



CITY *of* BRISBANE

Infrastructure, Utilities & Franchise Subcommittee Agenda

Monday, June 13th, 2022 at 11:30 PM • Virtual Meeting

This meeting is compliant with the Ralph M. Brown act as amended by California Assembly Bill No. 361 effective September 16, 2021 providing for a public health emergency exception to the standard teleconference rules required by the Brown Act. The purpose of this is to provide a safe environment for the public, staff, and the Subcommittee, while allowing for public participation. The public may address the Subcommittee using exclusively remote public comment options. The Subcommittee may take action on any item listed in the agenda.

TO ADDRESS THE SUBCOMMITTEE

The meeting will be an exclusively virtual meeting. The agenda materials may be viewed online at www.brisbaneca.org at least 72 hours prior to the meeting.

REMOTE PUBLIC COMMENTS

Meeting participants are encouraged to submit public comments in writing in advance of the meeting. Aside from commenting while in the Zoom meeting, the following email and text line will be monitored during the meeting, and public comments received will be noted for the record during Public Comment or during an Item.

Email: aibarra@brisbaneca.org

Text: 415-407-2675

Call-in number for oral communications if not using Computer Audio: 1-669-900-9128

After entering the meeting ID and pressing #, simply press # a second time to enter the meeting waiting room. No participant code is required. Please wait on the call until a Subcommittee or Staff Member announces that the phone line is open. Dial *9 to “raise hand” and dial *6 to mute/unmute.

JOINING MEETING

Public Meetings may be viewed live by joining the Zoom Meeting listed below.

<https://us06web.zoom.us/j/83302876747?pwd=RldBOUNwMnhFU3d4ZGpRSVR2YWJSdz09>

Meeting ID: 833 0287 6747

Passcode: 123546

SPECIAL ASSISTANCE

If you need special assistance to participate in this meeting, please contact Angel Ibarra at (415) 508-2109. Notification in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

SUBCOMMITTEE MEMBERS:

Mayor Mackin, Mayor Pro-tem Lentz

PRESENTATIONS AND DISCUSSION ITEMS

A. Review Projected Water and Sewer Rate Increases

PUBLIC COMMENT

ADJOURNMENT

A.

File Attachments for Item:

A. Review Projected Water and Sewer Rate Increases



CITY OF BRISBANE SEWER RATE STUDY 2022

**Draft Tables
June 7, 2022**



Table 1: Utility Reserves
City of Brisbane
Water and Sewer Utility Rate Study 2022

Current Assets	As of June 30, 2020	As of June 30, 2021	50% of Current Assets
Cash and investments (1)	\$7,378,892	\$7,656,890	\$3,689,446
Restricted cash and investments	1,884,484	0	\$942,242
Accounts receivable, net	1,097,729	1,076,741	\$548,865
Taxes receivable	1,246	536	\$623
<u>Interest receivable</u>	<u>13,890</u>	<u>3,660</u>	<u>\$6,945</u>
Total Current Assets	10,376,241	8,737,827	\$5,188,121

Source: Proprietary Funds, Statement of Net Position, June 30, 2020 and June 30, 2022

(1) Estimated total utility reserves

Reserves by Utility	As of June 30, 2021	% of Total
Water Utility Beginning Reserve Fund Balance	\$2,828,445	36.9%
<u>Sewer Utility Beginning Reserve Fund Balance</u>	<u>4,828,445</u>	<u>63.1%</u>
Total Reserves	7,656,890	100.0%

Table 2: Combined Water and Sewer Cash Flow Projection (Water Rate Annual Increases = 8%, Sewer Rate Annual Increases = 24%)

DRAFT - 6/7/22

City of Brisbane

Water & Sewer Utility Rate Study 2022

	Budget 2021/22	Years 1 -5: Proposition 218					Years 6 - 10: Extended Projection				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
1 BEGINNING FUND BALANCE	\$7,656,890	\$6,575,087	\$4,449,056	\$2,622,712	\$3,692,556	\$2,803,087	\$2,608,406	\$3,371,999	\$4,085,412	\$4,736,734	\$5,305,377
2											
3 REVENUES											
4 Water Sales (1)	3,000,000	3,120,000	3,370,000	3,640,000	3,931,000	4,245,000	4,670,000	5,044,000	5,448,000	5,884,000	6,355,000
5 Sewer Service Charges (1)	2,000,000	2,240,000	2,778,000	3,445,000	4,272,000	5,297,000	5,615,000	5,952,000	6,309,000	6,688,000	7,089,000
6 Drought Reserve Charge	100,000	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0
7 Capital Charge (2)	365,000	515,000	515,000	515,000	515,000	515,000	815,000	815,000	815,000	815,000	815,000
8 Investment Earnings	50,000	51,000	52,000	53,000	54,000	55,000	56,000	57,000	58,000	59,000	60,000
9 Account Open/Reconnection Fees	3,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
10 Late Payment Charges	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
11 Sewer & Meter Connection Fees	23,000	25,000	27,000	29,000	31,000	33,000	36,000	39,000	42,000	45,000	48,000
12 Fire Service Charges	115,000	124,000	134,000	145,000	157,000	170,000	187,000	202,000	218,000	235,000	254,000
13 Altamar Meter Reading Fee	7,500	8,000	9,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000	17,000
14 Transfers from Other Funds	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
15 Less: Low Income Rate Assistance	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
16 Projected Grant Revenue	0	0	0	2,500,000	0	0	0	0	0	0	0
17 Total Revenues	5,673,500	6,197,000	6,999,000	10,451,000	9,085,000	10,441,000	11,406,000	12,137,000	12,919,000	13,756,000	14,652,000
18											
19 EXPENSES											
20 Operating & Maintenance											
21 Salaries	949,583	987,000	1,027,000	1,068,000	1,110,000	1,154,000	1,200,000	1,248,000	1,298,000	1,350,000	1,404,000
22 Payroll Taxes	13,300	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
23 Benefits	523,326	544,000	566,000	589,000	613,000	637,000	663,000	689,000	717,000	745,000	775,000
24 Insurance	110,225	121,000	127,000	133,000	140,000	147,000	154,000	162,000	170,000	179,000	188,000
25 Supplies and Services	3,585,356	4,057,000	4,463,000	4,910,000	5,401,000	5,942,000	6,536,000	7,190,000	7,909,000	8,700,000	9,570,000
26 Admin Charges and Credit	936,825	969,000	1,003,000	1,038,000	1,075,000	1,113,000	1,152,000	1,192,000	1,233,000	1,276,000	1,321,000
27 Subtotal O&M	6,118,616	6,691,000	7,199,000	7,751,000	8,352,000	9,006,000	9,718,000	10,494,000	11,340,000	12,263,000	13,271,000
28											
29 Net Operating Revenue	(445,116)	(494,000)	(200,000)	2,700,000	733,000	1,435,000	1,688,000	1,643,000	1,579,000	1,493,000	1,381,000
30											
31 Debt Service											
32 2015 Utility Bonds	636,688	632,031	626,344	630,156	622,469	629,681	624,406	629,588	627,678	624,356	635,813
33 New Bonds (3)	0	0	0	0	0	0	300,000	300,000	300,000	300,000	300,000
34 Subtotal Debt Service	636,688	632,031	626,344	630,156	622,469	629,681	924,406	929,588	927,678	924,356	935,813
35											
36 Capital Projects	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	0	0
37											
38 Total Expenses	6,755,303	8,323,031	8,825,344	9,381,156	9,974,469	10,635,681	10,642,406	11,423,588	12,267,678	13,187,356	14,206,813
39											
40 Total Net Revenues	(1,081,803)	(2,126,031)	(1,826,344)	1,069,844	(889,469)	(194,681)	763,594	713,413	651,322	568,644	445,188
41											
42 ENDING FUND BALANCE	6,575,087	4,449,056	2,622,712	3,692,556	2,803,087	2,608,406	3,371,999	4,085,412	4,736,734	5,305,377	5,750,565
43											
44											
45 Reserve Funds											
46 Operating Reserve Target (25% of O&M)	1,529,700	1,672,800	1,799,800	1,937,800	2,088,000	2,251,500	2,429,500	2,623,500	2,835,000	3,065,800	3,317,800
47 Drought Reserve (\$700,000?)	447,499	547,499	647,499	747,499	847,499	947,499	947,499	947,499	947,499	947,499	947,499
48 Total Combined Reserves	1,977,199	2,220,299	2,447,299	2,685,299	2,935,499	3,198,999	3,376,999	3,570,999	3,782,499	4,013,299	4,265,299
49 Target Met?	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
50											
51 Debt Service Coverage - 1.25x (4)	-0.70	-0.78	-0.32	0.32	1.18	2.28	1.83	1.77	1.70	1.62	1.48
52 Target Met?	no	no	no	no	no	yes	yes	yes	yes	yes	yes
53											

1 - Water Sales & Sewer Service Charges for 2022/23 have been adjusted for September 1, 2022 implementation date

2 - Assumes Capital Charge will increase in 2022/23 by half

3 - Total debt service for New Bonds is estimated at \$300,000

Table 3: Scenario 1: No Rate Increases - Sewer Cash Flow Projection
City of Brisbane
Sewer Utility Rate Study 2022

