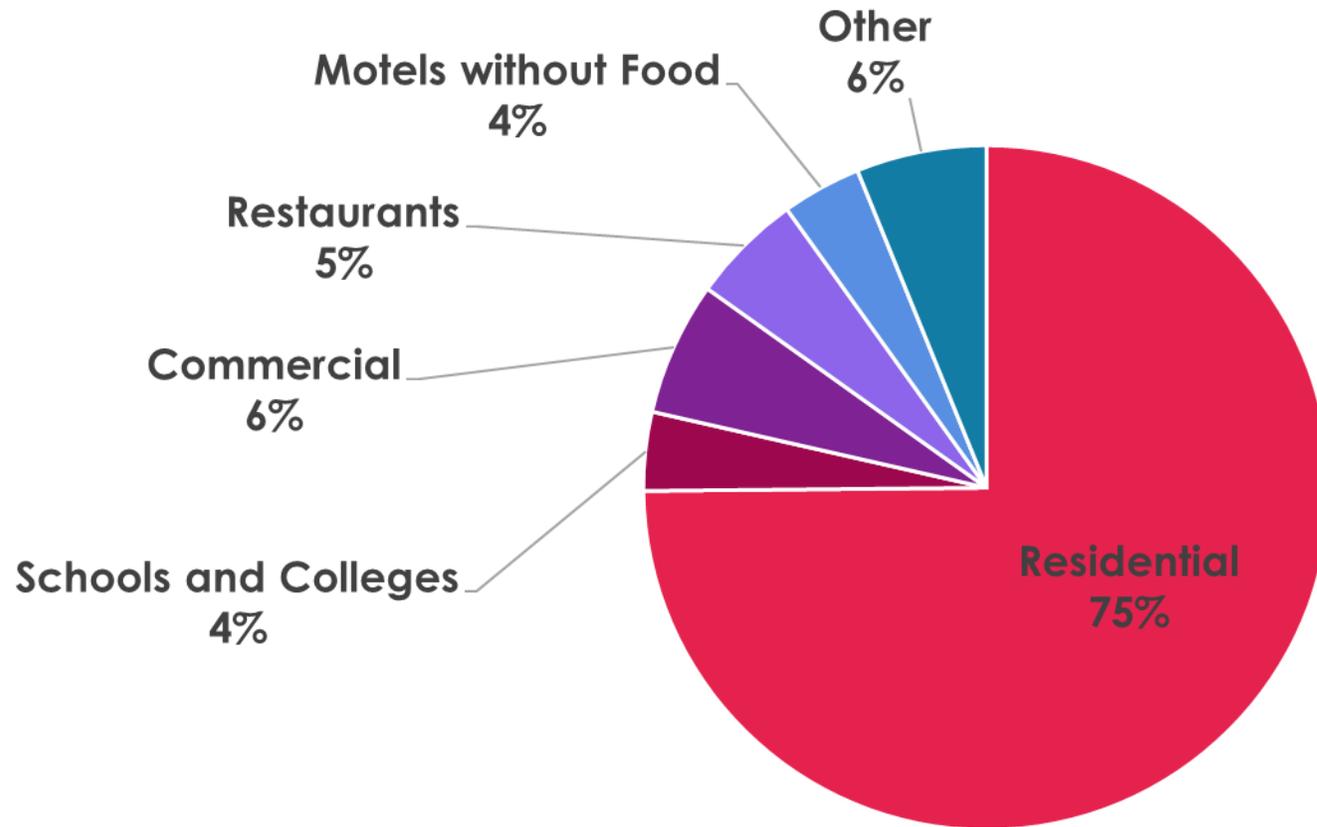
- Approximately 2,700 connections
- Small water provider
- Distributes over 550 million gallons of clean drinking water each year
- The majority of connections are residential
- Bill in HCF = Hundred Cubic Feet



WATER USE BY CUSTOMER TYPE



WASTEWATER FLOW



- Collect, treat and discharge wastewater
- Average dry weather flow is ~146 million gallons per year
- With a permitted capacity of 0.5 MGD average daily dry weather flow

ASSETS

“We have pipes installed before the 1960’s still in use today”

– Juan, PW Water Distribution

- Assets are vast, complex and aging
- 22 miles wastewater pipe
- 6 storage tanks
- 4 pump stations
- Water and wastewater Treatment facilities
- Many assets are well over 30 years old
- Need to meet stringent state and federal regulations

OPERATING FUND 561 WATER NET POSITION

Estimated Water Unrestricted Net Position @ 6/30/16		\$4,923,632
Total Revenues	\$3,783,308	
Total Expenses	(\$5,122,115)	
Revenues less Expenses		(\$1,338,807)
Use of Water Cash	(\$1,338,807)	
Estimated Water Net Position @ 6/30/17		\$3,584,825
Restricted Funds for Water Capital Projects	\$3,059,438	
Estimated Water Unrestricted Net Position @ 6/30/17		\$525,387
Estimated Percentage of Expenses		10%

OPERATING FUND 571 WASTEWATER NET POSITION

Estimated WW Unrestricted Net Position @ 6/30/16		(\$79,804)
Total Revenues	\$2,110,647	
Total Expenses	(\$2,057,934)	
Revenues less Expenses		\$52,713
Use of wastewater Cash	\$0	
Estimated WW Unrestricted Net Position @ 6/30/17		(\$27,091)
Estimated Percentage of Expenses		(1%)

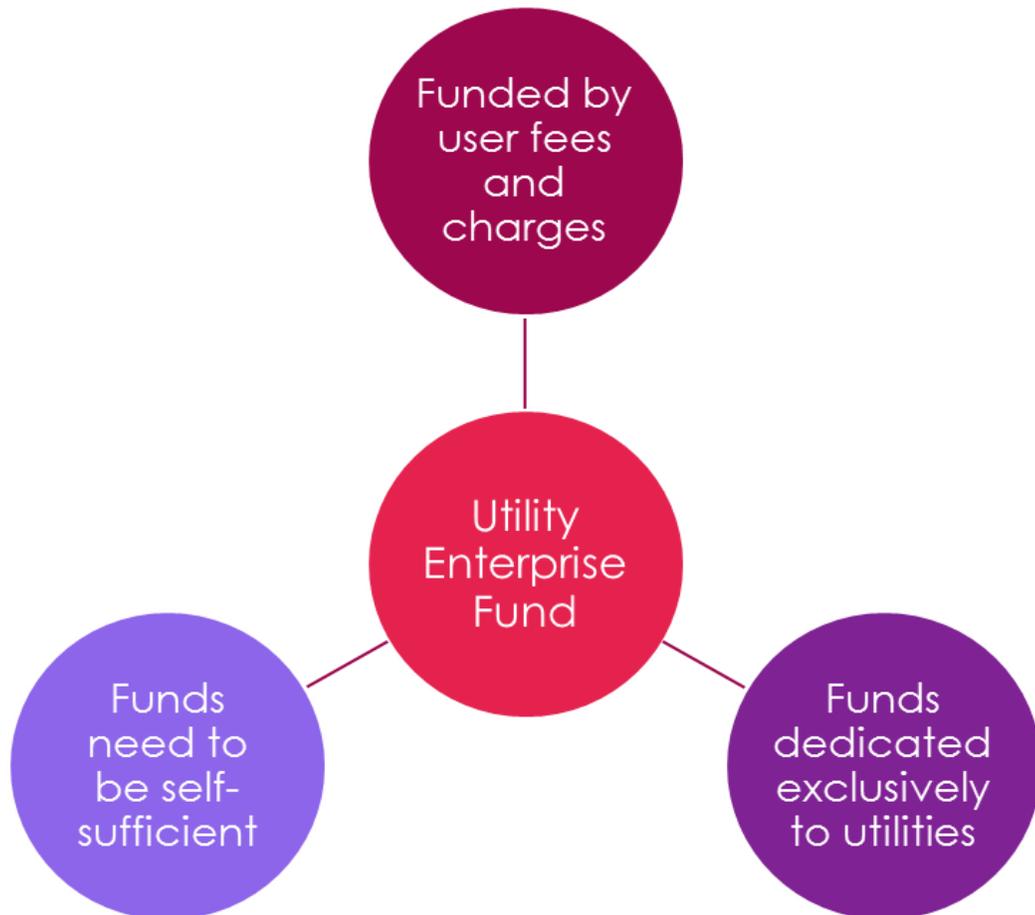
AD HOC REVENUE SOURCE TASK FORCE

- On May 24, 2016 City Council authorized the re-establishment of the Ad Hoc Revenue Source Task Force (Task Force) to review and provide input on the draft rate study (Resolution No. 2016-66).
- Two meetings were held:
 - August 4, 2016
 - September 13, 2016
- The Rate Study Team requested feedback on policy decisions related to the Rate Study.
- Meetings were open to the public and recorded, in the hope of increasing transparency and public participation, as well as providing a place for members of the public to ask questions and receive additional information.

PURPOSE OF THE RATE STUDY



ENTERPRISE FUND OBLIGATIONS



- Operating expenses are primarily funded through:
 - Water and wastewater charges and surcharges that our customers pay for the services they receive
 - Miscellaneous fees for services customers request from the Division of Water & wastewater



PURPOSE OF THE STUDY

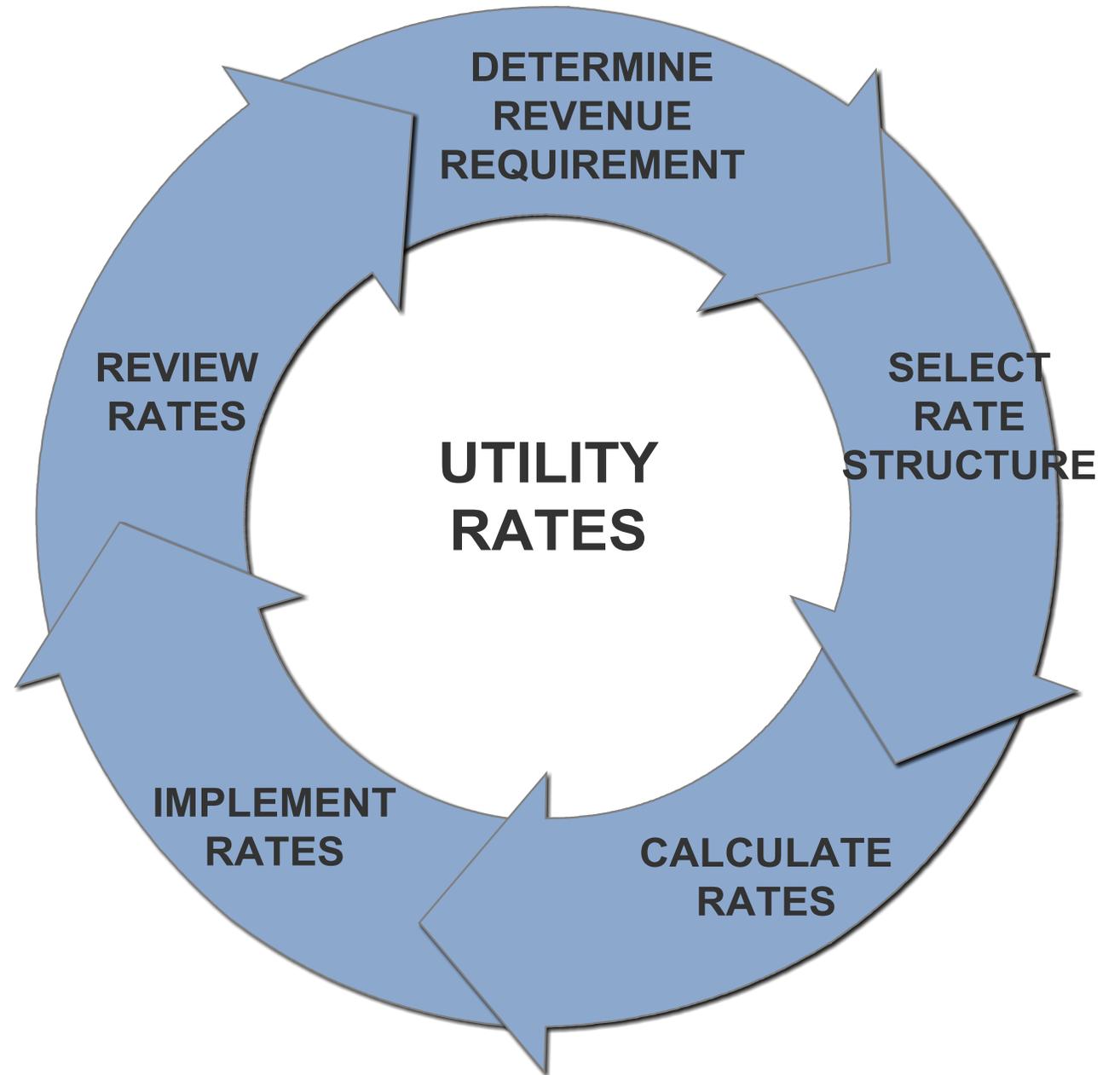
- Identify the “true cost” to deliver water to the different users
- Determine funding needed over the next 5-10 years to operate and maintain the utility systems
- Create adequate revenue to fund CIP (Capital Improvement Program)
- Ensure costs are allocated equitably for all customer classes
- Establish appropriate rate schedules for five years
- To meet all legal requirements for water and wastewater rates

