



City of Trinidad Water Rate Alternatives Analysis

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By



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Outline

1. Review Need for Rate Study
2. Expenditure and Revenue
3. Customer Water Use Data
4. Rate Structure Options
5. Next Steps

1. Need for Rate Study

- The last rate study and restructuring was applied in 2002
- Expenses are currently exceeding revenues, depleting system reserves
- System improvements need to continually be made
- Current structure could improve promotion of conservation
- Difference between in-city and out-of-city rates is excessive (50% higher for out-of-city)

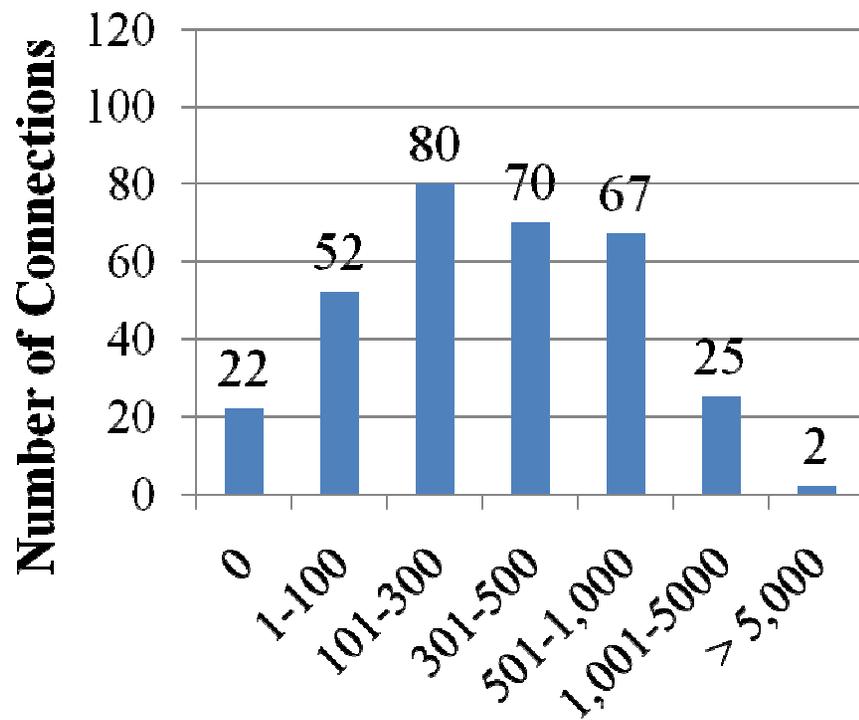
2. Annual Revenues and Expenditures (Updated)

FY 11/12 Budgeted Revenue	
Water Rate Revenue	\$ 221,000
Connection & Late Fees	\$ 16,000
Interest	\$ 20,000
TOTAL REVENUE	\$ 257,000
FY 11/12 Expenses	
Basic Operational Expense	\$ 254,100
Capital Replacement	\$ 37,000
Capital Improvement	\$ 67,000 \$17,000
TOTAL EXPENSE	\$ 358,100 \$308,100
CURRENT DEFICIT	\$101,100 \$51,100
Water Rate Revenue Requirement	\$322,000 \$272,100