DRAFT - 6/7/22

	Budget 2021/22	Years 1 -5: Proposition 218					Years 6 - 10: Extended Projection				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
1 Overall Revenue Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2 Rate Increase Effective		Jan 1, 2023	Jul 1, 2023	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	Jul 1, 2031
3											
4											
5 BEGINNING FUND BALANCE	\$4,828,445	\$3,591,447	\$1,686,916	(\$476,928)	(\$1,677,584)	(\$4,434,553)	(\$7,532,734)	(\$10,497,640)	(\$13,866,728)	(\$17,673,906)	(\$21,957,762)
6											
7 Sewer Service Charges Based on 12 Mos. of Rev	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
8											
9 REVENUES											
10 Sewer Service Charges (1)	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
11 Investment Earnings	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000
12 Sewer Connection Fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
13 Account Open/Reconnections	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
14 Late Payment Charges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
15 Capital Charge (2)	182,500	257,500	257,500	257,500	257,500	257,500	407,500	407,500	407,500	407,500	407,500
16 Transfers from Other Funds	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
17 Less: Low Income Rate Assistance	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
18 Projected Grant Revenue	0	0	0	1,250,000	0	0	0	0	0	0	0
19 Total Revenues	2,217,000	2,293,500	2,294,500	3,545,500	2,296,500	2,297,500	2,448,500	2,449,500	2,450,500	2,451,500	2,452,500
20											
21 EXPENSES											
22 Operating & Maintenance											
23 Salaries	450,458	468,000	487,000	506,000	526,000	547,000	569,000	592,000	616,000	641,000	667,000
24 Payroll Taxes	6,188	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
25 Benefits	245,581	255,000	265,000	276,000	287,000	298,000	310,000	322,000	335,000	348,000	362,000
26 Insurance	51,287	56,000	59,000	62,000	65,000	68,000	71,000	75,000	79,000	83,000	87,000
27 Supplies and Services	1,918,359	2,115,000	2,327,000	2,560,000	2,816,000	3,098,000	3,408,000	3,749,000	4,124,000	4,536,000	4,990,000
28 Admin Charges and Credit	463,781	482,000	501,000	521,000	542,000	564,000	587,000	610,000	634,000	659,000	685,000
29 Subtotal O&M	3,135,654	3,382,000	3,645,000	3,931,000	4,242,000	4,581,000	4,951,000	5,354,000	5,794,000	6,273,000	6,797,000
30											
31 Net Operating Revenues	(918,654)	(1,088,500)	(1,350,500)	(385,500)	(1,945,500)	(2,283,500)	(2,502,500)	(2,904,500)	(3,343,500)	(3,821,500)	(4,344,500)
32											
33 Debt Service											
34 2015 Utility Bonds	318,344	316,031	313,344	315,156	311,469	314,681	312,406	314,588	313,678	312,356	317,813
35 New Bonds (3)	0	0	0	0	0	0	150,000	150,000	150,000	150,000	150,000
36 Subtotal Debt Service	318,344	316,031	313,344	315,156	311,469	314,681	462,406	464,588	463,678	462,356	467,813
37											
38 Capital Projects	0	500,000	500,000	500,000	500,000	500,000	0	0	0	0	0
39											
40 Total Expenses	3,453,998	4,198,031	4,458,344	4,746,156	5,053,469	5,395,681	5,413,406	5,818,588	6,257,678	6,735,356	7,264,813
41											
42 Net Revenues	(1,236,998)	(1,904,531)	(2,163,844)	(1,200,656)	(2,756,969)	(3,098,181)	(2,964,906)	(3,369,088)	(3,807,178)	(4,283,856)	(4,812,313)
43											
44 ENDING FUND BALANCE	3,591,447	1,686,916	(476,928)	(1,677,584)	(4,434,553)	(7,532,734)	(10,497,640)	(13,866,728)	(17,673,906)	(21,957,762)	(26,770,075)
45											
46 Reserve Funds											
47 Operating Reserve Target (25% of O&M)	783,900	845,500	911,300	982,800	1,060,500	1,145,300	1,237,800	1,338,500	1,448,500	1,568,300	1,699,300
48 Target Met?	yes	yes	no	no	no	no	no	no	no	no	no
49											
50 Debt Service Coverage - 1.25x (4)	(2.89)	(3.44)	(4.31)	(5.19)	(6.25)	(7.26)	(5.41)	(6.25)	(7.21)	(8.27)	(9.29)
51 Target Met?	no	no	no	no	no	no	no	no	no	no	no
52											
53											

1 - Sewer Service Charges projection adjusted for September 1, 2022 implementation date

2 - Assumes Capital Charge will increase every 5 years. First increase is planned for 2022/23 in which the Capital Charge will increase by half. Second increase is anticipated in 2027/28 and assumes that the City will issue \$5 million in new debt (combined water & sewer).

3 - Total debt service for New Bonds is estimated at \$300,000 and is split evenly with the Sewer Utility.

Table 4: Scenario 2: 14% Annual Rate Increases - Sewer Cash Flow Projection

DRAFT - 6/7/22

City of Brisbane

Sewer Utility Rate Study 2022

	Budget 2021/22	Years 1 -5: Proposition 218					Years 6 - 10: Extended Projection				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
1 Overall Revenue Adjustment		14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
2 Rate Increase Effective		Jan 1, 2023	Jul 1, 2023	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	Jul 1, 2031
3											
4											
5 BEGINNING FUND BALANCE	\$4,828,445	\$3,591,447	\$1,826,916	\$103,072	(\$315,584)	(\$1,901,553)	(\$3,384,734)	(\$4,078,640)	(\$4,599,728)	(\$4,900,906)	(\$4,928,762)
6											
7 Sewer Service Charges Based on 12 Mos. of Rev	2,000,000	2,280,000	2,440,000	2,782,000	3,171,000	3,615,000	4,121,000	4,698,000	5,356,000	6,106,000	6,961,000
8											
9 REVENUES											
10 Sewer Service Charges (1)	2,000,000	2,140,000	2,440,000	2,782,000	3,171,000	3,615,000	4,121,000	4,698,000	5,356,000	6,106,000	6,961,000
11 Investment Earnings	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000
12 Sewer Connection Fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
13 Account Open/Reconnections	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
14 Late Payment Charges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
15 <u>Capital Charge (2)</u>	182,500	257,500	257,500	257,500	257,500	257,500	407,500	407,500	407,500	407,500	407,500
16 Transfers from Other Funds	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
17 Less: Low Income Rate Assistance	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
18 <u>Projected Grant Revenue</u>	0	0	0	1,250,000	0	0	0	0	0	0	0
19 Total Revenues	2,217,000	2,433,500	2,734,500	4,327,500	3,467,500	3,912,500	4,569,500	5,147,500	5,806,500	6,557,500	7,413,500
20											
21 EXPENSES											
22 <u>Operating & Maintenance</u>											
23 Salaries	450,458	468,000	487,000	506,000	526,000	547,000	569,000	592,000	616,000	641,000	667,000
24 Payroll Taxes	6,188	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
25 Benefits	245,581	255,000	265,000	276,000	287,000	298,000	310,000	322,000	335,000	348,000	362,000
26 Insurance	51,287	56,000	59,000	62,000	65,000	68,000	71,000	75,000	79,000	83,000	87,000
27 Supplies and Services	1,918,359	2,115,000	2,327,000	2,560,000	2,816,000	3,098,000	3,408,000	3,749,000	4,124,000	4,536,000	4,990,000
28 <u>Admin Charges and Credit</u>	463,781	482,000	501,000	521,000	542,000	564,000	587,000	610,000	634,000	659,000	685,000
29 Subtotal O&M	3,135,654	3,382,000	3,645,000	3,931,000	4,242,000	4,581,000	4,951,000	5,354,000	5,794,000	6,273,000	6,797,000
30											
31 Net Operating Revenues	(918,654)	(948,500)	(910,500)	396,500	(774,500)	(668,500)	(381,500)	(206,500)	12,500	284,500	616,500
32											
33 Debt Service											
34 2015 Utility Bonds	318,344	316,031	313,344	315,156	311,469	314,681	312,406	314,588	313,678	312,356	317,813
35 <u>New Bonds (3)</u>	0	0	0	0	0	0	0	0	0	0	0
36 Subtotal Debt Service	318,344	316,031	313,344	315,156	311,469	314,681	312,406	314,588	313,678	312,356	317,813
37											
38 Capital Projects	0	500,000	500,000	500,000	500,000	500,000	0	0	0	0	0
39											
40 Total Expenses	3,453,998	4,198,031	4,458,344	4,746,156	5,053,469	5,395,681	5,263,406	5,668,588	6,107,678	6,585,356	7,114,813
41											
42 Net Revenues	(1,236,998)	(1,764,531)	(1,723,844)	(418,656)	(1,585,969)	(1,483,181)	(693,906)	(521,088)	(301,178)	(27,856)	298,688
43											
44 ENDING FUND BALANCE	3,591,447	1,826,916	103,072	(315,584)	(1,901,553)	(3,384,734)	(4,078,640)	(4,599,728)	(4,900,906)	(4,928,762)	(4,630,075)
45											
46											
47 <u>Reserve Funds</u>											
48 Operating Reserve Target (25% of O&M)	783,900	845,500	911,300	982,800	1,060,500	1,145,300	1,237,800	1,338,500	1,448,500	1,568,300	1,699,300
49 <u>Target Met?</u>	yes	yes	no	no	no	no	no	no	no	no	no
50											
51 Debt Service Coverage - 1.25x (4)	(2.89)	(3.00)	(2.91)	(2.71)	(2.49)	(2.12)	(1.22)	(0.66)	0.04	0.91	1.94
52 <u>Target Met?</u>	no	no	no	no	no	no	no	no	no	no	yes
53											

1 - Sewer Service Charges projection adjusted for September 1, 2022 implementation date

2 - Assumes Capital Charge will increase every 5 years. First increase is planned for 2022/23 in which the Capital Charge will increase by half. Second increase is anticipated in 2027/28 and assumes that the City will issue \$5 million in new debt (combined water & sewer).