RATE-SETTING PROCESS

Rates should be reviewed every
3-5 years

Planning for future
improvements is critical

- Financial standards drive a “self-sustaining” utility
- Equitable cost recovery
- Meet new and changing regulations



REVENUE REQUIREMENTS

- Determine funding needed to meet financial needs
 - Operations
 - Maintenance
 - Debt service
 - System rehabilitation
 - Capital improvements

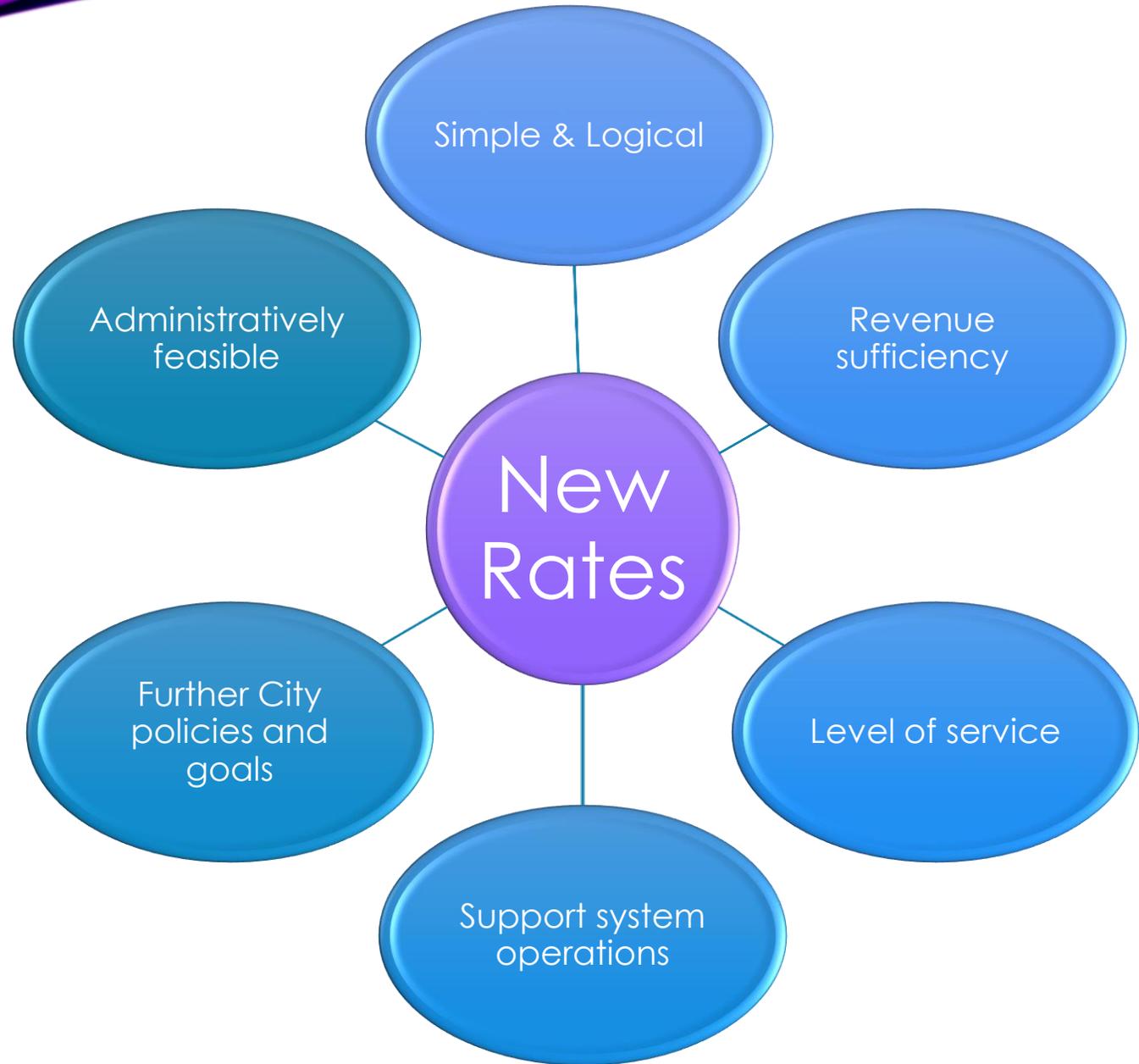


RATE STRUCTURE



- How to collect the necessary revenue requirement
 - Base and Use Charges
 - Want to reflect local customer water and wastewater needs/demands
 - Meet multiple objectives

BALANCE OF MULTIPLE OBJECTIVES



WHAT ARE THE LAWS
GOVERNING UTILITY RATES?



PROP 218



- Fees/charges shall not exceed the funds required to provide the service.
- Fees/charges shall not be used for any other purpose than that for which it is imposed.
- Fees/charges shall not exceed the proportional cost of service to each property.
- Fees/charges based on potential/future use of the service is not permitted

RATE IMPLEMENTATION

- Affects all properties with water or wastewater service available to property
- Must provide a Public Hearing Notice including:
 - Amount of rate
 - Basis upon which rate is calculated
 - Reason for the rate
 - Date, time and location of public hearing

- One protest per parcel (could be owner or tenant but not both)
- Rate increases cannot be implemented if >50% of property owners protest

SUBSIDIES

- Low-income discounts and subsidies are prohibited by Proposition 218
- Can provide subsidies **if** subsidy is:
 - funded by a discretionary fund (General Fund)
 - voluntary donations by other customers, or
 - approved as a special tax by 2/3^{rds} of rate payers
- General fund currently subsidizing low income customers per Resolution 2006-44



SAN JUAN CAPISTRANO

2015: Ruling in the San Juan Capistrano case created stricter standards on how tiered rates should be set under Prop 218

“...the City failed to demonstrate that the tiers correspond to the actual cost of providing service at a given level of usage...”

“...rates were not proportional to the cost of service...”

As a result of the San Juan Capistrano case, many agencies have either eliminated their tiered rates in favor of a uniform rate, or revised their tiered rates to better comply with the standards set by the San Juan Capistrano case.





RATE STUDY GOALS

- Adequately fund the water and wastewater systems
- Operate systems safely and provide clean, safe and reliable water
- Meet regulations and environmental standards
- Fund future system rehabilitation costs
- Provide timely maintenance extending assets' useful lives as far as possible
- Ensure existing water sources remain viable
- Build reserve funding for emergencies and changing regulatory compliance
- Ensure equitable cost allocation
- Compliance with Proposition 218 and other legal requirements

ST. HELENA RATES BACKGROUND



- The water fund is pulling from reserves for general operations
- The wastewater fund has no reserves and negative fund balance
- Rates have been adjusted by the CPI annually since the last rate study in 2011
- January 2016 was the last automatic rate increases, from the 2011 study
- City is not following best practices for reserve amounts for water and wastewater bonds
- Both water and wastewater have large capital improvement projects to be completed over the next 10 years

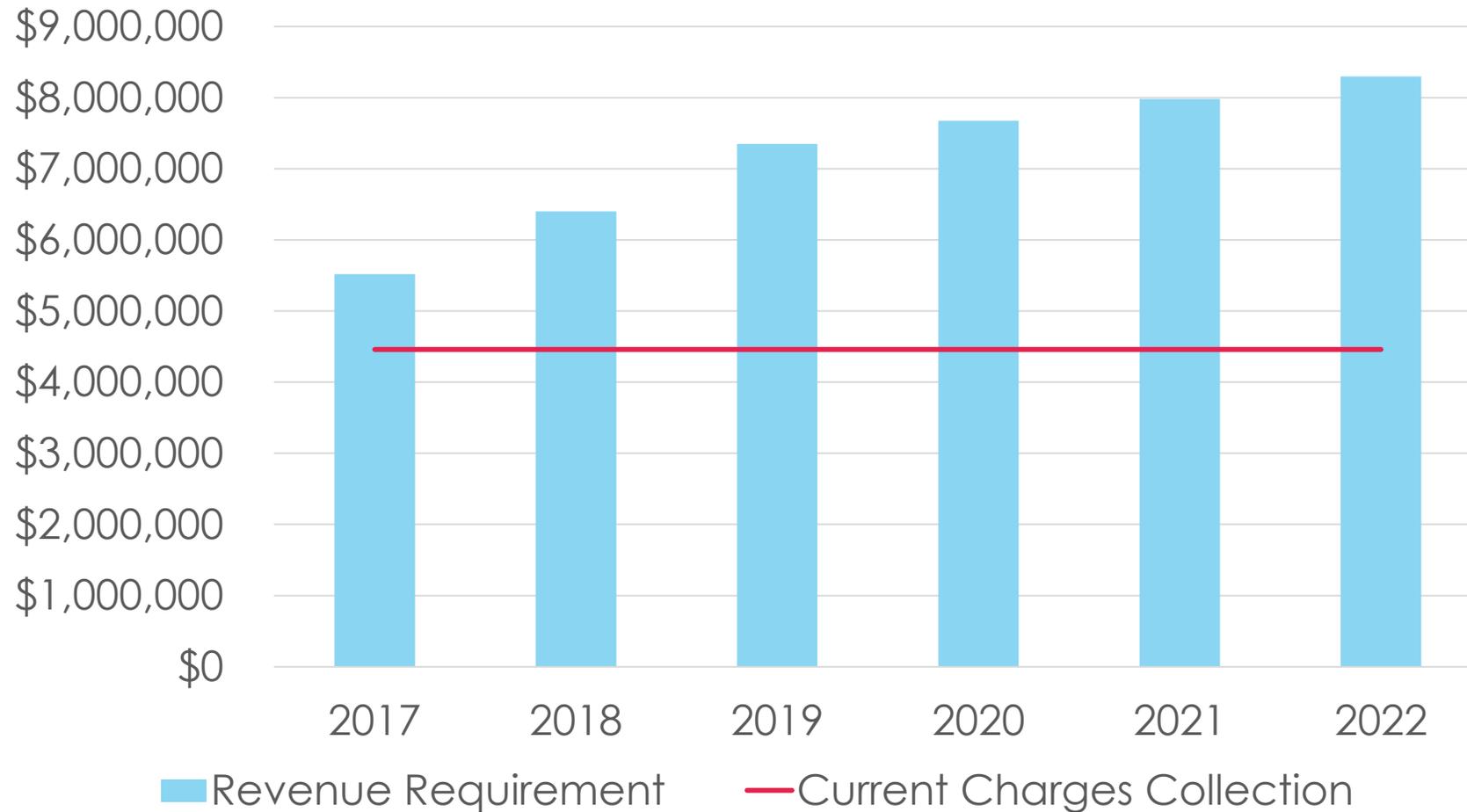
RATE STUDY MAJOR ASSUMPTIONS

- Growth is **Conservative** – 5 residential units/year, consistent with the City's General Plan
- New Rates – In effect February 8th, 2017, and increase November 8th, 2017 and each November 8th thereafter
- System Rehabilitation – Costs accounted for in the models
- Rate Structure is modified for both Water and Wastewater

