

# Perry Park Water Supply District

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## 2022 Water and Wastewater Rate Study

November 14, 2022





# Agenda



**Rate Study Process**



**Financial Plan Assumptions**



**Combined Utility Financial Plan**



**Rate and Typical bill comparison**

# PPWSD's rates and fees must:



# How we'll get there



**Fund Operations**



**Fund Capital Projects**



**Maintain Reserves and DSC**



**Fund Growth**



**Ensure Customer Rate Equity**

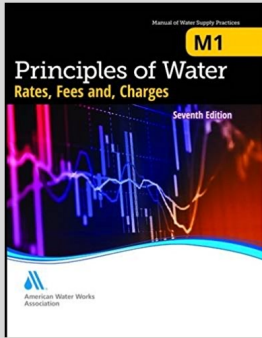


**Financial Plan**



**Rate Design**

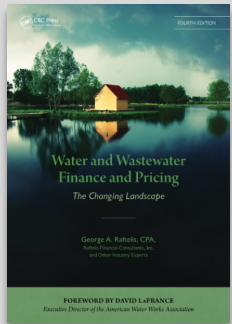
# Guided by industry-standard financial planning and rate-setting approaches



American Water Works Association,  
Manual M-1, Principles of Rates, Fees, and Charges

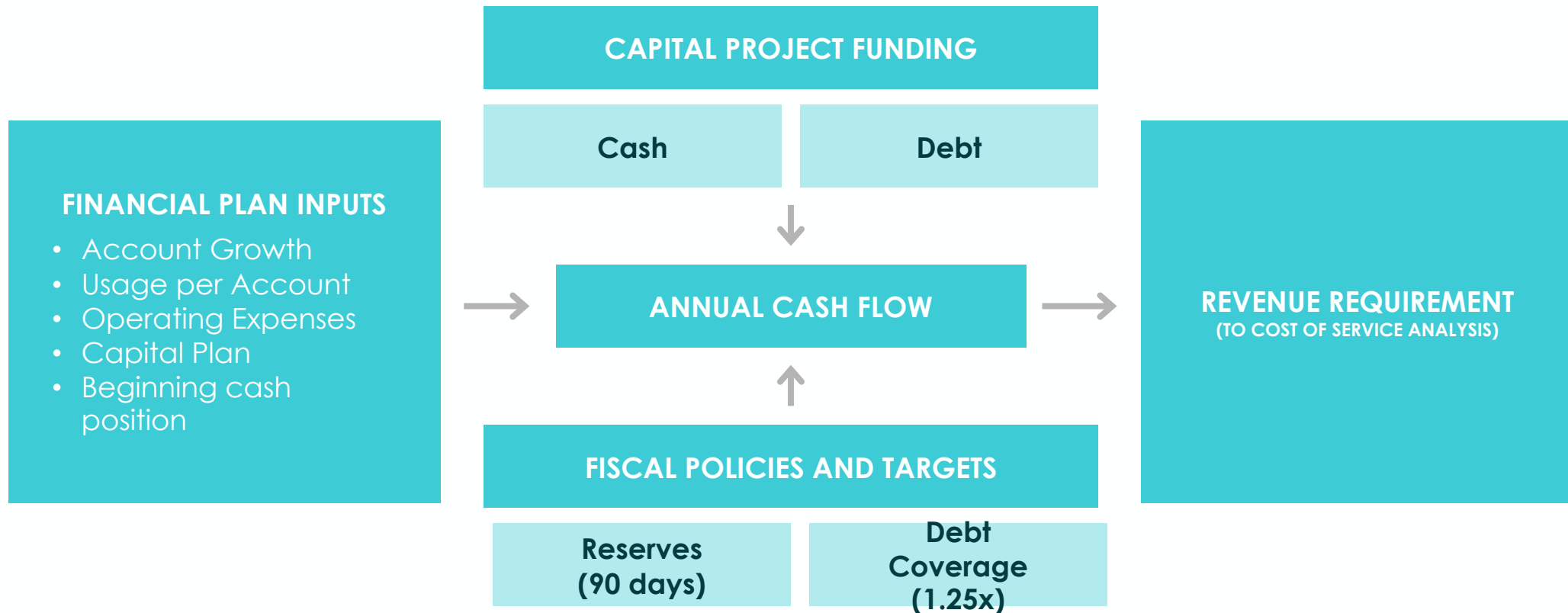


Water Environment Federation  
Financing and Charges for Wastewater Systems



Raftelis Financial Consultants  
Water and Wastewater Finance and Pricing

# Financial Planning Process



# Financial Plan Assumptions



# Capital Improvement Projects

- Sageport WWTP will violate CDPHE regulations if improvements are not made in 2023. \$ 6.0 M
- Waucondah WWTP improvements needed to improve equipment failures, noise, and odor. \$9.0 M
- Glen Grove WTP major update and expansion of treatment facility required and can't treat renewable water \$ 10.0 M



# Assumptions

- Maintain Operating Balance 90 days
- Debt Service Coverage Requirement 1.25
- Debt Issuances
  - › \$12.5 M in 2023
  - › \$5.7 M in 2027