3 - Total debt service for New Bonds is estimated at \$300,000 and is split evenly with the Sewer Utility.

Table 5: Scenario 3: 24% Annual Rate Increases - Sewer Cash Flow Projection
City of Brisbane
Sewer Utility Rate Study 2022

DRAFT - 6/7/22

	Budget 2021/22	Years 1 -5: Proposition 218					Years 6 - 10: Extended Projection				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
1 Overall Revenue Adjustment		24.0%	24.0%	24.0%	24.0%	24.0%	6.0%	6.0%	6.0%	6.0%	6.0%
2 Rate Increase Effective		Jan 1, 2023	Jul 1, 2023	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	Jul 1, 2031
3											
4											
5 BEGINNING FUND BALANCE	\$4,828,445	\$3,591,447	\$1,926,916	\$541,072	\$785,416	\$300,447	\$499,266	\$1,149,360	\$1,732,272	\$2,234,094	\$2,638,238
6											
7 Sewer Service Charges Based on 12 Mos. of Rev	2,000,000	2,480,000	2,778,000	3,445,000	4,272,000	5,297,000	5,615,000	5,952,000	6,309,000	6,688,000	7,089,000
8											
9 REVENUES											
10 Sewer Service Charges (1)	2,000,000	2,240,000	2,778,000	3,445,000	4,272,000	5,297,000	5,615,000	5,952,000	6,309,000	6,688,000	7,089,000
11 Investment Earnings	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000	35,000
12 Sewer Connection Fees	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
13 Account Open/Reconnections	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
14 Late Payment Charges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
15 Capital Charge (2)	182,500	257,500	257,500	257,500	257,500	257,500	407,500	407,500	407,500	407,500	407,500
16 Transfers from Other Funds	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
17 Less: Low Income Rate Assistance	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
18 Projected Grant Revenue	0	0	0	1,250,000	0	0	0	0	0	0	0
19 Total Revenues	2,217,000	2,533,500	3,072,500	4,990,500	4,568,500	5,594,500	6,063,500	6,401,500	6,759,500	7,139,500	7,541,500
20											
21 EXPENSES											
22 Operating & Maintenance											
23 Salaries	450,458	468,000	487,000	506,000	526,000	547,000	569,000	592,000	616,000	641,000	667,000
24 Payroll Taxes	6,188	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
25 Benefits	245,581	255,000	265,000	276,000	287,000	298,000	310,000	322,000	335,000	348,000	362,000
26 Insurance	51,287	56,000	59,000	62,000	65,000	68,000	71,000	75,000	79,000	83,000	87,000
27 Supplies and Services	1,918,359	2,115,000	2,327,000	2,560,000	2,816,000	3,098,000	3,408,000	3,749,000	4,124,000	4,536,000	4,990,000
28 Admin Charges and Credit	463,781	482,000	501,000	521,000	542,000	564,000	587,000	610,000	634,000	659,000	685,000
29 Subtotal O&M	3,135,654	3,382,000	3,645,000	3,931,000	4,242,000	4,581,000	4,951,000	5,354,000	5,794,000	6,273,000	6,797,000
30											
31 Net Operating Revenues	(918,654)	(848,500)	(572,500)	1,059,500	326,500	1,013,500	1,112,500	1,047,500	965,500	866,500	744,500
32											
33 Debt Service											
34 2015 Utility Bonds	318,344	316,031	313,344	315,156	311,469	314,681	312,406	314,588	313,678	312,356	317,813
35 New Bonds (3)	0	0	0	0	0	0	150,000	150,000	150,000	150,000	150,000
36 Subtotal Debt Service	318,344	316,031	313,344	315,156	311,469	314,681	462,406	464,588	463,678	462,356	467,813
37											
38 Capital Projects	0	500,000	500,000	500,000	500,000	500,000	0	0	0	0	0
39											
40 Total Expenses	3,453,998	4,198,031	4,458,344	4,746,156	5,053,469	5,395,681	5,413,406	5,818,588	6,257,678	6,735,356	7,264,813
41											
42 Net Revenues	(1,236,998)	(1,664,531)	(1,385,844)	244,344	(484,969)	198,819	650,094	582,913	501,822	404,144	276,688
43											
44 ENDING FUND BALANCE	3,591,447	1,926,916	541,072	785,416	300,447	499,266	1,149,360	1,732,272	2,234,094	2,638,238	2,914,925
45											
46 Reserve Funds											
47 Operating Reserve Target (25% of O&M)	783,900	845,500	911,300	982,800	1,060,500	1,145,300	1,237,800	1,338,500	1,448,500	1,568,300	1,699,300
48 Target Met?	yes	yes	no	no	no	no	no	yes	yes	yes	yes
49											
50 Debt Service Coverage - 1.25x (4)	(2.89)	(2.68)	(1.83)	(0.60)	1.05	3.22	2.41	2.25	2.08	1.87	1.59
51 Target Met?	no	no	no	no	no	yes	yes	yes	yes	yes	yes
52											
53											

1 - Sewer Service Charges projection adjusted for September 1, 2022 implementation date

2 - Assumes Capital Charge will increase every 5 years. First increase is planned for 2022/23 in which the Capital Charge will increase by half. Second increase is anticipated in 2027/28 and assumes that the City will issue \$5 million in new debt (combined water & sewer).

3 - Total debt service for New Bonds is estimated at \$300,000 and is split evenly with the Sewer Utility.

Table 6: Sewer Scenario Comparison
City of Brisbane
Sewer Utility Rate Study 2022

GOAL 1 : MEET DEBT SERVICE COVERAGE

	Current 2021/22	Proposed				
		2022/23	2023/24	2024/25	2025/26	2026/27
Debt Service Coverage Ratio Required	1.25	1.25	1.25	1.25	1.25	1.25
Scenario 1: No Rate Increases <i>Target Met?</i>	(2.89) no	(3.44) no	(4.31) no	(5.19) no	(6.25) no	(7.26) no
Scenario 2: 14% Annual Rate Increases <i>Target Met?</i>	(2.89) no	(3.00) no	(2.91) no	(2.71) no	(2.49) no	(2.12) no
Scenario 3: 24% Annual Rate Increases <i>Target Met?</i>	(2.89) no	(2.68) no	(1.83) no	(0.60) no	1.05 no	3.22 yes

GOAL 2: MEET SEWER RESERVE FUND TARGETS

	Current 2021/22	Proposed				
		2022/23	2023/24	2024/25	2025/26	2026/27
Sewer Fund Reserve Target	\$691,000	\$783,900	\$845,500	\$911,300	\$982,800	\$1,060,500
Scenario 1: No Rate Increases <i>Target Met?</i>	\$3,591,447 no	\$1,686,916 no	(\$476,928) no	(\$1,677,584) no	(\$4,434,553) no	(\$7,532,734) no
Scenario 2: 14% Annual Rate Increases <i>Target Met?</i>	\$3,591,447 no	\$1,826,916 no	\$103,072 no	(\$315,584) no	(\$1,901,553) no	(\$3,384,734) no
Scenario 3: 24% Annual Rate Increases <i>Target Met?</i>	\$3,591,447 no	\$1,926,916 no	\$541,072 no	\$785,416 no	\$300,447 no	\$499,266 no

GOAL 3: POSITIVE TOTAL NET REVENUES

	Current 2021/22	Proposed				
		2022/23	2023/24	2024/25	2025/26	2026/27
Scenario 1: No Rate Increases <i>Target Met?</i>	(\$1,236,998) no	(\$1,904,531) no	(\$2,163,844) no	(\$1,200,656) no	(\$2,756,969) no	(\$3,098,181) no
Scenario 2: 14% Annual Rate Increases <i>Target Met?</i>	(\$1,236,998) no	(\$1,764,531) no	(\$1,723,844) no	(\$418,656) no	(\$1,585,969) no	(\$1,483,181) no
Scenario 3: 24% Annual Rate Increases <i>Target Met?</i>	(\$1,236,998) no	(\$1,664,531) no	(\$1,385,844) no	\$244,344 yes	(\$484,969) no	\$198,819 yes

Table 7: Sewer Scenario Comparison Graph - Ending Sewer Fund Reserve Fund Balance
City of Brisbane
Sewer Utility Rate Study 2022