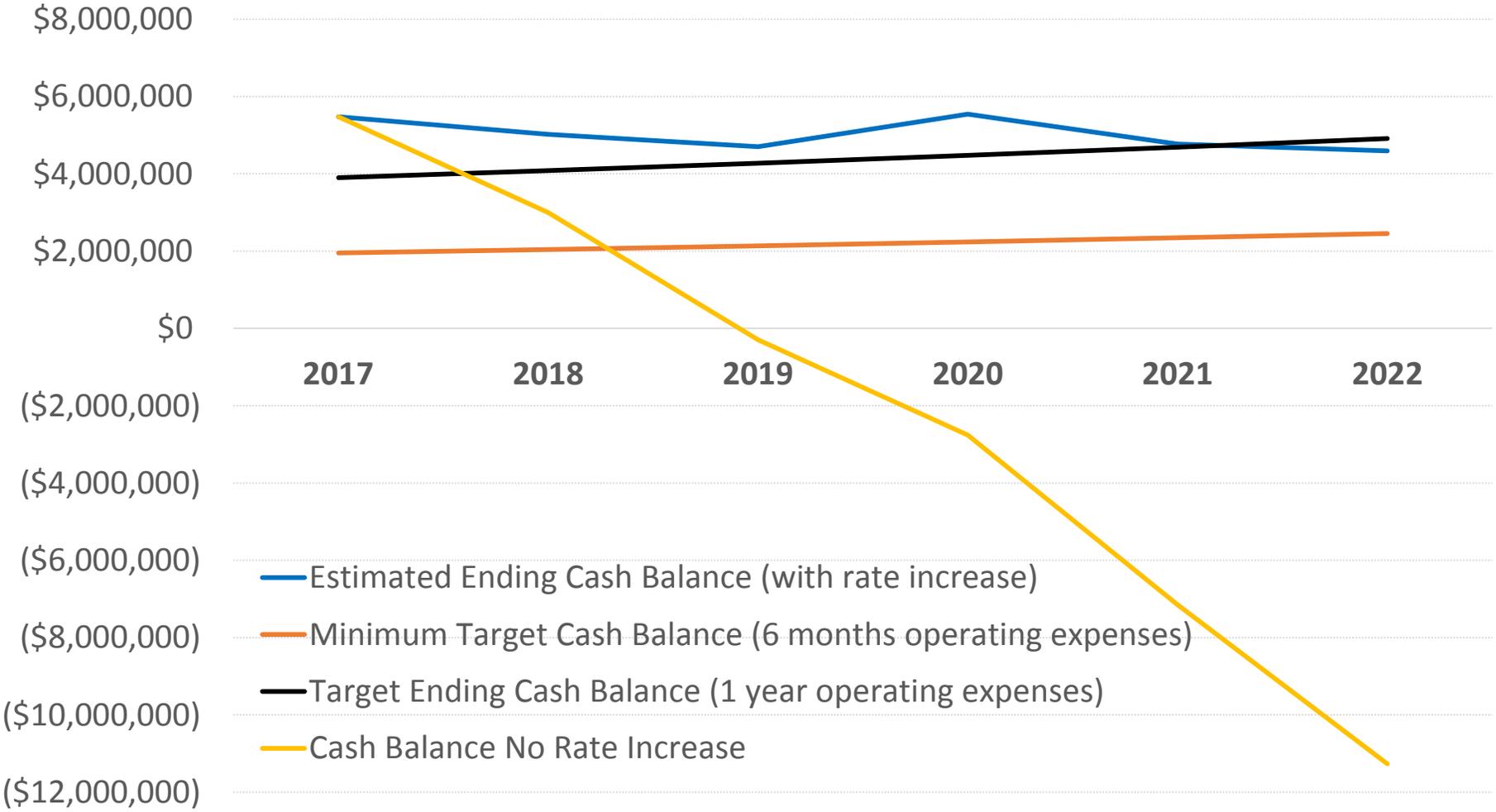
WATER RATE STUDY



WATER FUND REVENUE REQUIREMENT



PROJECTED WATER FUND CASH BALANCE



WATER – CAPITAL PROJECTS

Five high priority capital improvements (through fiscal year 2022)

PROJECT NAME

York Creek Upper Dam Removal/Mitigation

Bell Canyon Intake Tower Replacement

Replace water mains < 6" with new 8" PVC mains (4.5 miles)

Bell Canyon Creek Flow Measurement

Tank 2 Rehabilitation

FUNDING OF CAPITAL IMPROVEMENTS BY YEAR THROUGH 2022 SHARE TO EXISTING CUSTOMERS

Item	Total Next 6 years	Current 2017	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022
	Future Dollars (rounded)						
Cash – Capital Fund	\$7,565,000	\$274,000	\$1,496,000	\$2,069,000	\$1,195,000	\$1,751,000	\$780,000
Cash – Operations Fund	\$405,000	\$0	\$0	\$0	\$56,000	\$349,000	\$0
Debt – Capital Fund	\$2,002,000	\$570,000	\$1,432,000	\$0	\$0	\$0	\$0
Reserves	\$1,775,000	\$0	\$159,000	\$0	\$0	\$0	\$1,616,000
TOTAL	\$11,747,000	\$844,000	\$3,087,000	\$2,069,000	\$1,251,000	\$2,100,000	\$2,396,000

WATER SYSTEM REHABILITATION COSTS

Depreciation	Fiscal Year Ending					
	2017	2018	2019	2020	2021	2022
Existing Assets Annual Depreciation	\$875,144	\$902,107	\$929,901	\$958,551	\$988,084	\$1,018,526
New Assets Annual Depreciation	\$72,094	\$104,294	\$158,594	\$268,189	\$309,305	\$343,313
Total Annual Depreciation	\$947,239	\$1,006,401	\$1,088,495	\$1,226,740	\$1,297,389	\$1,361,840
Percentage of Depreciation in Rates	100%	100%	100%	100%	100%	100%
Estimated System Rehabilitation Cost	\$947,200	\$1,006,400	\$1,088,500	\$1,226,700	\$1,297,400	\$1,361,800

Source: HEC.

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CURRENT BASE AND USE CHARGES

- Base Rate
 - All customers pay a base charge by meter size
- Use Rate
 - Customers pay a use charge based on the amount of water used
 - Two billing tiers for water
 - Classification into Tier 1 or Tier 2 depends on quantity of water use **and** customer type
 - Same rate in Tier 1 and Tier 2 for residential and non-residential customers
 - Designated landscape irrigation meters pay a consistent use rate (no tiers)



ST. HELENA TIERED RATE EXAMPLES

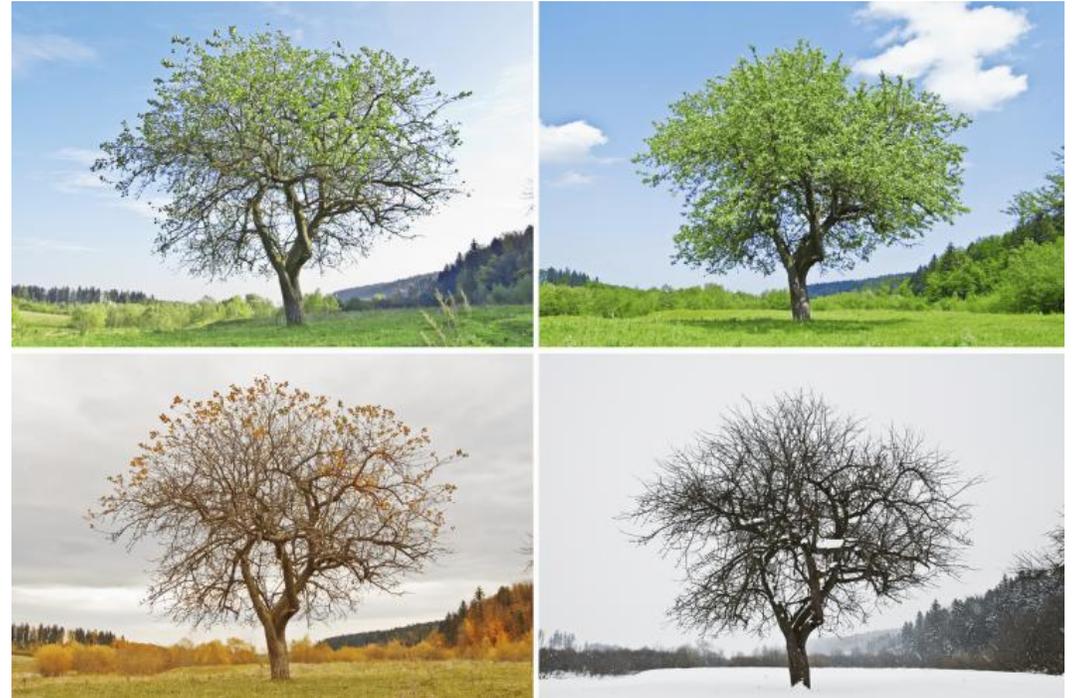
- Single Family
 - Tier 1 = 0-14 HCF
 - Tier 2 = 15+ HCF
- Multi-Family
 - Tier 1 = 0-5 HCF
 - Tier 2 = 6+ HCF
- Non-residential 5/8" & 1" meters:
 - Tier 1 = 0-36 HCF
 - Tier 2 = 37+ HCF
- Non-residential 1.5" meters:
 - Tier 1 = 0-120 HCF
 - Tier 2 = 121+ HCF
- Non-residential 2" meters:
 - Tier 1 = 0-192 HCF
 - Tier 2 = 193+ HCF

HCF = hundred cubic feet or one unit

NEW WATER RATE STRUCTURE

Seasonal Rate Structure

- All customers pay a uniform base charge by meter size per month + a seasonal use charge for all water
- Peak = May through October
- Off-Peak = November through April



DROUGHT SURCHARGES

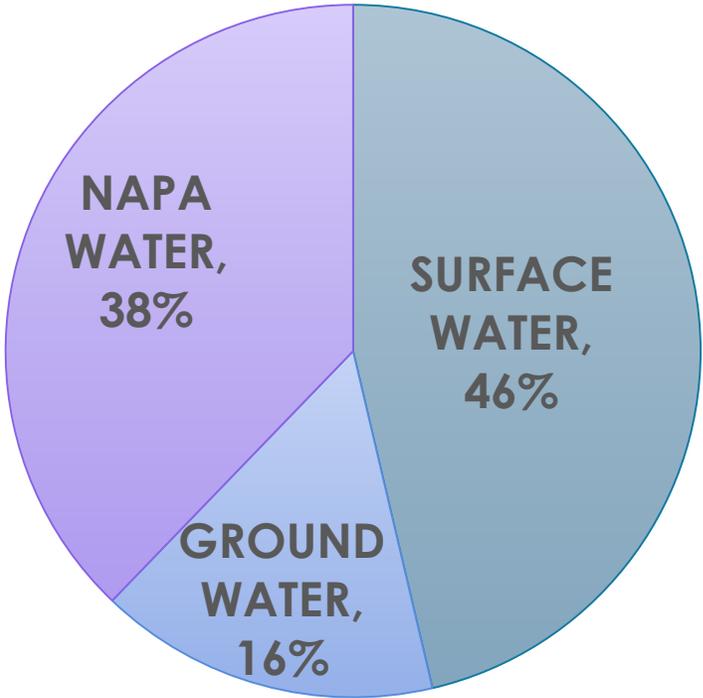
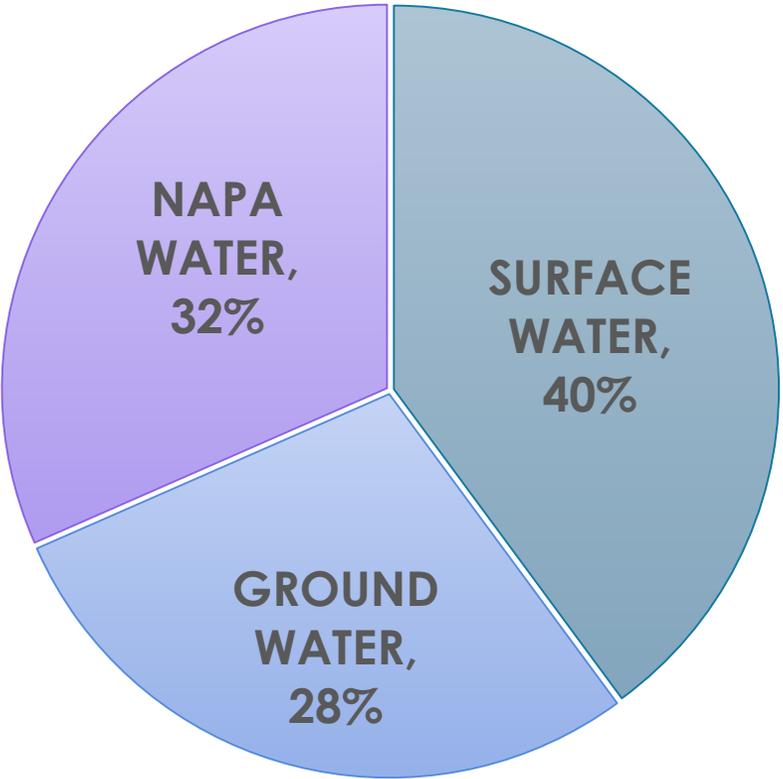