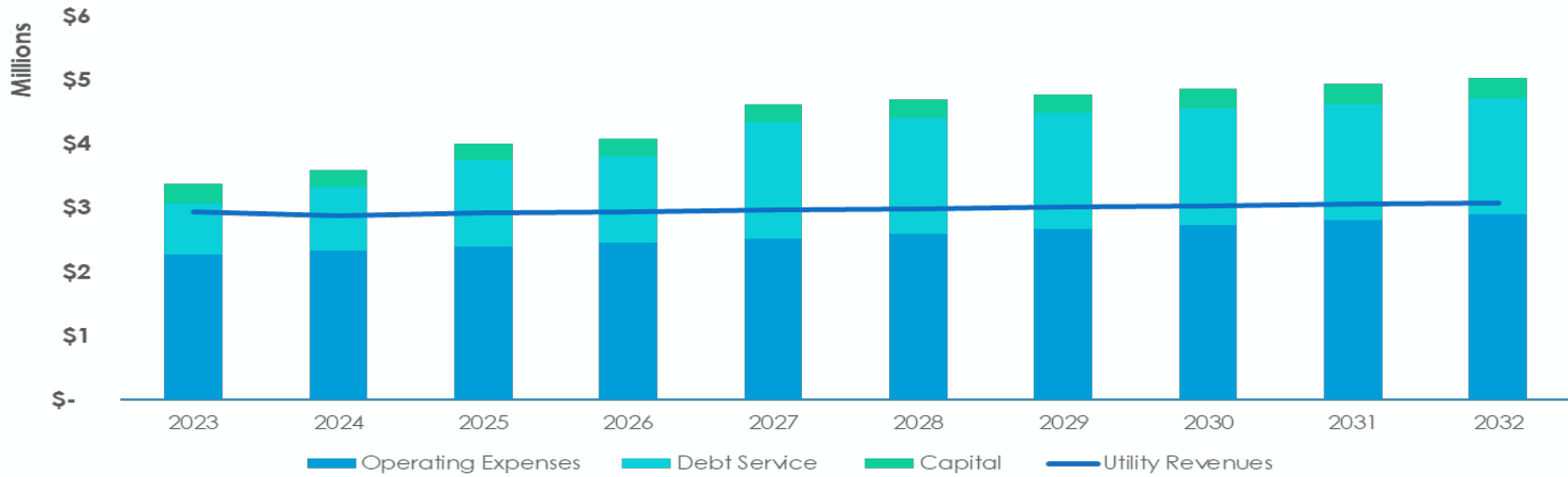
# Combined Utility Financial Plan



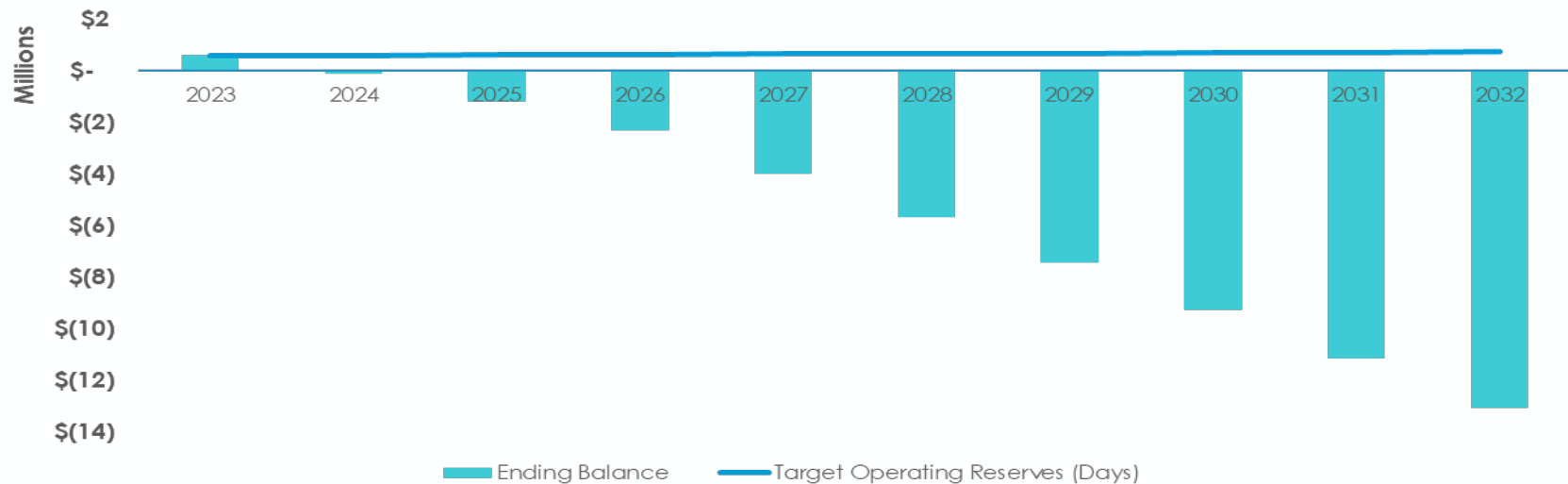
# 10-year water cash flow results