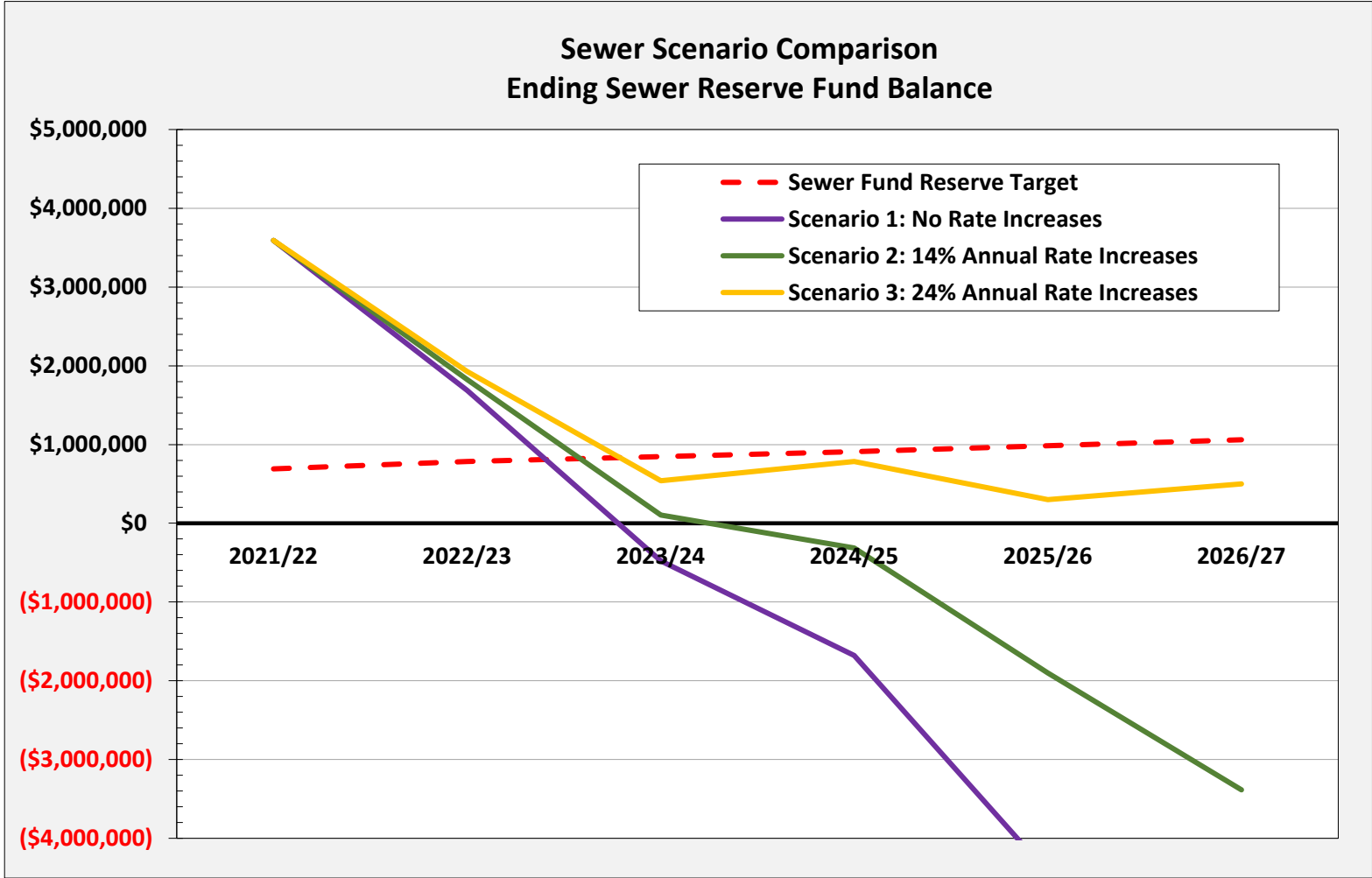


Table 8: Scenario 3: 24% Annual Rate Increases - Sewer Cost Allocation
City of Brisbane
Sewer Utility Rate Study 2022

Expenses	FY2022/23 Budget	Cost Allocation - %					Cost Allocation - \$				
		Base	Flow	BOD	TSS	Total	Base	Flow	BOD	TSS	Total
<i>Operating Expenses</i>											
Salaries	\$468,000	30%	23%	23%	23%	100%	\$140,400	\$109,200	\$109,200	\$109,200	\$468,000
Payroll Taxes	\$6,000	30%	23%	23%	23%	100%	\$1,800	\$1,400	\$1,400	\$1,400	\$6,000
Benefits	\$255,000	30%	23%	23%	23%	100%	\$76,500	\$59,500	\$59,500	\$59,500	\$255,000
Insurance	\$56,000	30%	23%	23%	23%	100%	\$16,800	\$13,067	\$13,067	\$13,067	\$56,000
Supplies and Services	\$2,115,000	30%	23%	23%	23%	100%	\$634,500	\$493,500	\$493,500	\$493,500	\$2,115,000
<u>Admin Charges and Credit</u>	<u>\$482,000</u>	30%	23%	23%	23%	100%	<u>\$144,600</u>	<u>\$112,467</u>	<u>\$112,467</u>	<u>\$112,467</u>	<u>\$482,000</u>
Subtotal Operating Expenses	\$3,382,000						\$1,014,600	\$789,133	\$789,133	\$789,133	\$3,382,000
<i>Debt Service</i>											
2015 Utility Bonds	\$316,031	30%	23%	23%	23%	100%	\$94,809	\$73,741	\$73,741	\$73,741	\$316,031
<u>New Bonds</u>	<u>\$0</u>	30%	23%	23%	23%	100%	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal Debt Service	\$316,031						\$94,809	\$73,741	\$73,741	\$73,741	\$316,031
Total Allocation	\$3,698,031	30.0%	23.3%	23.3%	23.3%	100.0%	\$1,109,409	\$862,874	\$862,874	\$862,874	\$3,698,031

Table 9: Scenario 3: 24% Annual Rate Increases: Sewer Flat Charge Rate Derivation
City of Brisbane
Sewer Utility Rate Study 2022

	Current	PROJECTED - RATE STUDY PERIOD				
		2022/23	2023/24	2024/25	2025/26	2026/27
TOTAL REVENUE REQUIREMENT (1)		\$2,480,000	\$2,778,000	\$3,445,000	\$4,272,000	\$5,297,000
Fixed/Variable Allocation						
Fixed Charge		30.0%	30.0%	30.0%	30.0%	30.0%
Variable Charge		70.0%	70.0%	70.0%	70.0%	70.0%
FIXED SERVICE CHARGE CALCULATION						
Fixed Revenue Requirement		\$744,000	\$833,400	\$1,033,500	\$1,281,600	\$1,589,100
Total Number of Accounts	1,918	1,947	1,957	1,966	1,976	1,986
Bimonthly Flat Charge per Account	\$68.87	\$63.69	\$70.99	\$87.60	\$108.08	\$133.35
% Change		-7.5%	11.5%	23.4%	23.4%	23.4%

1 - Table 8, Line 5

Table 10: Sewer Flow and Loadings
City of Brisbane
Sewer Utility Rate Study 2022

Customer Class	BASE	FLOW		BOD		TSS	
	Accounts	Flow (ccf) (1)	Flow (MG)	Strength (mg/l)	Loadings (lbs)	Strength (mg/l)	Loadings (lbs)
Residential	1,669	89,719	67.1	175	97,947	175	97,947
Standard Commercial	208	37,290	27.9	200	46,525	200	46,525
Medium Commercial	6	4,261	3.2	300	7,974	300	7,974
<u>Heavy Commercial</u>	<u>28</u>	<u>41,651</u>	<u>31.2</u>	400	<u>103,933</u>	400	<u>103,933</u>
Total	1,911	172,921	129.3		256,380		256,380

Table 11: Projected Growth, Flow and Loadings
City of Brisbane
Sewer Utility Rate Study 2022

	CURRENT 2019/20	PROJECTED		PROJECTED - RATE STUDY PERIOD				
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
NUMBER OF ACCOUNTS								
Increase %		0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Residential	1,669	1,677	1,686	1,694	1,703	1,711	1,720	1,728
Standard Commercial	215	216	217	218	219	220	222	223
Medium Commercial	8	8	8	8	8	8	8	8
Heavy Commercial	26	26	26	26	27	27	27	27
Total Sewer Accounts	1,918	1,928	1,937	1,947	1,957	1,966	1,976	1,986
SEWER FLOW (ccf)								
Increase %		0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Residential	89,719	90,000	90,000	92,000	94,000	96,000	98,000	100,000
Standard Commercial	37,290	37,000	37,000	38,000	39,000	40,000	41,000	42,000
Medium Commercial	4,261	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Heavy Commercial	41,651	42,000	42,000	43,000	44,000	45,000	46,000	47,000
Total Estimated Flow (ccf)	172,921	173,000	173,000	177,000	181,000	185,000	189,000	193,000
SEWER LOADINGS (mg/l)								
Increase %		0.00%	0.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Residential	97,947	98,000	98,000	100,000	102,000	104,000	106,000	108,000
Standard Commercial	46,525	47,000	47,000	48,000	49,000	50,000	51,000	52,000
Medium Commercial (1)	7,974	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Heavy Commercial	103,933	104,000	104,000	106,000	108,000	110,000	112,000	114,000
Total Estimated Loadings	256,380	257,000	257,000	262,000	267,000	272,000	277,000	282,000