- During a drought additional water conservation leads to a decline in revenue, and the cost to deliver each unit of water increases
- A drought surcharge helps offset the revenue loss during drought periods and the increased cost per unit of water
- To do this, drought criteria needs to be clearly defined and adopted

WATER SUPPLY DROUGHT VS. NON-DROUGHT YEARS

2013 – 601,650,000 gallons

2015 – 501,660,000 gallons



DROUGHT SURCHARGES

- The water supply mix in a drought year increases the cost per unit of water produced
- Costs to produce water are 6% higher in a drought year, reflected in 6% higher use charges
 - Drought period costs per 1,000 gallons is \$9.62
 - Non-drought period costs per 1,000 gallons is \$9.10

NEW WATER RATES

Charges	Current	Billing Period Beginning *					
		2/8/2017	11/8/2017	11/8/2018	11/8/2019	11/8/2020	11/8/2021
Service Charge		Monthly Charges per Meter					
5/8", 3/4" & SF 1"	\$27.52	\$43.22	\$51.71	\$60.59	\$64.78	\$68.91	\$73.27
1"	\$63.80	\$80.08	\$96.76	\$114.44	\$123.35	\$132.22	\$141.61
1.5"	\$124.12	\$141.67	\$172.02	\$204.36	\$221.14	\$237.94	\$255.72
2"	\$196.50	\$215.12	\$261.84	\$311.76	\$337.99	\$364.27	\$392.10
3"	\$365.51	\$413.06	\$503.54	\$600.40	\$651.86	\$703.51	\$758.21
4"	\$607.01	\$640.46	\$780.29	\$930.11	\$1,010.10	\$1,090.44	\$1,175.54
6"	\$1,210.18	\$1,252.50	\$1,528.85	\$1,825.17	\$1,983.80	\$2,143.19	\$2,312.05
Private Fire Protection		Monthly Charges per Fire Service Pipe					
4"	\$4.00	\$16.93	\$19.84	\$22.75	\$23.77	\$24.72	\$25.71
6"	\$6.00	\$49.19	\$57.62	\$66.10	\$69.05	\$71.81	\$74.69
8"	\$8.00	\$104.82	\$122.79	\$140.85	\$147.15	\$153.03	\$159.16
Raw Water <i>per Gallon</i>	\$0.00267	\$0.00471	\$0.00552	\$0.00633	\$0.00661	\$0.00688	\$0.00715
		TREATED WATER USE CHARGES PER HCF					
NON-DROUGHT PERIOD	[1]						
Off-Peak (Nov-Apr)		\$5.50	\$6.37	\$7.19	\$7.37	\$7.54	\$7.71
Peak (May-Oct)		\$6.11	\$7.09	\$8.00	\$8.20	\$8.38	\$8.58
DROUGHT PERIOD	[1]						
Off-Peak (Nov-Apr)		\$5.81	\$6.73	\$7.60	\$7.79	\$7.97	\$8.15
Peak (May-Oct)		\$6.46	\$7.49	\$8.45	\$8.66	\$8.86	\$9.06

[1] Current Rate Structure rates as follows:

Tiers by customer category (in hcf):

	Tier 1	Tier 2
<i>Price per HCF</i>	\$4.48	\$6.74
<i>Price per HCF - Landscape Irrigation</i>	\$5.22	
	Tier 1	Tier 2
Single family	0-14	15+
Multi-family	0-5	6+
Non-residential <=1"	0-36	37+
Non-residential 1.5"	0-120	121+
Non-residential 2"	0-192	193+
Non-residential 3"	0-360	361+
Non-residential 4"	0-600	601+
Non-residential 6"	0-1,250	1,251+
Non-residential 8"	0-1,920	1,921+

Source: HEC.

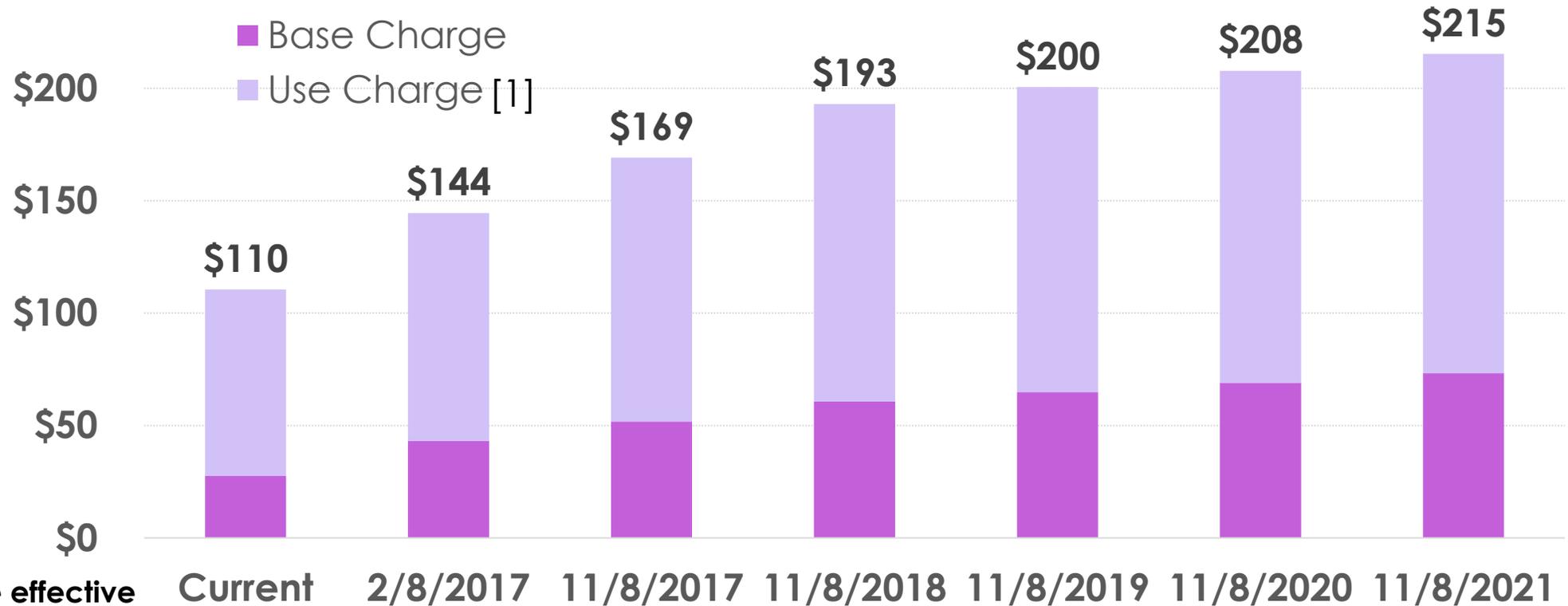
* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