## No Annual Increases

Operating Revenues and Expenditures



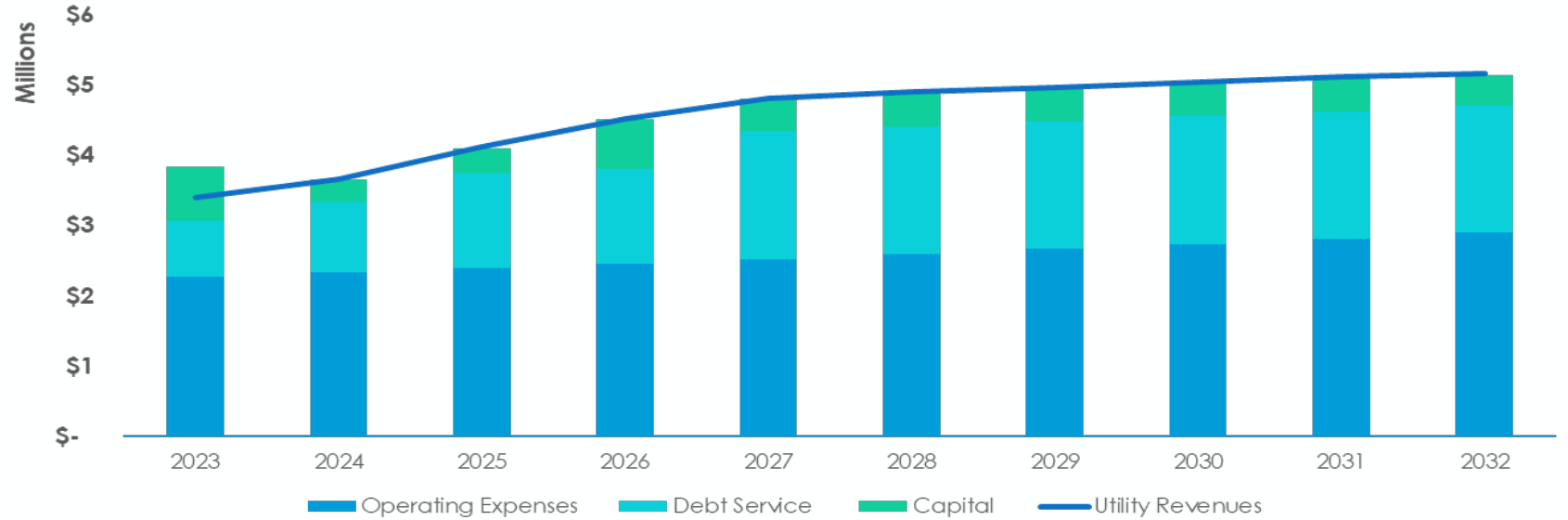
Operating Ending Fund Balance and Target Reserves