Table 12: Scenario 3: 24% Annual Rate Increases - Sewer Variable Unit Rate Derivation for 2022/23
City of Brisbane
Sewer Utility Rate Study 2022

Allocation to Variable Charges

FY2022/23 Revenue Requirement (1)	\$2,480,000
Variable Charge Recovery %	70%
Variable Charge Recovery \$	\$1,736,000

Allocation to Flow, BOD, SS	<u>Flow</u>	<u>BOD</u>	<u>SS</u>
Cost Allocation %	50%	25%	25%
Cost Allocation \$	\$868,000	\$434,000	\$434,000
Total Annual Loadings (2)	177,000	262,000	262,000
Units	ccf	lbs	lbs
Unit Cost	\$4.90 per ccf	\$1.66 per lb	\$1.66 per lb

1 - Table 5, Line 10

2 - Table 11

Table 13: Scenario 3: 24% Annual Rate Increases - Volume Rate by Customer Classes for 2022/23
City of Brisbane
Sewer Utility Rate Study 2022

Customer Class	Wastewater Strength (mg/l)		Unit Rates (\$ per ccf or lb) (1)			Total Rate per ccf
			Flow	BOD	SS	
	BOD	SS	\$4.90	\$1.66	\$1.66	
Residential	175	175	\$4.90	\$1.81	\$1.81	\$8.52
Standard Commercial	200	200	\$4.90	\$2.07	\$2.07	\$9.04
Medium Commercial	300	300	\$4.90	\$3.10	\$3.10	\$11.10
Heavy Commercial	400	400	\$4.90	\$4.13	\$4.13	\$13.17

1 - Table 12

Table 14: Scenario 3: 24% Annual Rate Increases - Proposed Bi-Monthly Sewer Rates**City of Brisbane****Sewer Utility Rate Study 2022**

	Current Rates	PROJECTED - RATE STUDY PERIOD				
		2022/23	2023/24	2024/25	2025/26	2026/27
RESIDENTIAL						
Flat Charge	\$68.87	\$63.69	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge (1)						
Tier 1: 0 - 8 ccf	\$2.81	\$8.52	\$9.34	\$11.36	\$13.81	\$16.78
Tier 2: Over 8 ccf	\$7.66	\$8.52	\$9.34	\$11.36	\$13.81	\$16.78
COMMERCIAL						
Standard						
Flat Charge	\$68.87	\$63.69	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge						
Tier 1: 0 - 8 ccf	\$3.84	\$9.04	\$9.91	\$12.05	\$14.65	\$17.81
Tier 2: Over 8 ccf	\$7.66	\$9.04	\$9.91	\$12.05	\$14.65	\$17.81
Medium						
Flat Charge	\$68.87	\$63.69	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge						
Tier 1: 0 - 8 ccf	\$5.68	\$11.10	\$12.18	\$14.82	\$18.02	\$21.91
Tier 2: Over 8 ccf	\$9.74	\$11.10	\$12.18	\$14.82	\$18.02	\$21.91
Heavy						
Flat Charge	\$68.87	\$13.17	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge						
Tier 1: 0 - 8 ccf	\$7.59	\$13.17	\$14.45	\$17.58	\$21.39	\$26.01
Tier 2: Over 8 ccf	\$11.82	\$13.17	\$14.45	\$17.58	\$21.39	\$26.01

1 - Residential bill is based on winter consumption (Oct, Nov, Dec & Jan)

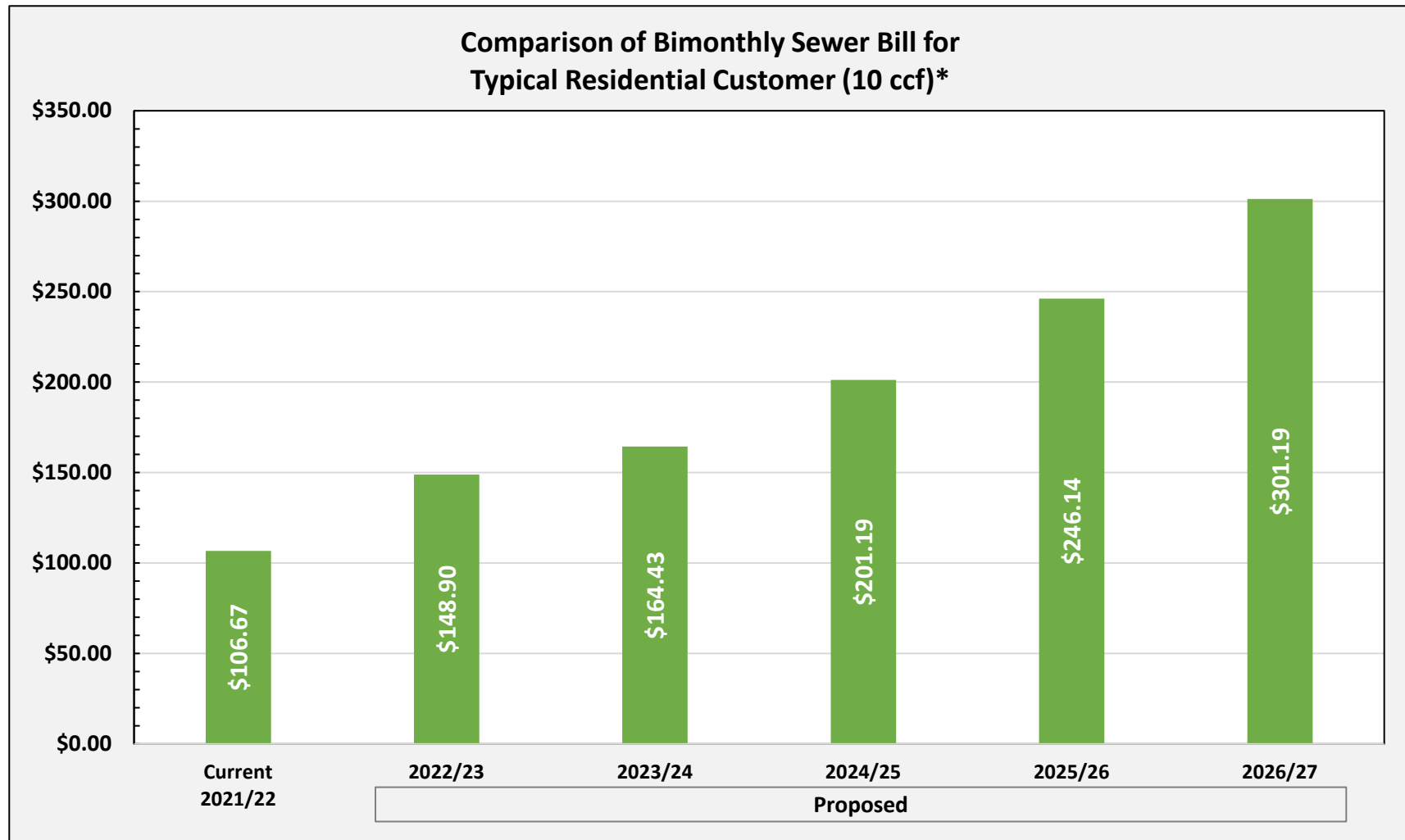
Table 15: Scenario 3: 24% Annual Rate Increases - Sample Bimonthly Sewer Bill Impacts
City of Brisbane
Sewer Utility Rate Study 2022

RESIDENTIAL BILL IMPACTS

	Bimonthly Use (ccf)	Current Bill	Proposed				
			2022/23	2023/24	2024/25	2025/26	2026/27
Residential - 4 ccf							
Fixed Charge		\$68.87	\$63.69	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge							
Tier 1: 0 - 8 ccf	4	\$11.24	\$34.08	\$37.38	\$45.44	\$55.22	\$67.13
Tier 2: Over 8 ccf	0	\$0.00					
Subtotal Variable Charge	4	\$11.24					
Total Bimonthly Sewer Bill		\$80.11	\$97.77	\$108.37	\$133.04	\$163.30	\$200.48
\$ Change			\$17.66	\$10.59	\$24.67	\$30.27	\$37.18
% Change			22.0%	10.8%	22.8%	22.8%	22.8%
Residential - 10 ccf							
Fixed Charge		\$68.87	\$63.69	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$22.48	\$85.21	\$93.44	\$113.59	\$138.06	\$167.84
Tier 2: Over 8 ccf	2	\$15.32					
Subtotal Variable Charge	10	\$37.80					
Total Bimonthly Sewer Bill		\$106.67	\$148.90	\$164.43	\$201.19	\$246.14	\$301.19
\$ Change			\$42.23	\$15.54	\$36.76	\$44.95	\$55.05
% Change			39.6%	10.4%	22.4%	22.3%	22.4%
Residential - 20 ccf							
Fixed Charge		\$68.87	\$63.69	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$22.48	\$170.42	\$186.89	\$227.19	\$276.12	\$335.67
Tier 2: Over 8 ccf	12	\$91.92					
Subtotal Variable Charge	20	\$114.40					
Total Bimonthly Sewer Bill		\$183.27	\$234.11	\$257.88	\$314.79	\$384.20	\$469.02
\$ Change			\$50.84	\$23.77	\$56.91	\$69.41	\$84.82
% Change			27.7%	10.2%	22.1%	22.1%	22.1%
STANDARD COMMERCIAL							
	Bimonthly Use (ccf)	Current Bill	Proposed				
			2022/23	2023/24	2024/25	2025/26	2026/27
Standard Commercial - 10 ccf							
Fixed Charge		\$68.87	\$63.69	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$30.72	\$90.37	\$99.12	\$120.51	\$146.48	\$178.09
Tier 2: Over 8 ccf	2	\$15.32					
Subtotal Variable Charge	10	\$46.04					
Total Bimonthly Sewer Bill		\$114.91	\$154.06	\$170.11	\$208.11	\$254.56	\$311.44
\$ Change			\$39.15	\$16.05	\$38.00	\$46.45	\$56.88
% Change			34.1%	10.4%	22.3%	22.3%	22.3%
Standard Commercial - 20 ccf							
Fixed Charge		\$68.87	\$63.69	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$30.72	\$180.75	\$198.24	\$241.02	\$292.97	\$356.18
Tier 2: Over 8 ccf	12	\$91.92					
Subtotal Variable Charge	20	\$122.64					
Total Bimonthly Sewer Bill		\$191.51	\$244.44	\$269.23	\$328.62	\$401.05	\$489.53
\$ Change			\$52.93	\$24.80	\$59.38	\$72.43	\$88.48
% Change			27.6%	10.1%	22.1%	22.0%	22.1%