WATER BILL IMPACTS



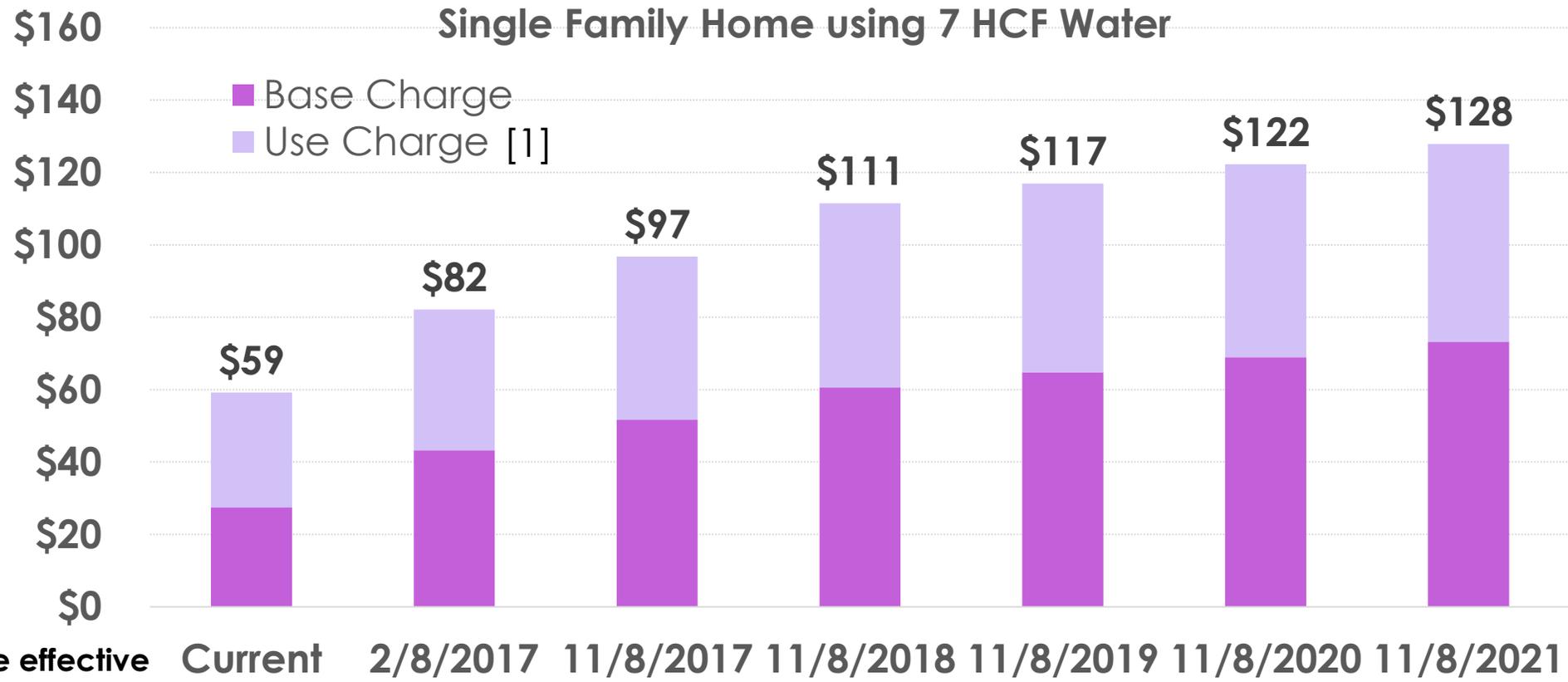
SINGLE FAMILY RESIDENTIAL PEAK SEASON WATER BILL

Single Family Home using 17 HCF Water



[1] Use charges effective May through October

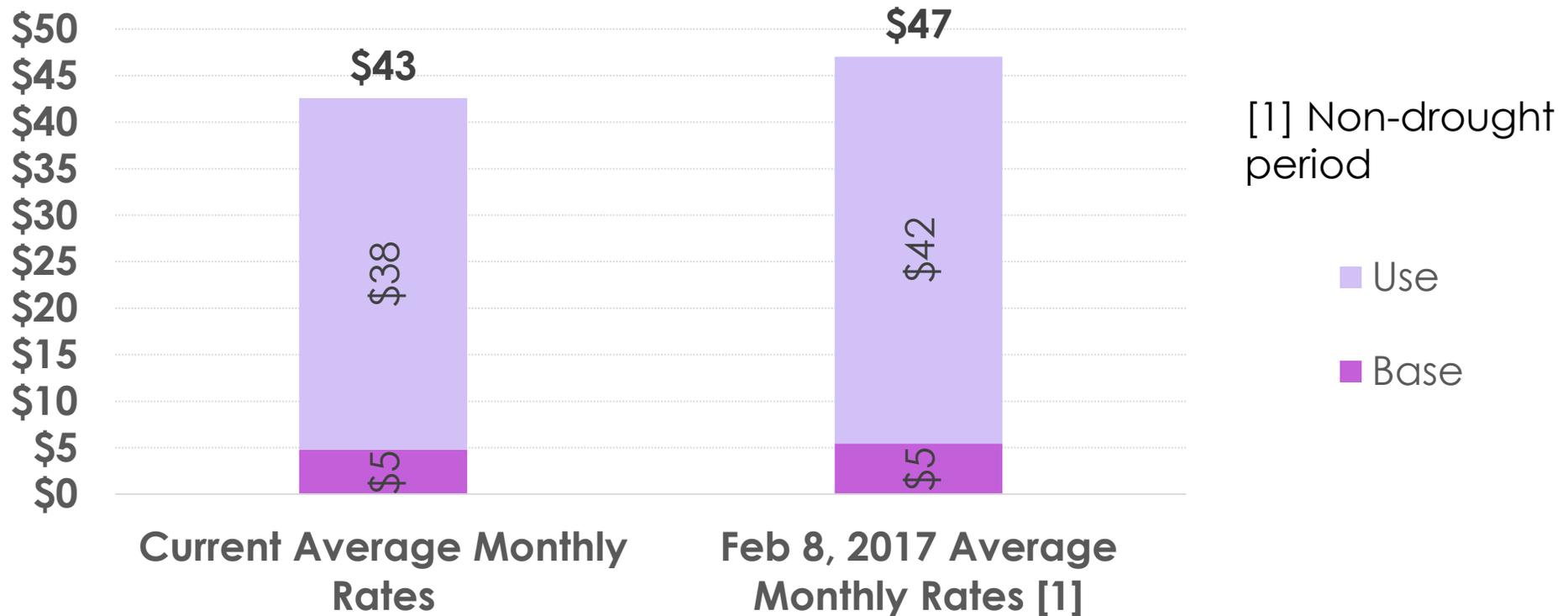
SINGLE FAMILY RESIDENTIAL OFF-PEAK SEASON WATER BILL



[1] Use charges effective November through April

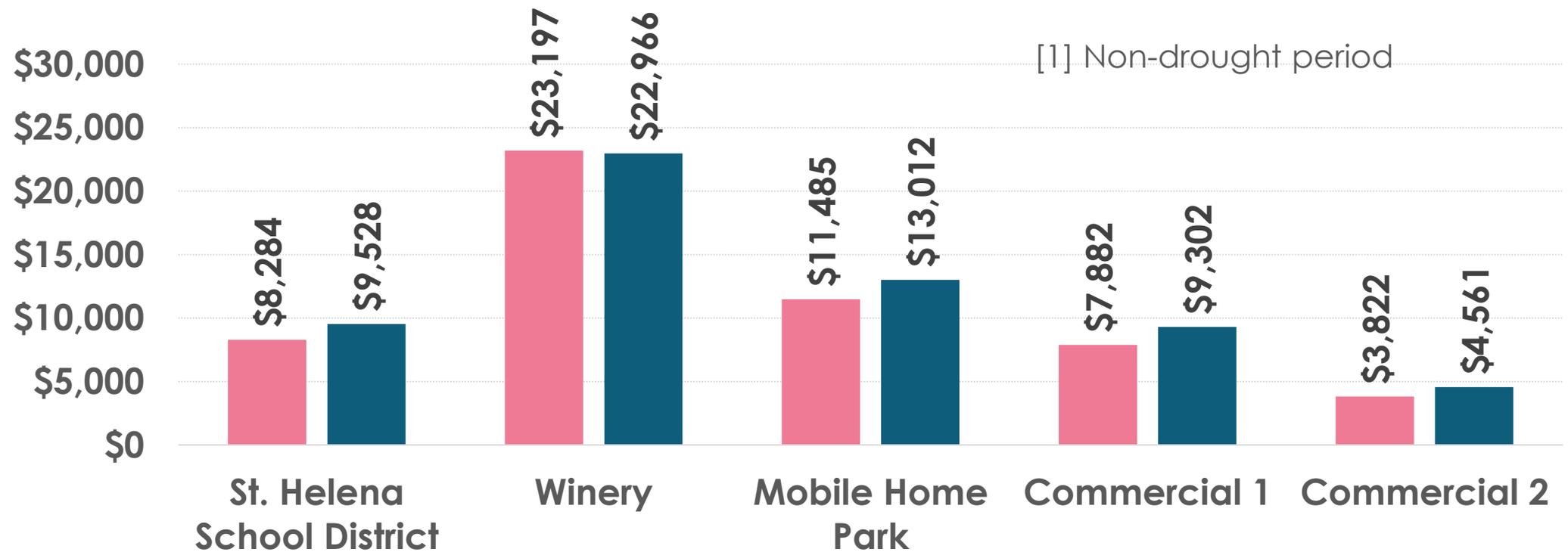
MULTI-FAMILY RESIDENTIAL SAMPLE APARTMENT (PER UNIT)

Apartment Complex with 1.5" Meter and 26 units
Monthly average per unit water bill based on annual consumption



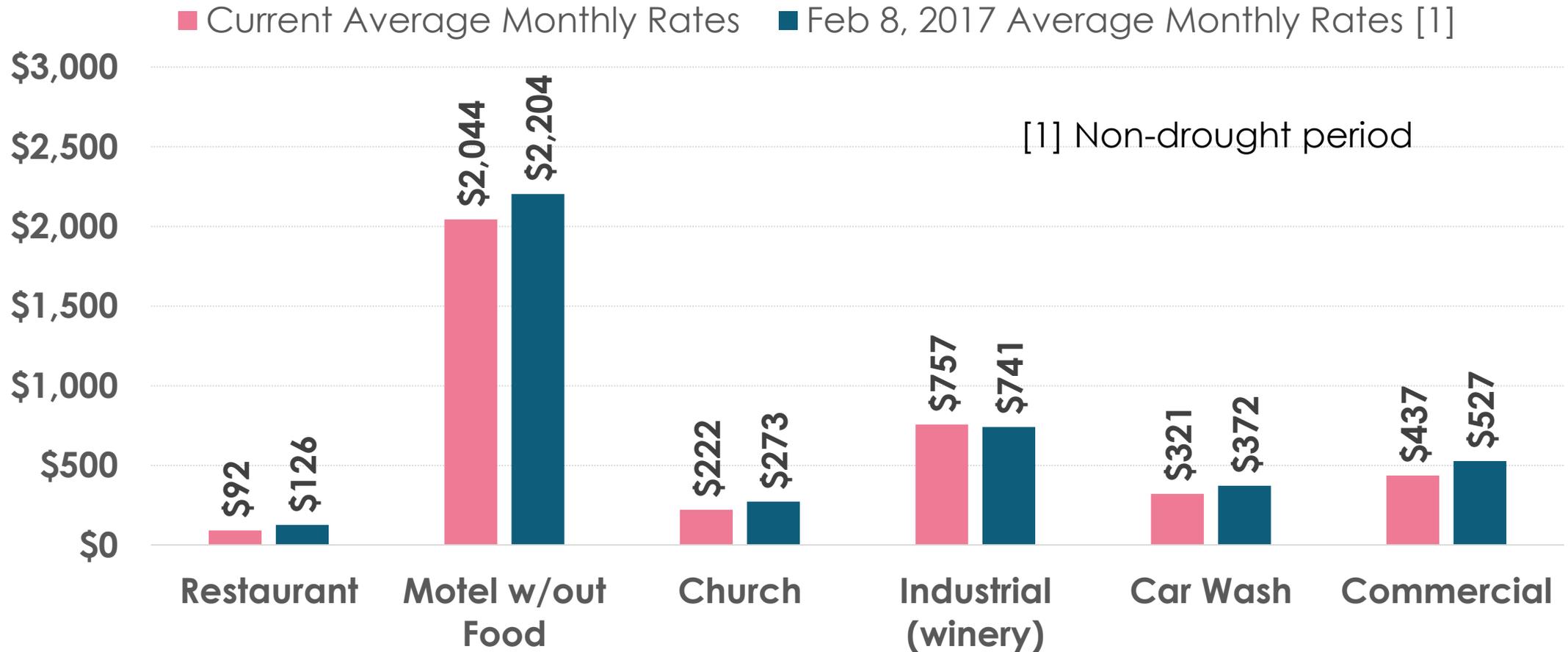
LARGE WATER USERS

■ Current Average Monthly Rates ■ February 8, 2017 Average Monthly Rates [1]