3. Customer Water Use Data

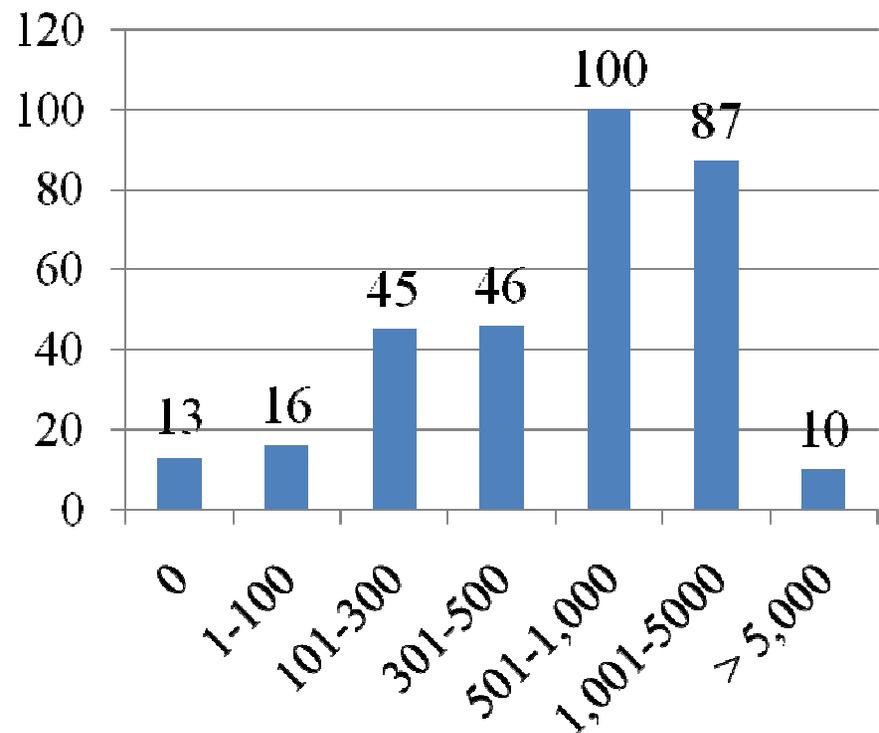
December 2010

(Minimum Usage Month)



September 2010

(Maximum Usage Month)



Use Range (Cubic Feet/Month)

4. Rate Structure Options

- Existing Water Rates
- Uniform \$40 A: Base Rate \$40, Uniform Consumption Block, 15% Rate Differential
- Uniform \$40 B: Base Rate \$40, Uniform Consumption Block, 25% Rate Differential
- Conservation 1A: Base Rate \$40, \$1.00 increase after 700 Cubic Feet of Use, 15% Rate Differential
- Conservation 1B: Base Rate \$40, \$1.00 increase after 700 Cubic Feet of Use, 25% Rate Differential
- Conservation 2A & B: Consumption rate decrease of \$1.00 after 8,000 Cubic Feet of Use

Existing Rate Structure

300 CF in Base Rate

Usage	In-City	Out-of-City
Base	\$34.98	\$52.43
Consumption	\$2.51	\$3.79

Sample Monthly Billing

Usage (CF)	In-City	Out-of-City
100	\$34.98	\$52.43
300	\$34.98	\$52.43
700	\$45.02	\$67.59
10,000	\$278.45	\$420.06

Uniform \$40 A & B

	Base Rate \$40, 15% Out-of-City Differential		Base Rate \$40, 25% Out-of-City Differential		
Usage (CF)	In-City	Out-of-City	In-City	Out-of-City	
Base	\$40	\$46	\$40	\$50	
Consumption (\$/ 100 Cubic Feet)	\$4.20	\$4.83	\$3.90	\$4.88	
Sample Monthly Billing	100	\$44.20	\$50.83	\$43.90	\$54.88
	300	\$52.60	\$60.49	\$51.70	\$64.64
	700	\$69.40	\$79.81	\$67.30	\$84.16
	10,000	\$460.00	\$529.00	\$430.00	\$538.00

Conservation \$40 1A & 1B

		Base Rate \$40, 15% Out-of-City Differential		Base Rate \$40, 25% Out-of-City Differential	
Usage (CF)		In-City	Out-of-City	In-City	Out-of-City
Base		\$40	\$46	\$40	\$50
Consumption (0 – 700 Cubic Feet)		\$4.00	\$4.60	\$3.85	\$4.43
Consumption (Greater than 700 Cubic Feet)		\$5.00	\$5.75	\$4.85	\$5.58
Sample Monthly Billing	100	\$44.00	\$50.60	\$43.85	\$54.43
	300	\$52.00	\$59.80	\$51.55	\$63.29
	700	\$68.00	\$78.20	\$66.95	\$81.01
	10,000	\$533.00	\$612.95	\$518.00	\$599.95

Conservation \$40 2A & 2B

		Base Rate \$40, 15% Out-of-City Differential		Base Rate \$40, 25% Out-of-City Differential	
Usage (CF)		In-City	Out-of-City	In-City	Out-of-City
Base		\$40	\$46	\$40	\$50
Consumption (0 – 700 Cubic Feet)		\$4.00	\$4.60	\$3.85	\$4.43
Consumption (700 – 8,000 Cubic Feet)		\$5.00	\$5.75	\$4.85	\$5.58
Consumption (Greater than 8,000 Cubic Feet)		\$4.00	\$4.60	\$3.85	\$4.43
Sample Monthly Billing	10,000	\$513.00	\$589.95	\$498.00	\$576.95
	Peak School	\$821.80		\$795.22	
	Peak Casino		\$851.69		\$829.02

5. Next Steps

- Select a Final Rate Structure
- Provide written notice by mail to the water customer and record owner of each parcel connected to the water system
- Conduct a public hearing on the proposed fee not less than 45 days after the mailing
- Consider “all protests against the proposed fee or charge.”
- If written protests against the fee are presented by a “majority of owners of the identified parcels,” the fee cannot be imposed