MEDIUM COMMERCIAL							
	Bimonthly Use (ccf)	Current Bill	Proposed				
			2022/23	2023/24	2024/25	2025/26	2026/27
Medium Commercial - 30 ccf							
Fixed Charge		\$68.87	\$63.69	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$45.44	\$333.13	\$365.50	\$444.50	\$540.52	\$657.31
Tier 2: Over 8 ccf	<u>22</u>	<u>\$214.28</u>					
Subtotal Variable Charge	30	\$259.72					
Total Bimonthly Sewer Bill		\$328.59	\$396.82	\$436.49	\$532.10	\$648.60	\$790.66
\$ Change			\$68.23	\$39.67	\$95.62	\$116.50	\$142.05
% Change			20.8%	10.0%	21.9%	21.9%	21.9%
Medium Commercial - 50 ccf							
Fixed Charge		\$68.87	\$63.69	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$45.44	\$555.21	\$609.16	\$740.84	\$900.87	\$1,095.52
Tier 2: Over 8 ccf	42	\$409.08					
Subtotal Variable Charge	50	\$454.52					
Total Bimonthly Sewer Bill		\$523.39	\$618.90	\$680.15	\$828.44	\$1,008.95	\$1,228.87
\$ Change			\$95.51	\$61.25	\$148.29	\$180.51	\$219.91
% Change			18.2%	9.9%	21.8%	21.8%	21.8%
HEAVY COMMERCIAL							
	Bimonthly Use (ccf)	Current Bill	Proposed				
			2022/23	2023/24	2024/25	2025/26	2026/27
Heavy Commercial - 80 ccf							
Fixed Charge		\$68.87	\$13.17	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$60.72	\$1,053.67	\$1,156.34	\$1,406.62	\$1,710.93	\$2,080.93
Tier 2: Over 8 ccf	<u>72</u>	<u>\$848.51</u>					
Subtotal Variable Charge	80	\$909.23					
Total Bimonthly Sewer Bill		\$978.10	\$1,066.84	\$1,227.33	\$1,494.22	\$1,819.01	\$2,214.28
\$ Change			\$88.74	\$160.49	\$266.89	\$324.79	\$395.27
% Change			9.1%	15.0%	21.7%	21.7%	21.7%
Heavy Commercial - 100 ccf							
Fixed Charge		\$68.87	\$13.17	\$70.99	\$87.60	\$108.08	\$133.35
Variable Charge							
Tier 1: 0 - 8 ccf	8	\$60.72	\$1,317.09	\$1,445.43	\$1,758.28	\$2,138.66	\$2,601.17
Tier 2: Over 8 ccf	<u>92</u>	<u>\$1,084.91</u>					
Subtotal Variable Charge	100	\$1,145.63					
Total Bimonthly Sewer Bill		\$1,214.50	\$1,330.26	\$1,516.42	\$1,845.88	\$2,246.74	\$2,734.52
\$ Change			\$115.76	\$186.16	\$329.46	\$400.87	\$487.77
% Change			9.5%	14.0%	21.7%	21.7%	21.7%

Table 16: Comparison of Bimonthly Sewer Bill for Typical Residential Customer
City of Brisbane
Sewer Utility Rate Study 2022



* Does not include Capital Charge

Table 17: Bimonthly Sewer Bill Survey
City of Brisbane
Sewer Utility Rate Study 2022

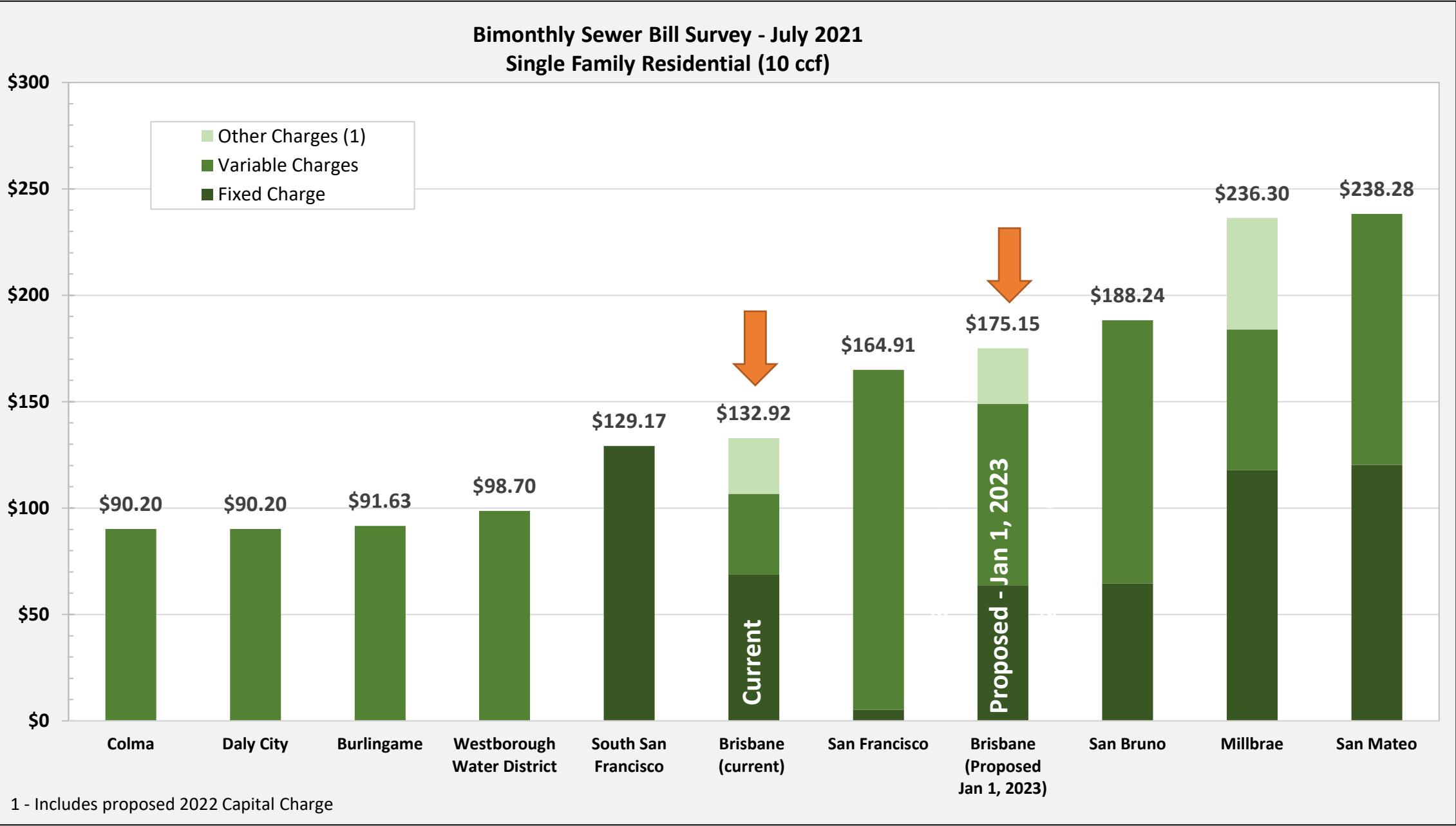


Table 18: Comparison of Sewer Rate Structures
City of Brisbane
Sewer Utility Rate Study 2022