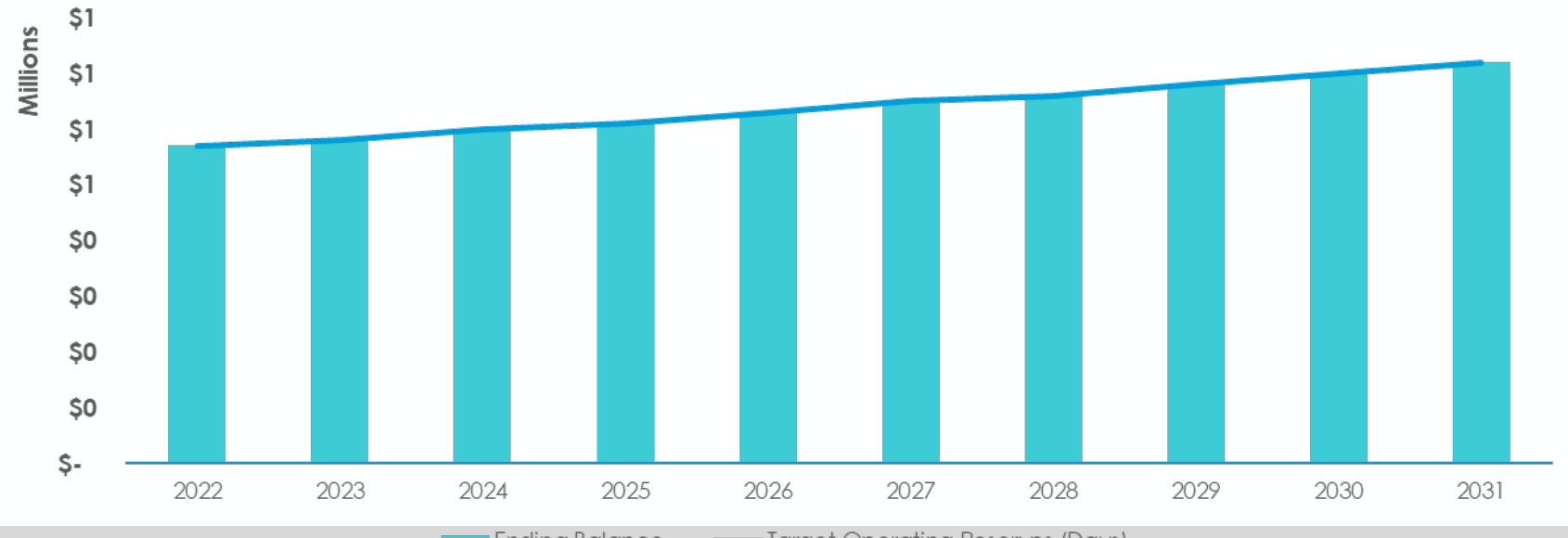
# 10-year water cash flow results

*rate increases are required through study period*