* Monthly Average based on Annual Consumption

SAMPLE NON-RESIDENTIAL WATER USERS

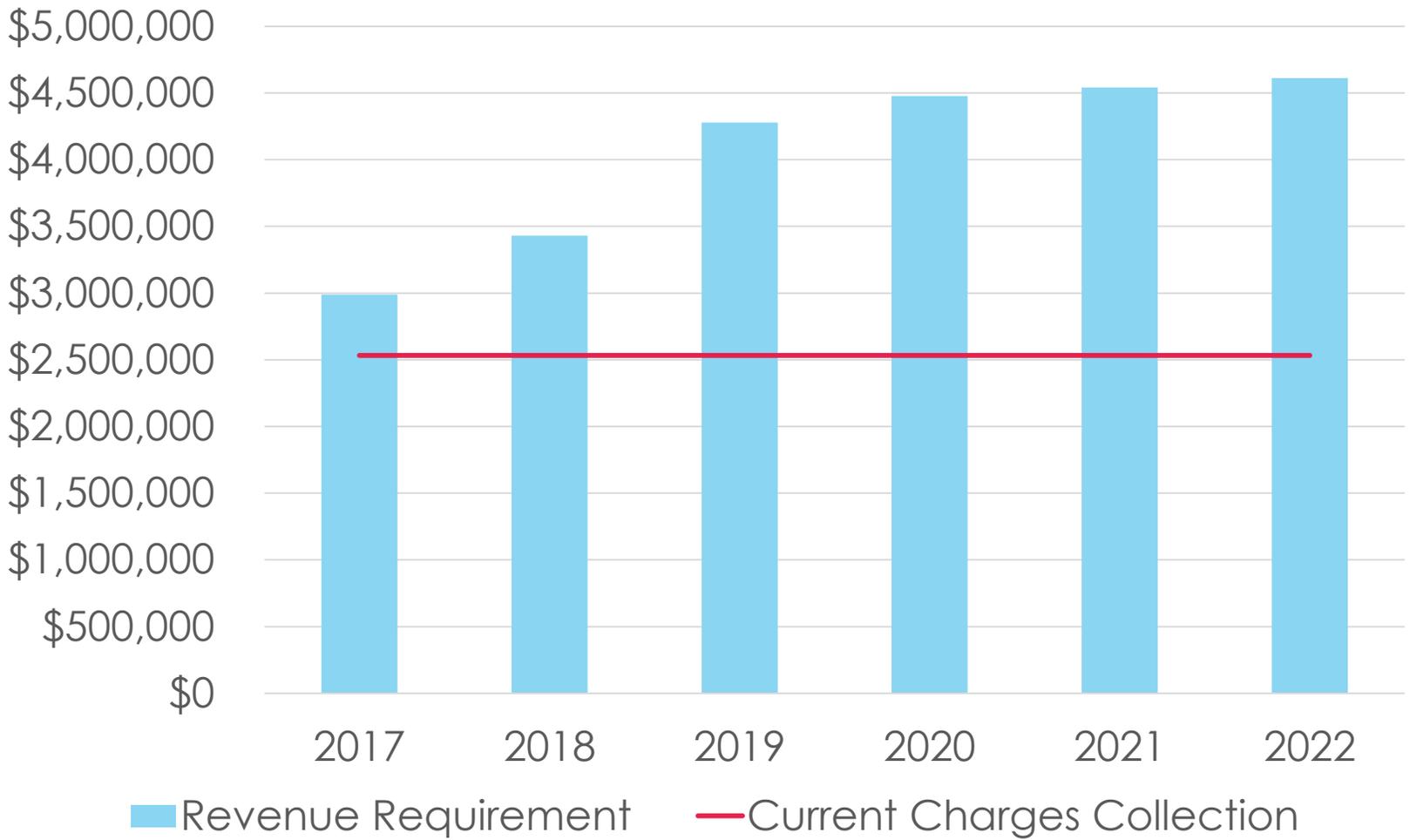


* Monthly Average Based on Annual Consumption

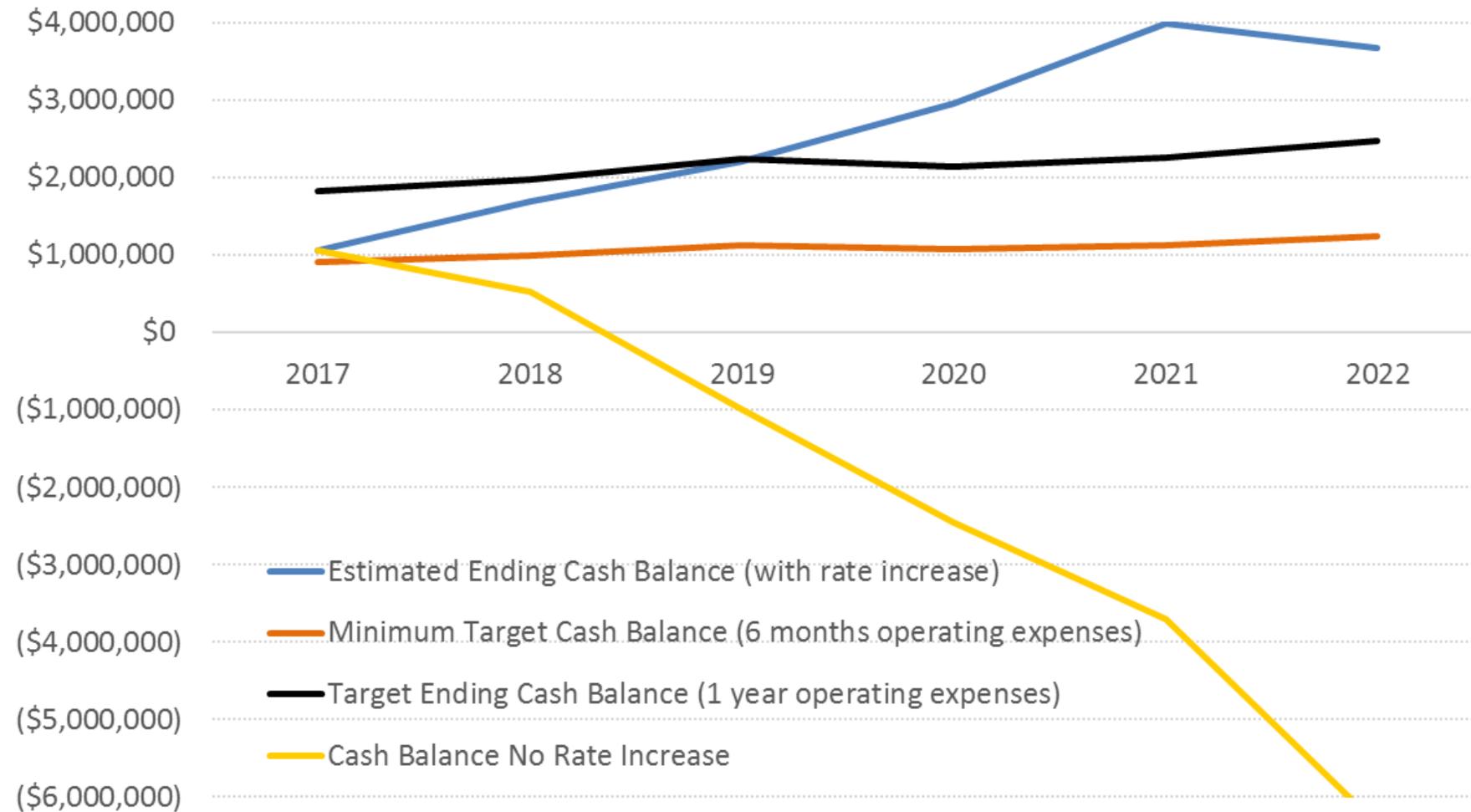
WASTEWATER RATE STUDY



WASTEWATER FUND REVENUE REQUIREMENT



PROJECTED WASTEWATER FUND CASH BALANCE



WASTEWATER – CAPITAL PROJECTS

Five high priority capital improvement projects

PROJECT NAME

Wastewater Treatment Plant Upgrades Phase 1

Replace WRF Operations Building and Shop

Phase 2 Wastewater Treatment Plant Upgrades

Replace 1% of Sewer Mains Annually

Crinella Pump Station Upgrades

WASTEWATER FUNDING OF CAPITAL IMPROVEMENTS BY YEAR THROUGH 2022 SHARE TO EXISTING CUSTOMERS

Item	Total Next 6 years	Current 2017	Year 1 2018	Year 2 2019	Year 3 2020	Year 4 2021	Year 5 2022
	Future Dollars (rounded)						
Cash – Capital Fund	\$2,636,000	\$521,000	\$427,000	\$392,000	\$686,000	\$271,000	\$339,000
Cash – Operations Fund	\$461,000	\$15,000	\$69,000	\$235,000	\$17,000	\$17,000	\$108,000
Debt – Capital Fund	\$8,495,000	\$239,000	\$744,000	\$3,583,000	\$3,693,000	\$116,000	\$120,000
Reserves	\$1,316,000	\$0	\$0	\$0	\$0	\$116,000	\$1,200,000
TOTAL	\$12,908,000	\$775,000	\$1,240,000	\$4,210,000	\$4,396,000	\$520,000	\$1,767,000

WASTEWATER SYSTEM REHABILITATION COSTS

Asset List	Fiscal Year Ending					
	2017	2018	2019	2020	2021	2022
Existing Assets	\$340,044	\$350,521	\$361,320	\$372,452	\$383,928	\$395,756
Projected Assets Annual Depreciation	\$16,613	\$41,264	\$98,143	\$159,973	\$176,412	\$230,848
Total Annual Depreciation	\$356,657	\$391,785	\$459,463	\$532,425	\$560,339	\$626,604
<i>Percent Depreciation for System Rehabilitation</i>	100%	100%	100%	100%	100%	100%
System Rehabilitation	\$356,700	\$391,800	\$459,500	\$532,400	\$560,300	\$626,600

Source: City of St. Helena and HEC.

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WASTEWATER RATES



WASTEWATER CURRENT BASE AND USE CHARGES

Residential

- All single family pay same base rate, per dwelling unit
- Charged per HCF of water based on winter average (Jan, Feb, Mar)

Non-Residential

- All other account types, including multi-family
- Charged base rate according to meter sizes **and** customer classification
- Charged per HCF of water based on a customer classification
- Customer classification is determined by typical flow and strength of wastewater

There is not a good nexus to support this rate structure

WASTEWATER CURRENT BASE AND USE CHARGES

Residential

Single Family

Non-Residential

Churches
City Owned Building
Commercial
Industrial
Laundry
Library & Schools
Motel/Hotel
Multi Family

NEW RATE STRUCTURE

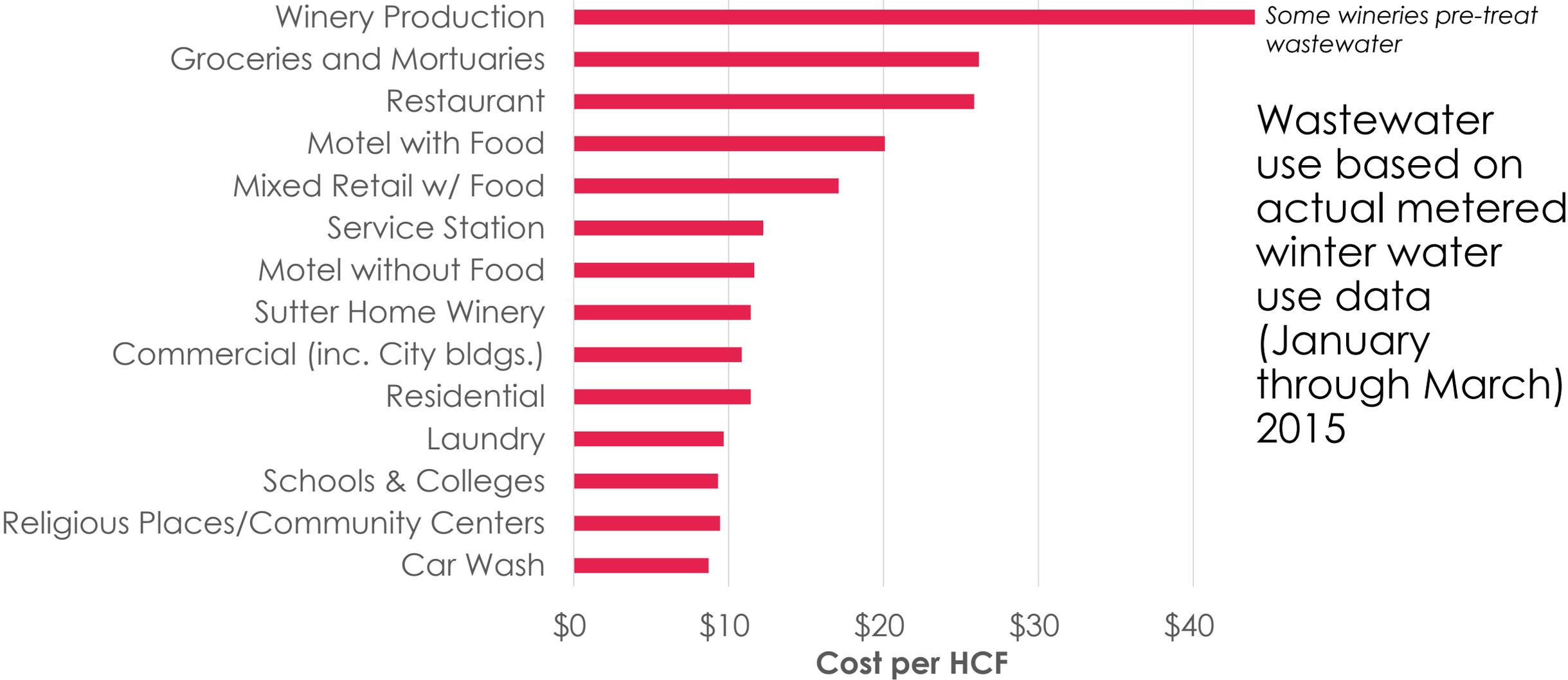
New Rate Structure

- All Residential (single family, multi-family and mobile homes) pay flat base rate based on number of dwelling units plus a use charge calculated on the average winter water use
- Flat monthly charge for schools based on number of students
- Non-residential pay flat base rate by customer type (per account) plus a use charge calculated on the average winter water use

Changes:

- Rates based on flow and strength of wastewater
- Mobile Home parks classified as residential

TREATMENT COSTS BY CUSTOMER CATEGORY



NEW WASTEWATER RATES BASE RATES

Customer Category		Fiscal Year Ending					
		2017	2018	2019	2020	2021	2022
	<i>Billing Period Beginning * -----></i>	<i>2/8/2017</i>	<i>11/8/2017</i>	<i>11/8/2018</i>	<i>11/8/2019</i>	<i>11/8/2020</i>	<i>11/8/2021</i>
Residential							
Single Family	monthly per unit	\$48.04	\$55.24	\$70.13	\$73.03	\$74.18	\$75.23
Multi-Family	monthly per unit	\$29.07	\$33.42	\$42.43	\$44.18	\$44.88	\$45.52
Mobile Homes	monthly per unit	\$43.11	\$49.57	\$62.93	\$65.53	\$66.56	\$67.51
Schools Flat Rate per Student	monthly per student	\$1.40	\$1.62	\$2.15	\$2.21	\$2.26	\$2.28
Non-Residential							
Car Wash	monthly per account	\$209.93	\$243.25	\$328.36	\$336.45	\$343.13	\$346.45
Religious Places/Community Centers	monthly per account	\$35.34	\$40.85	\$54.06	\$55.68	\$56.71	\$57.34
Commercial [1]	monthly per account	\$62.70	\$72.20	\$92.64	\$96.19	\$97.78	\$99.09
Groceries and Mortuaries	monthly per account	\$433.93	\$492.12	\$552.00	\$595.15	\$599.41	\$613.71
Laundry	monthly per account	\$970.94	\$1,121.45	\$1,475.85	\$1,522.21	\$1,549.87	\$1,567.76
Mixed Retail w/ Food	monthly per account	\$541.20	\$617.30	\$730.21	\$775.32	\$783.78	\$799.17
Motel with Food	monthly per account	\$2,617.64	\$2,978.36	\$3,444.90	\$3,681.23	\$3,715.59	\$3,795.12
Motel without Food	monthly per account	\$642.15	\$738.08	\$933.28	\$972.87	\$987.93	\$1,002.28
Restaurant	monthly per account	\$840.03	\$952.80	\$1,070.03	\$1,153.27	\$1,161.63	\$1,189.23
Napa Valley College	monthly per account	\$2,889.93	\$3,341.62	\$4,436.77	\$4,565.57	\$4,651.20	\$4,701.87
Service Station	monthly per account	\$93.25	\$107.06	\$134.07	\$140.12	\$142.20	\$144.37
Winery Production (Merryvale/Spottswood)	monthly per account	\$989.21	\$1,116.93	\$1,199.98	\$1,310.53	\$1,315.85	\$1,351.87
Sutter Home Winery	monthly per account	\$876.04	\$1,007.39	\$1,278.85	\$1,331.67	\$1,352.66	\$1,371.89

Source: HEC.