City/Agency	SEWER RATE STRUCTURE			
	RESIDENTIAL	COMMERCIAL	NOTES	COMMERCIAL CATEGORIES
South San Francisco	Flat Rate (per dwelling unit)	Variable Charge per ccf or based on effluent	For Residential, assumes average annual effluent flow of 8,400 cubic feet. Commercial Rates are calculated by: a) Measuring the annual water use at each property and multiplying this usage by the inflow rate; or by B) Measuring the annual sewer flow from each property and multiplying by the effluent rate.	Commercial - 5 categories (low-strength, moderate strength, restaurant, industrial, and institutions)
Colma	Variable Charge per ccf with a minimum charge	Variable Charge per ccf with a minimum charge	Charge is calculated on the basis of two months’ average annualized water usage per CCF. Colma is currently considering adding a \$3.22/ccf new sewer collection system charge to the bill. In the process of holding public outreach meetings.	Commercial and residential customers have the same charge
San Mateo	Fixed Charge + Variable Charge per ccf	Variable Charge per ccf with a minimum charge	Commercial rates based on customer class and metered usage, subject to a minimum charge. Variable charge for both Residential & Commercial are based on average metered water use from November through March. Minimum charge is residential fixed monthly charge.	Commercial - 4 categories (standard, medium, high, and special (determined on a case-by-case basis)
Westborough Water District	Variable Charge per ccf	Variable Charge per ccf	Consumption is calculated on the basis of the total use during the preceding winter months of January and February, with a minimum of 2 units of one hundred (100) cubic feet of water per two-month period.	Commercial and residential customers have the same charge
Millbrae	Variable Charge per ccf	Variable Charge per ccf	In addition to the sewer rate, Millbrae charges a separate Clean Bay Fee to comply with BayKeeper Settlement Agreement. For Residential, the Clean Bay Fee is a flat fee. For Commercial, the fee is a variable charge based on average metered winter water use.	Commercial - 7 categories (1. restaurants, 2. hotels/motels & food processors, 3. supermarkets & schools with food service, 4. auto-service stations, 5. schools with no food service, 6. commercial, and 7. groundwater). Also has separate lower rate for commercial customers who do pretreatment.
San Francisco	Fixed Charge + Variable Charge per ccf	Fixed Charge + Variable Charge a) Per ccf + b) COD + c) TSS + d) Oil & Grease	Variable charge is based on 90% of water use.	All commercial customers charged the same rates.
Daly City	Variable Charge per ccf with a minimum charge	Variable Charge per ccf with a minimum charge	Annual Charge = Bi-monthly winter water use x 6 (billing cycles) x Sewer Rate per ccf	Commercial and residential customers have the same charge
San Bruno	Fixed Charge + Variable Charge per ccf	Fixed Charge + Variable Charge per ccf	For Residential, variable charge is based on the average metered water use consumed through November through April. For Commercial, fixed charge is based on meter size, and the variable charge is based on customer type.	Commercial - 4 categories (low, standard, medium, high). Industrial - 2 categories.
Burlingame	Variable Charge per 1,000 gallons with a minimum charge	Variable Charge per 1,000 gallons with a minimum charge	Consumption for the billing months of January-April for the previous three years is averaged, then multiplied by the current sewer rate. Commercial rate varies by customer class and is based on actual water use. Minimum charge is residential rate.	Commercial - 4 categories (1. light, 2. moderate/heavy, 3. food related, 4. institution/church/schools)
Brisbane	Fixed Charge + Variable Charge per ccf based on 2 tiers	Fixed Charge + Variable Charge per ccf based on 2 tiers	Residential bill is based on winter consumption (Oct, Nov, Dec & Jan). Commercial rate varies based on customer class.	Commercial - 3 categories (standard, medium, heavy).

Table 19: Sewer Low Income Discount
City of Brisbane
Sewer Utility Rate Study 2022

	Proposed Rates Jan 1, 2023
Total Number of Residential Sewer Customers	1,669
Estimated Number of Customers Eligible for Discount	400
Total 2020/21 Sewer Low Income Discount Revenue	\$37,500
Annual Discount per Customer	\$93.80
Bimonthly Discount per Customer	\$15.60
Bimonthly Fixed Charge	\$63.69
Less Proposed Bimonthly Discount per Customer	<u>\$15.60</u>
Bimonthly Fixed Charge less Discount	\$48.09
% of Discount	24.5%



CITY OF BRISBANE WATER RATE STUDY 2022

**Draft Tables
June 7, 2022**



Table 1: Utility Reserves
City of Brisbane
Water and Sewer Utility Rate Study 2022

Current Assets	As of June 30, 2020	As of June 30, 2021	50% of Current Assets
Cash and investments (1)	\$7,378,892	\$7,656,890	\$3,689,446
Restricted cash and investments	1,884,484	0	\$942,242
Accounts receivable, net	1,097,729	1,076,741	\$548,865
Taxes receivable	1,246	536	\$623
<u>Interest receivable</u>	<u>13,890</u>	<u>3,660</u>	<u>\$6,945</u>
Total Current Assets	10,376,241	8,737,827	\$5,188,121

Source: Proprietary Funds, Statement of Net Position, June 30, 2020 and June 30, 2022

(1) Estimated total utility reserves

Reserves by Utility	As of June 30, 2021	% of Total
Water Utility Beginning Reserve Fund Balance	\$2,828,445	36.9%
<u>Sewer Utility Beginning Reserve Fund Balance</u>	<u>4,828,445</u>	<u>63.1%</u>
Total Reserves	7,656,890	100.0%

Table 2: Combined Water and Sewer Cash Flow Projection (Water Rate Annual Increases = 8%, Sewer Rate Annual Increases = 24%)
City of Brisbane
Water & Sewer Utility Rate Study 2022

DRAFT - 6/7/22

	Budget 2021/22	Years 1 -5: Proposition 218					Years 6 - 10: Extended Projection				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
1 BEGINNING FUND BALANCE	\$7,656,890	\$6,575,087	\$4,449,056	\$2,622,712	\$3,692,556	\$2,803,087	\$2,608,406	\$3,371,999	\$4,085,412	\$4,736,734	\$5,305,377
2											
3 REVENUES											
4 Water Sales (1)	3,000,000	3,120,000	3,370,000	3,640,000	3,931,000	4,245,000	4,670,000	5,044,000	5,448,000	5,884,000	6,355,000
5 Sewer Service Charges (1)	2,000,000	2,240,000	2,778,000	3,445,000	4,272,000	5,297,000	5,615,000	5,952,000	6,309,000	6,688,000	7,089,000
6 Drought Reserve Charge	100,000	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0
7 Capital Charge (2)	365,000	515,000	515,000	515,000	515,000	515,000	815,000	815,000	815,000	815,000	815,000
8 Investment Earnings	50,000	51,000	52,000	53,000	54,000	55,000	56,000	57,000	58,000	59,000	60,000
9 Account Open/Reconnection Fees	3,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
10 Late Payment Charges	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
11 Sewer & Meter Connection Fees	23,000	25,000	27,000	29,000	31,000	33,000	36,000	39,000	42,000	45,000	48,000
12 Fire Service Charges	115,000	124,000	134,000	145,000	157,000	170,000	187,000	202,000	218,000	235,000	254,000
13 Altamar Meter Reading Fee	7,500	8,000	9,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000	17,000
14 Transfers from Other Funds	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
15 Less: Low Income Rate Assistance	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
16 Projected Grant Revenue	0	0	0	2,500,000	0	0	0	0	0	0	0
17 Total Revenues	5,673,500	6,197,000	6,999,000	10,451,000	9,085,000	10,441,000	11,406,000	12,137,000	12,919,000	13,756,000	14,652,000
18											
19 EXPENSES											
20 Operating & Maintenance											
21 Salaries	949,583	987,000	1,027,000	1,068,000	1,110,000	1,154,000	1,200,000	1,248,000	1,298,000	1,350,000	1,404,000
22 Payroll Taxes	13,300	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
23 Benefits	523,326	544,000	566,000	589,000	613,000	637,000	663,000	689,000	717,000	745,000	775,000
24 Insurance	110,225	121,000	127,000	133,000	140,000	147,000	154,000	162,000	170,000	179,000	188,000
25 Supplies and Services	3,585,356	4,057,000	4,463,000	4,910,000	5,401,000	5,942,000	6,536,000	7,190,000	7,909,000	8,700,000	9,570,000
26 Admin Charges and Credit	936,825	969,000	1,003,000	1,038,000	1,075,000	1,113,000	1,152,000	1,192,000	1,233,000	1,276,000	1,321,000
27 Subtotal O&M	6,118,616	6,691,000	7,199,000	7,751,000	8,352,000	9,006,000	9,718,000	10,494,000	11,340,000	12,263,000	13,271,000
28											
29 Net Operating Revenue	(445,116)	(494,000)	(200,000)	2,700,000	733,000	1,435,000	1,688,000	1,643,000	1,579,000	1,493,000	1,381,000
30											
31 Debt Service											
32 2015 Utility Bonds	636,688	632,031	626,344	630,156	622,469	629,681	624,406	629,588	627,678	624,356	635,813
33 New Bonds (3)	0	0	0	0	0	0	300,000	300,000	300,000	300,000	300,000
34 Subtotal Debt Service	636,688	632,031	626,344	630,156	622,469	629,681	924,406	929,588	927,678	924,356	935,813
35											
36 Capital Projects	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	0	0	0	0	0
37											
38 Total Expenses	6,755,303	8,323,031	8,825,344	9,381,156	9,974,469	10,635,681	10,642,406	11,423,588	12,267,678	13,187,356	14,206,813
39											
40 Total Net Revenues	(1,081,803)	(2,126,031)	(1,826,344)	1,069,844	(889,469)	(194,681)	763,594	713,413	651,322	568,644	445,188
41											
42 ENDING FUND BALANCE	6,575,087	4,449,056	2,622,712	3,692,556	2,803,087	2,608,406	3,371,999	4,085,412	4,736,734	5,305,377	5,750,565
43											
44											
45 Reserve Funds											
46 Operating Reserve Target (25% of O&M)	1,529,700	1,672,800	1,799,800	1,937,800	2,088,000	2,251,500	2,429,500	2,623,500	2,835,000	3,065,800	3,317,800
47 Drought Reserve (\$700,000?)	447,499	547,499	647,499	747,499	847,499	947,499	947,499	947,499	947,499	947,499	947,499
48 Total Combined Reserves	1,977,199	2,220,299	2,447,299	2,685,299	2,935,499	3,198,999	3,376,999	3,570,999	3,782,499	4,013,299	4,265,299
49 Target Met?	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
50											
51 Debt Service Coverage - 1.25x (4)	-0.70	-0.78	-0.32	0.32	1.18	2.28	1.83	1.77	1.70	1.62	1.48
52 Target Met?	no	no	no	no	no	yes	yes	yes	yes	yes	yes
53											