Operating Revenues and Expenditures



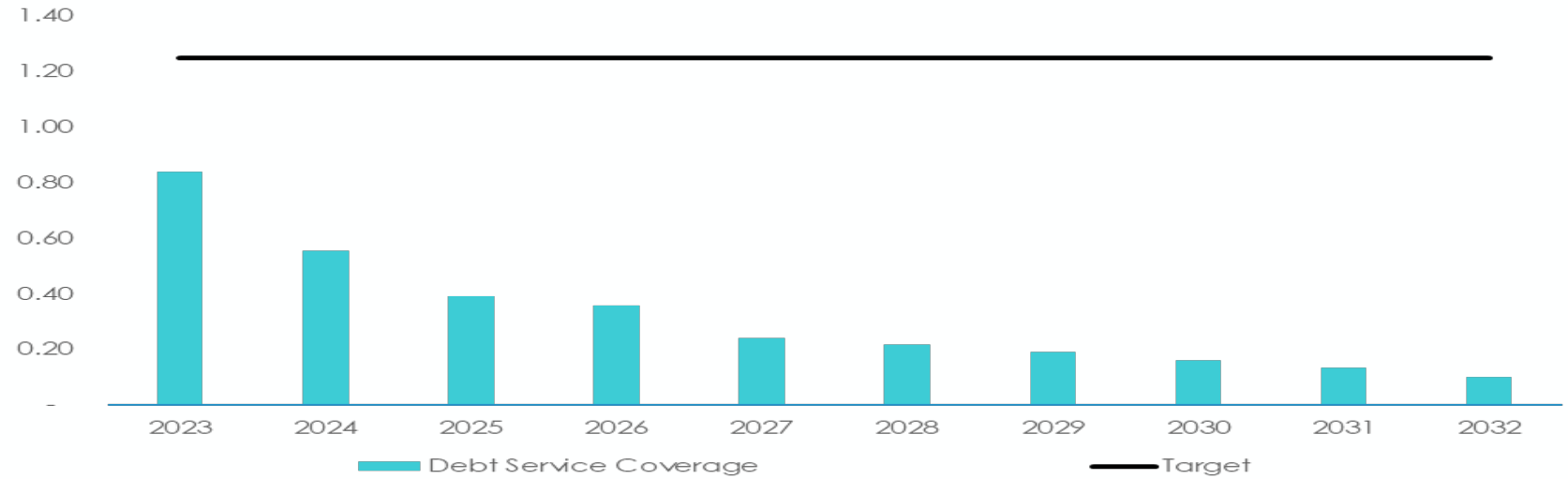
Operating Ending Fund Balance and Target Reserves