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

[1] Commercial includes City buildings.

NEW WASTEWATER RATES USE RATES

Customer Category		Fiscal Year Ending					
		2017	2018	2019	2020	2021	2022
Billing Period Beginning * ----->		2/8/2017	11/8/2017	11/8/2018	11/8/2019	11/8/2020	11/8/2021
Residential							
Residential Rate per HCF	per HCF	\$4.69	\$5.39	\$6.84	\$7.12	\$7.23	\$7.34
Non-Residential							
Car Wash	per HCF	\$3.43	\$3.97	\$5.36	\$5.49	\$5.60	\$5.65
Religious Places/Community Centers	per HCF	\$3.72	\$4.30	\$5.69	\$5.86	\$5.97	\$6.03
Commercial [1]	per HCF	\$4.27	\$4.92	\$6.31	\$6.55	\$6.66	\$6.75
Groceries and Mortuaries	per HCF	\$10.30	\$11.68	\$13.10	\$14.12	\$14.22	\$14.56
Laundry	per HCF	\$3.81	\$4.40	\$5.79	\$5.97	\$6.08	\$6.15
Mixed Retail w/ Food	per HCF	\$6.73	\$7.68	\$9.08	\$9.64	\$9.75	\$9.94
Motel with Food	per HCF	\$7.91	\$9.00	\$10.41	\$11.12	\$11.23	\$11.47
Motel without Food	per HCF	\$4.59	\$5.27	\$6.67	\$6.95	\$7.06	\$7.16
Restaurant	per HCF	\$10.18	\$11.54	\$12.96	\$13.97	\$14.07	\$14.41
Napa Valley College	per HCF	\$3.67	\$4.24	\$5.63	\$5.79	\$5.90	\$5.97
Service Station	per HCF	\$4.82	\$5.53	\$6.93	\$7.24	\$7.35	\$7.46
Winery Production (Merryvale/Spottswoode)	per HCF	\$17.31	\$19.55	\$21.00	\$22.93	\$23.03	\$23.66
Sutter Home Winery	per HCF	\$4.50	\$5.17	\$6.57	\$6.84	\$6.95	\$7.04

Source: HEC.

* Dates reflect the current billing cycle; if the billing cycle date changes so will these effective dates.

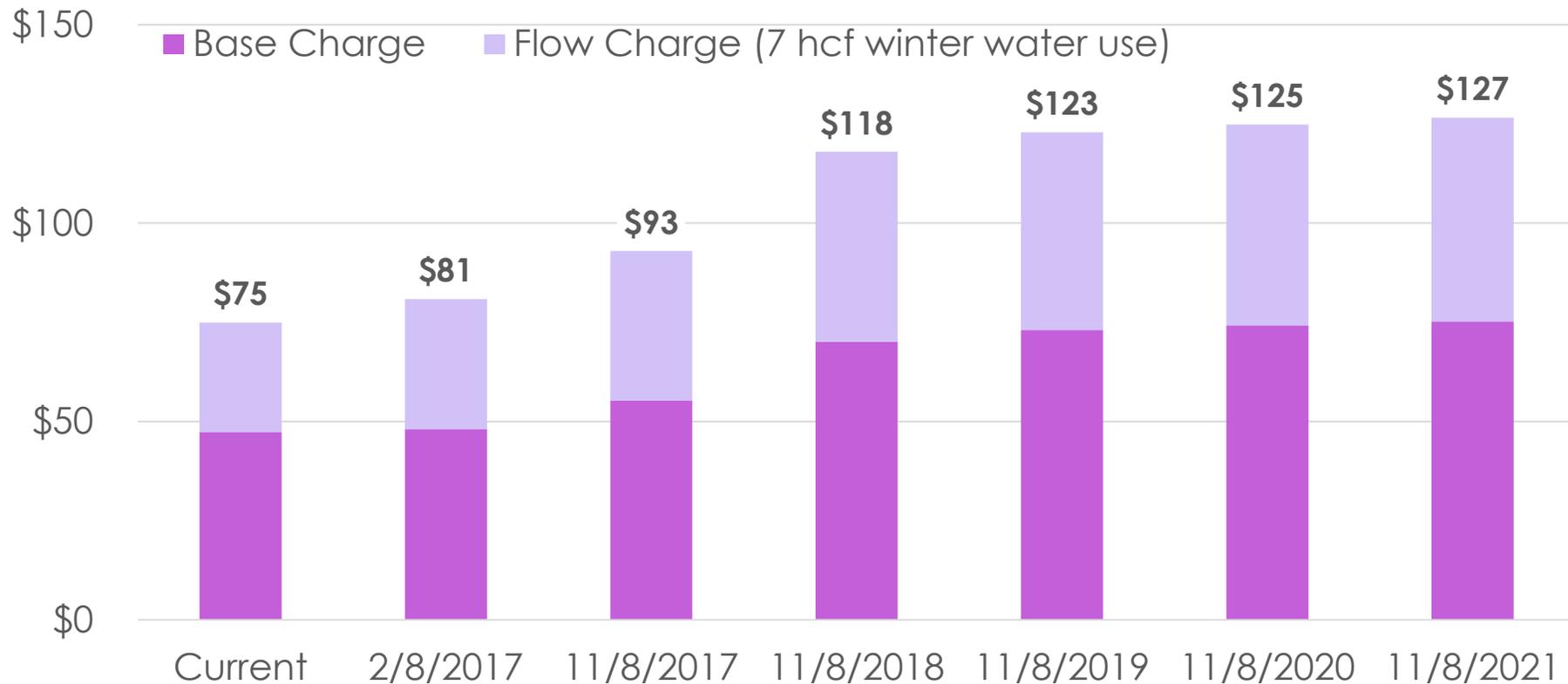
[1] Commercial includes City buildings.

WASTEWATER BILL IMPACTS



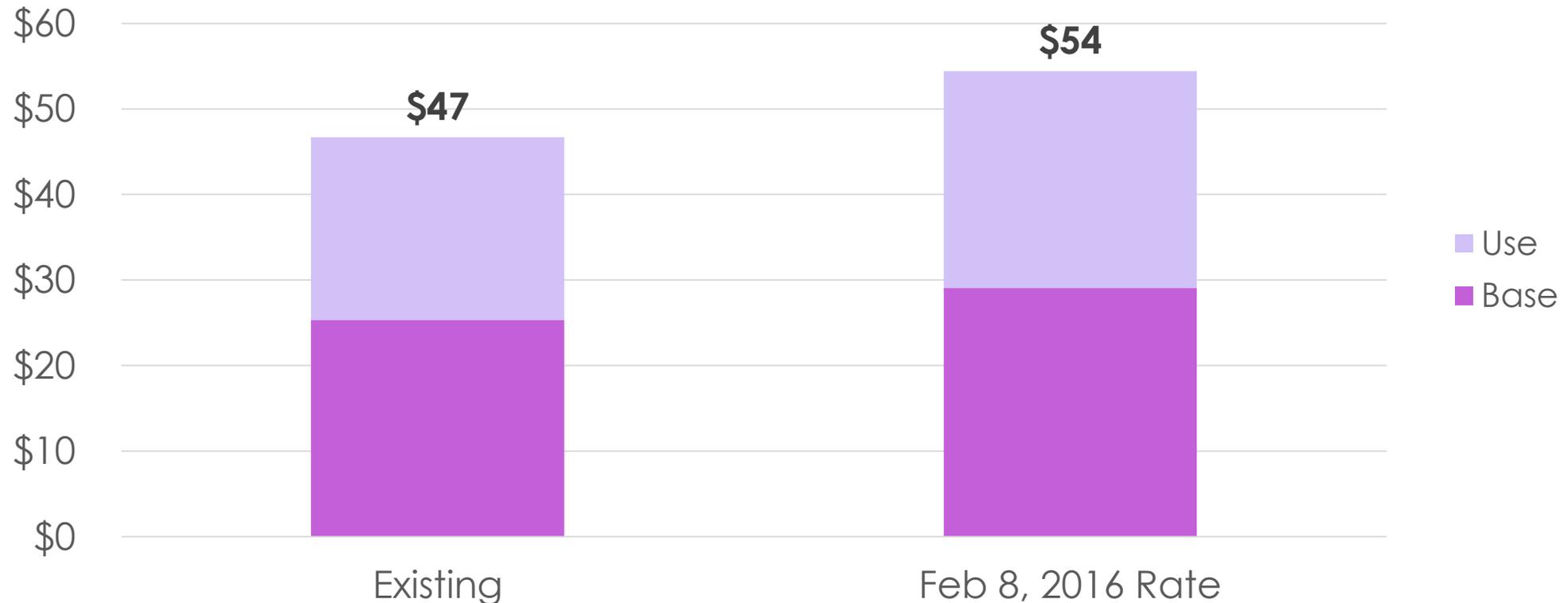
SINGLE FAMILY RESIDENTIAL

Single Family Wastewater Monthly Bill, 7 HCF Avg. Monthly Use



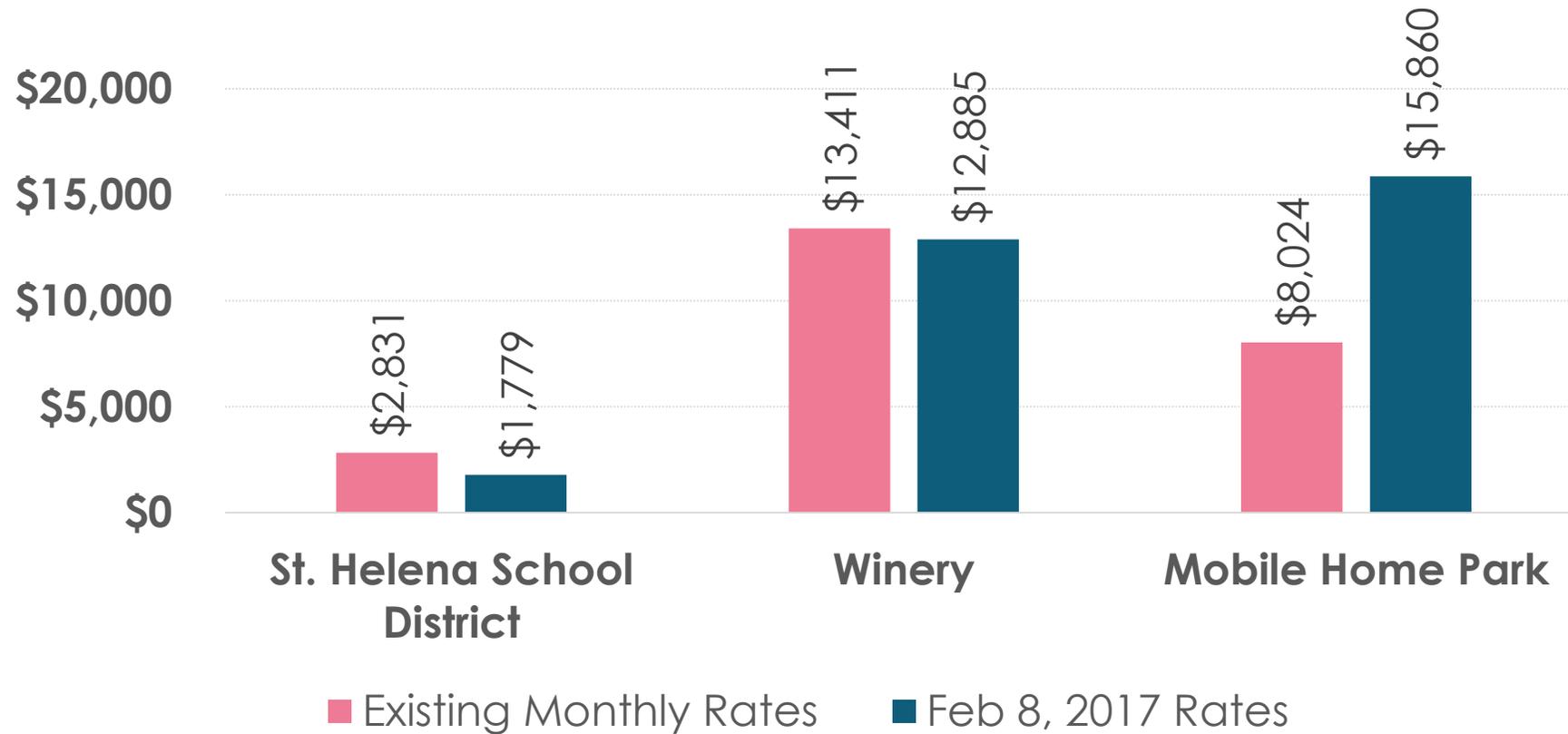
MULTI-FAMILY RESIDENTIAL SAMPLE CUSTOMER

Apartment Complex with 1.5" Meter and 8 Dwelling Units
Monthly average per unit wastewater bill based on annual consumption