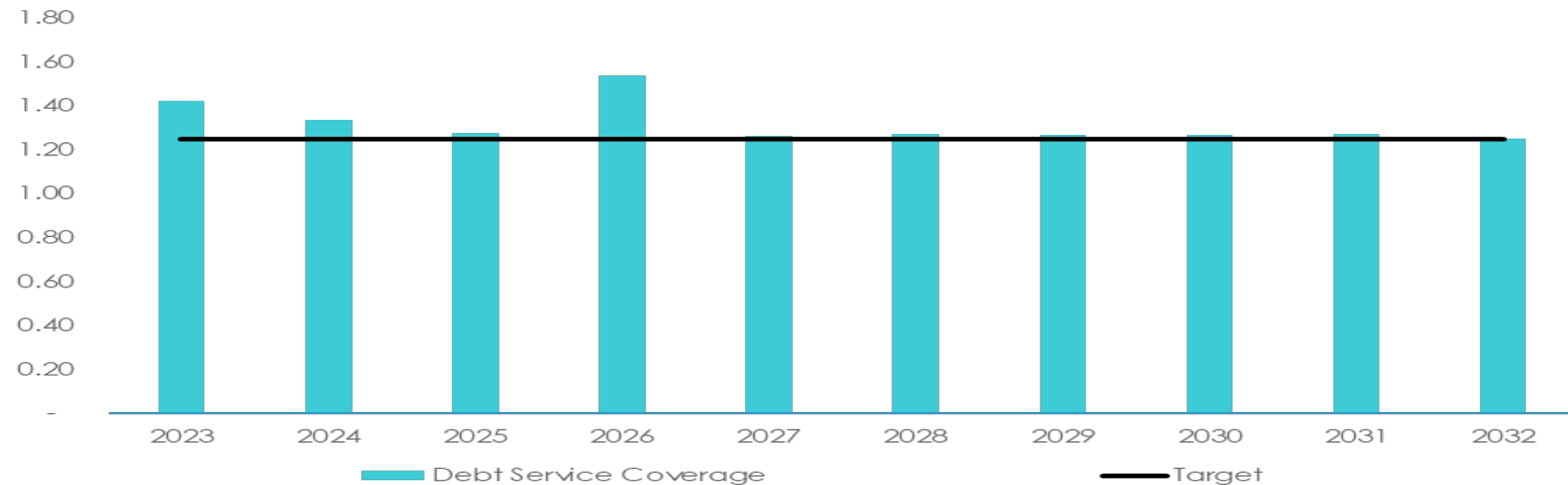
# 10-year water cash flow results

## Debt Service Before and After Increases Coverage Comparison

Debt Service Coverage no increase



Debt Service Coverage with increase



# Rates



# Average Bill (Bi-monthly)

	FY 2023		FY 2024		FY 2025		FY 2026		FY 2027	
<b>Average Bill (11 kgal)</b>	\$	279.72	\$	318.52	\$	368.90	\$	406.32	\$	432.62
Difference	\$	55.94	\$	38.80	\$	50.38	\$	37.42	\$	26.30
Increase		25.0%		42.3%		64.8%		81.6%		93.3%
Cumulative Increase										
Total Water Bill	\$	99.29	\$	104.28	\$	114.73	\$	137.67	\$	148.65
Total Sewer Bill		113.97		142.46		178.08		188.76		200.09
Capital improvement fees		66.46		71.78		76.09		79.89		83.88

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>Water Rate Increase</b>	5.00%	5.00%	10.00%	20.00%	8.00%
<b>Capital Improvement Fee</b>	60.00%	8.00%	6.00%	5.00%	5.00%
<b>Wastewater Rate Increase</b>	30.00%	25.00%	25.00%	6.00%	6.00%

# Capital Improvement Fee Rates

	2022	2023	2024	2025	2026	2027
Capital Improvement Fee	\$ 41.54	\$ 66.46	\$ 71.78	\$ 76.09	\$ 79.89	\$ 83.88
<i>Difference</i>		\$ 24.92	\$ 5.32	\$ 4.31	\$ 3.80	\$ 3.99



# Water Rates

	2022	2023	2024	2025	2026	2027
Water Base Rate	\$ 63.53	\$ 66.71	\$ 70.05	\$ 77.06	\$ 92.47	\$ 99.87
<i>Differnce</i>		\$ 3.18	\$ 3.34	\$ 7.01	\$ 15.41	\$ 7.40
Tier 1	\$ 2.43	\$ 2.55	\$ 2.68	\$ 2.95	\$ 3.54	\$ 3.82
Tier 2	\$ 6.74	\$ 7.08	\$ 7.43	\$ 8.17	\$ 9.80	\$ 10.58
Tier 3	\$ 8.67	\$ 9.10	\$ 9.56	\$ 10.52	\$ 12.62	\$ 13.63
Tier 4	\$ 11.04	\$ 11.59	\$ 12.17	\$ 13.39	\$ 16.07	\$ 17.36

# Wastewater Rates

	2022	2023	2024	2025	2026	2027
Sewer Base Rate	\$ 87.67	\$ 113.97	\$ 142.46	\$ 178.08	\$ 188.76	\$ 200.09
<i>Difference</i>		\$ 26.30	\$ 28.49	\$ 35.62	\$ 10.68	\$ 11.33

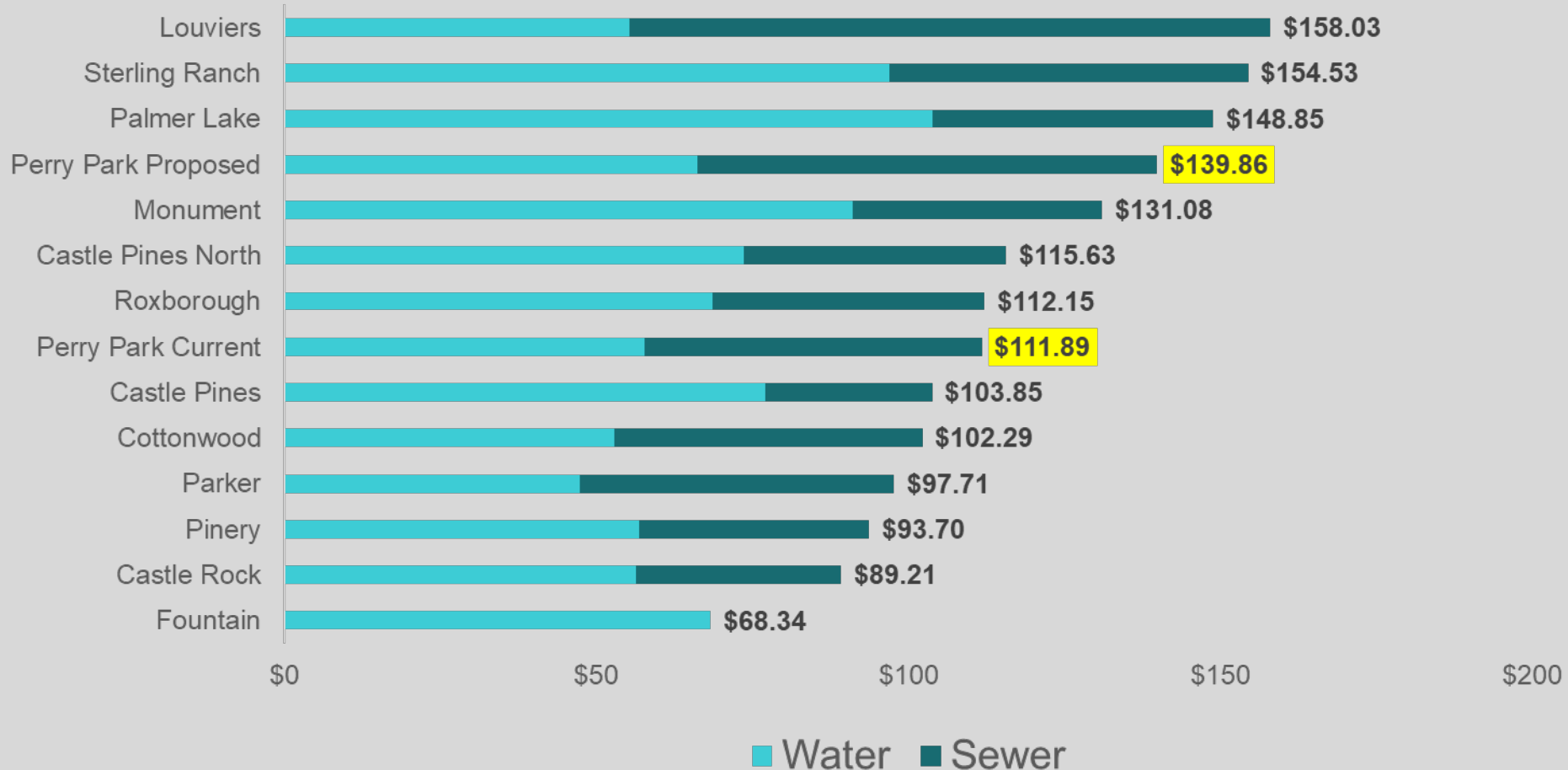
# Peer Utility Survey



# Peer utility survey

## Typical monthly bill comparison

3/4" residential customer (5.5 Kgal water, 4Kgal ww)





# Thank you!

## Contact:

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