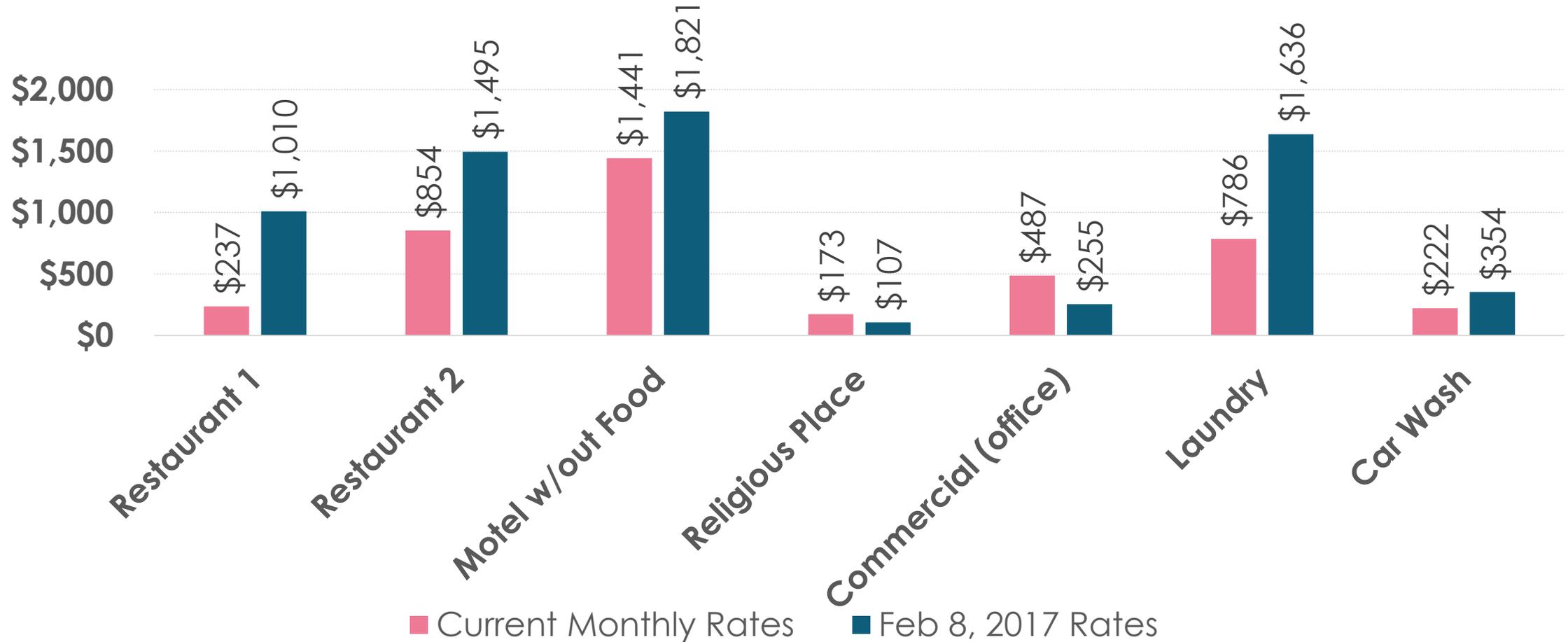
LARGE WATER USERS

Sample Large Water Users Monthly Wastewater Bill Impact



SAMPLE NON-RESIDENTIAL WATER USERS

Sample Non-Residential Wastewater Users Monthly Bill Impact

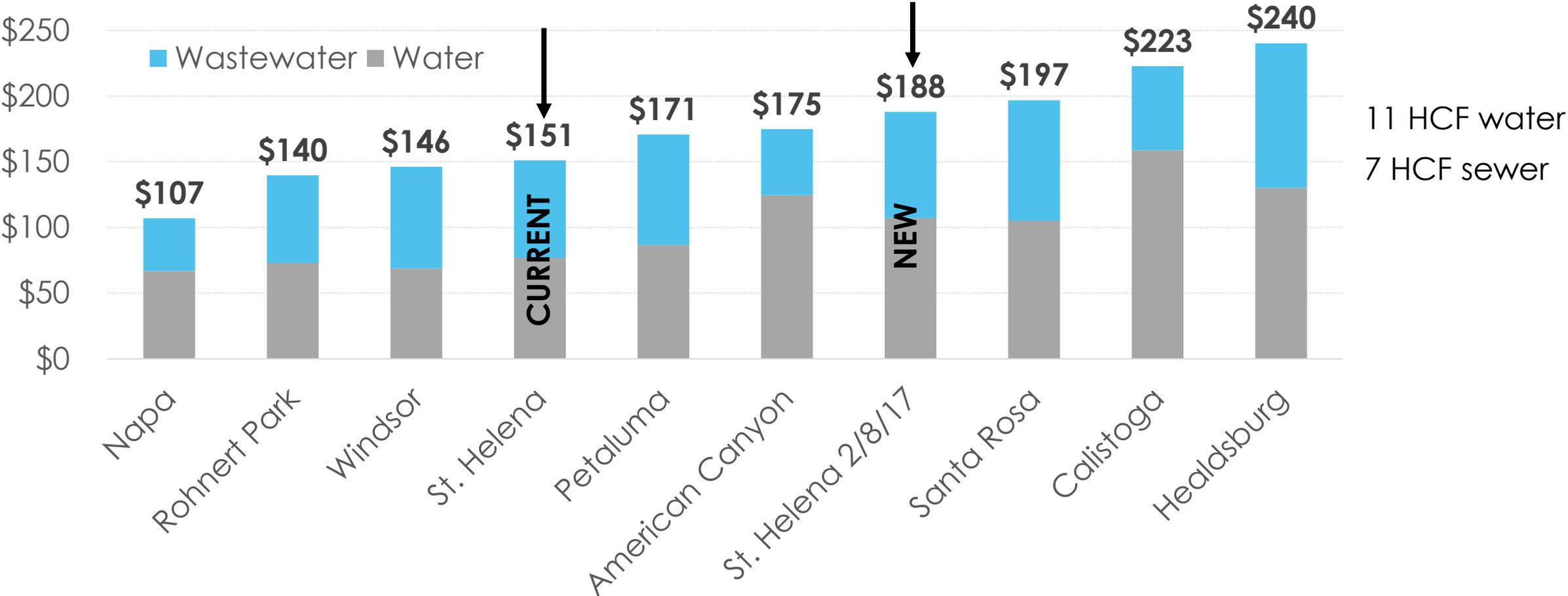


COMBINED UTILITIES IMPACT



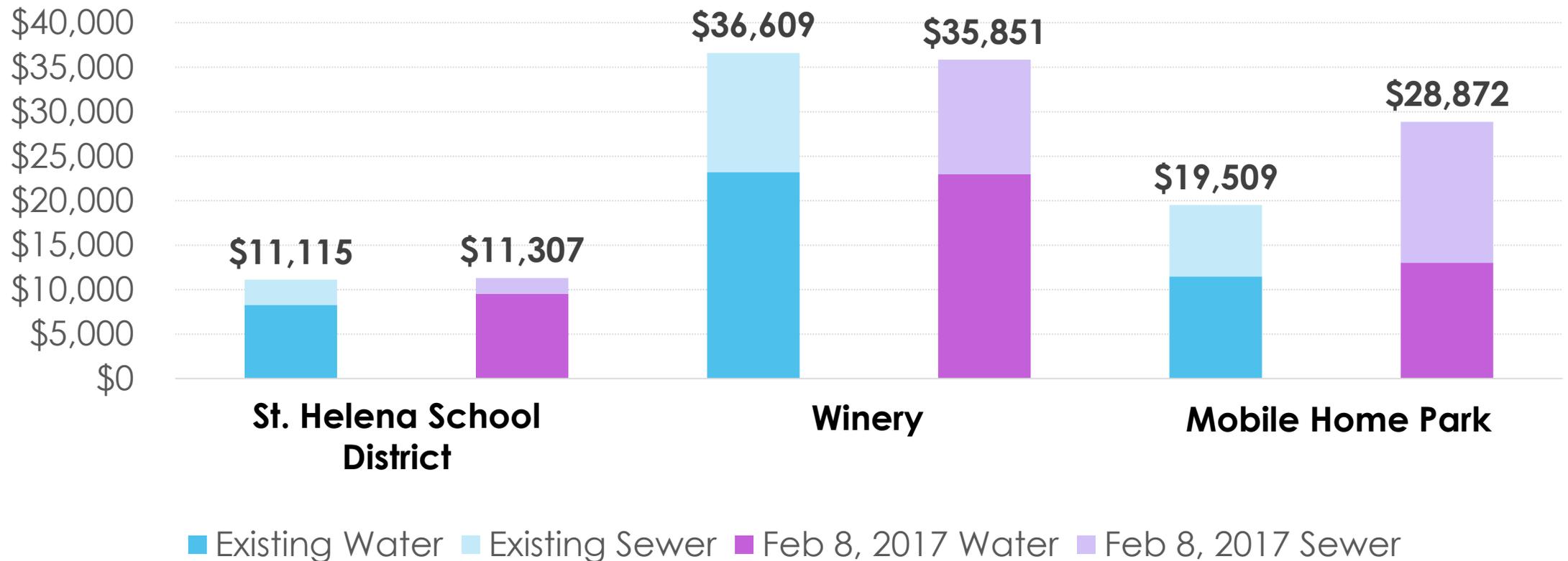
RATE COMPARISON

Typical Monthly Bill for a 5/8" Residential Home in Non-Drought Period
New wastewater rate structure



LARGE WATER USERS COMBINED UTILITIES IMPACT

Estimated Combined Monthly Utilities Bill for Large Water Users



AFFORDABILITY

SF costs stay under the combined affordability threshold of 4.5%

Item	Current Rates	Proposed 2/8/2017 Rates
St. Helena Monthly Median Household Income (MHI) [1]	\$6,535	\$6,535
Monthly Water Bill		
Monthly Water Bill for 11 HCF [2]	\$76.80	\$107.08
Water Bill as Percentage of MHI [3]	1.18%	1.64%
Monthly Wastewater Bill		
Monthly Wastewater Bill for 7 HCF	\$74.93	\$80.84
Wastewater Bill as Percentage of MHI [3]	1.15%	1.24%
Total Monthly Utilities Bill	\$151.73	\$187.92
Monthly Utilities Bill as Percentage of MHI [3]	2.32%	2.88%
Median Household Income (MHI)		
Estimated California [1]	\$61,489	
Estimated St. Helena [1]	\$78,421	
St. Helena MHI as a percentage of the State MHI [4]	127.54%	

[1] 2014 5-year American Community Survey.
 [2] Assumes a non-drought year and average seasonal use rate.

[3] The EPA considers bills unaffordable if combined water and wastewater bills are >4.5% of MHI. The State Clean Water SRF program only provides better loan terms (such as extended term financing, lower interest and principal forgiveness) to communities that are NOT Disadvantaged if the wastewater bill is >4% of MHI.

[4] Per the State Water Resources Control Board, a community with an MHI <80% of the Statewide MHI is Disadvantaged.

COUNCIL ACTION

- There is no action to adopt new rates today.
- Action: Approve a resolution authorizing the City Manager to begin the Proposition 218 requirements for water and wastewater rate increases, and accept the Draft 2016 Water and Wastewater Rate Study prepared by Hansford Economic Consulting
- The Proposition 218 notice would allow City Council to increase rates up to the amounts calculated in the rate study
- The public hearing would be held November 29, 2016

QUESTIONS