1 - Water Sales & Sewer Service Charges for 2022/23 have been adjusted for September 1, 2022 implementation date

2 - Assumes Capital Charge will increase in 2022/23 by half

3 - Total debt service for New Bonds is estimated at \$300,000

Table 3: Scenario 1: No Rate Increases - Water Cash Flow Projection
City of Brisbane
Water Utility Rate Study 2022

DRAFT - 6/7/22

	Budget 2021/22	Years 1 - 5: Proposition 218					Years 6 - 10: Extended Projection				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
1 Overall Revenue Adjustment		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2 Rate Increase Effective		Jan 1, 2023	Jul 1, 2023	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	Jul 1, 2031
3											
4											
5 BEGINNING FUND BALANCE	\$2,828,445	\$2,983,640	\$2,391,140	\$1,556,640	\$1,704,140	\$315,640	(\$1,391,860)	(\$2,888,360)	(\$4,760,860)	(\$7,038,360)	(\$9,757,860)
6											
7 Water Sales Based on 12 Mos. of Rev	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
8											
9 REVENUES											
10 Water Sales (1)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
11 Meter Connection Fees	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
12 Fire Service Charges	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000
13 Altamar Meter Reading Fee	7,500	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
14 Drought Reserve Charge	100,000	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0
15 Capital Charge (2)	182,500	257,500	257,500	257,500	257,500	257,500	407,500	407,500	407,500	407,500	407,500
16 Investment Earnings	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
17 Account Open/Reconnection Fees	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
18 Late Payment Charges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
19 Transfers from Other Funds	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
20 Less: Low Income Rate Assistance	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
21 Projected Grant Revenue	0	0	0	1,250,000	0	0	0	0	0	0	0
22 Total Revenues	3,456,500	3,532,500	3,532,500	4,782,500	3,532,500	3,532,500	3,582,500	3,582,500	3,582,500	3,582,500	3,582,500
23											
24 EXPENSES											
25 <u>Operating & Maintenance</u>											
26 Salaries	499,125	519,000	540,000	562,000	584,000	607,000	631,000	656,000	682,000	709,000	737,000
27 Payroll Taxes	7,112	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
28 Benefits	277,746	289,000	301,000	313,000	326,000	339,000	353,000	367,000	382,000	397,000	413,000
29 Insurance	58,938	65,000	68,000	71,000	75,000	79,000	83,000	87,000	91,000	96,000	101,000
30 Supplies and Services	1,666,998	1,942,000	2,136,000	2,350,000	2,585,000	2,844,000	3,128,000	3,441,000	3,785,000	4,164,000	4,580,000
31 Admin Charges and Credit	473,044	487,000	502,000	517,000	533,000	549,000	565,000	582,000	599,000	617,000	636,000
32 Subtotal O&M	2,982,962	3,309,000	3,554,000	3,820,000	4,110,000	4,425,000	4,767,000	5,140,000	5,546,000	5,990,000	6,474,000
33											
34 Net Operating Revenue	473,538	223,500	(21,500)	962,500	(577,500)	(892,500)	(1,184,500)	(1,557,500)	(1,963,500)	(2,407,500)	(2,891,500)
35											
36 Debt Service											
37 2015 Utility Bonds (3)	318,344	316,000	313,000	315,000	311,000	315,000	312,000	315,000	314,000	312,000	318,000
38 New Bonds	0	0	0	0	0	0	0	0	0	0	0
39 Subtotal Debt Service	318,344	316,000	313,000	315,000	311,000	315,000	312,000	315,000	314,000	312,000	318,000
40											
41 Capital Projects	0	500,000	500,000	500,000	500,000	500,000	0	0	0	0	0
42											
43 Total Expenses	3,301,305	4,125,000	4,367,000	4,635,000	4,921,000	5,240,000	5,079,000	5,455,000	5,860,000	6,302,000	6,792,000
44											
45 Total Net Revenues	155,195	(592,500)	(834,500)	147,500	(1,388,500)	(1,707,500)	(1,496,500)	(1,872,500)	(2,277,500)	(2,719,500)	(3,209,500)
46											
47 ENDING FUND BALANCE	2,983,640	2,391,140	1,556,640	1,704,140	315,640	(1,391,860)	(2,888,360)	(4,760,860)	(7,038,360)	(9,757,860)	(12,967,360)
48											
49											
50 <u>Reserve Funds</u>											
51 Operating Reserve Target (25% of O&M)	745,700	827,300	888,500	955,000	1,027,500	1,106,300	1,191,800	1,285,000	1,386,500	1,497,500	1,618,500
52 Drought Reserve (\$700,000?)	447,499	547,499	647,499	747,499	847,499	947,499	947,499	947,499	947,499	947,499	947,499
53 Total Water Reserves	1,193,199	1,374,799	1,535,999	1,702,499	1,874,999	2,053,799	2,139,299	2,232,499	2,333,999	2,444,999	2,565,999
54 Target Met?	yes	yes	yes	yes	no	no	no	no	no	no	no
55											
56 Debt Service Coverage - 1.25x (4)	1.49	0.71	-0.07	-0.91	-1.86	-2.83	-3.80	-4.94	-6.25	-7.72	-9.09
57 Target Met?	yes	no	no	no	no	no	no	no	no	no	no
58											

1 - Water Sales projection adjusted for September 1, 2022 implementation date

2 - Assumes Capital Charge will increase every 5 years. First increase is planned for 2022/23 in which the Capital Charge will increase by half. Second increase is anticipated in 2027/28 and assumes that the City will issue \$5 million in new debt (combined water & sewer).

3 - Total debt service for New Bonds is estimated at \$300,000 and is split evenly with the Sewer Utility.

Table 4: Scenario 2: 5% Annual Rate Increases - Water Cash Flow Projection

DRAFT - 6/7/22

City of Brisbane

Water Utility Rate Study 2022

	Budget 2021/22	Years 1 -5: Proposition 218					Years 6 - 10: Extended Projection				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
1 Overall Revenue Adjustment		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
2 Rate Increase Effective		Jan 1, 2023	Jul 1, 2023	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	Jul 1, 2031
3											
4											
5 BEGINNING FUND BALANCE	\$2,828,445	\$2,983,640	\$2,473,140	\$1,881,640	\$2,440,140	\$1,640,640	\$708,140	\$31,640	-\$815,860	-\$1,853,360	-\$3,106,860
6											
7 Water Sales Based on 12 Mos. of Rev	3,000,000	3,150,000	3,229,000	3,390,000	3,560,000	3,738,000	3,925,000	4,121,000	4,327,000	4,543,000	4,770,000
8											
9 REVENUES											
10 Water Sales (1)	3,000,000	3,075,000	3,229,000	3,390,000	3,560,000	3,738,000	3,925,000	4,121,000	4,327,000	4,543,000	4,770,000
11 Meter Connection Fees	20,000	21,000	22,000	23,000	24,000	25,000	26,000	27,000	28,000	29,000	30,000
12 Fire Service Charges	115,000	121,000	127,000	133,000	140,000	147,000	154,000	162,000	170,000	179,000	188,000
13 Altamar Meter Reading Fee	7,500	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
14 Drought Reserve Charge	100,000	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0
15 <u>Capital Charge (2)</u>	<u>182,500</u>	<u>257,500</u>	<u>257,500</u>	<u>257,500</u>	<u>257,500</u>	<u>257,500</u>	<u>407,500</u>	<u>407,500</u>	<u>407,500</u>	<u>407,500</u>	<u>407,500</u>
16 Investment Earnings	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
17 Account Open/Reconnection Fees	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
18 Late Payment Charges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
19 Transfers from Other Funds	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
20 Less: Low Income Rate Assistance	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
21 <u>Projected Grant Revenue</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
22 Total Revenues	3,456,500	3,614,500	3,775,500	5,193,500	4,121,500	4,307,500	4,552,500	4,757,500	4,972,500	5,198,500	5,435,500
23											
24 EXPENSES											
25 <u>Operating & Maintenance</u>											
26 Salaries	499,125	519,000	540,000	562,000	584,000	607,000	631,000	656,000	682,000	709,000	737,000
27 Payroll Taxes	7,112	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
28 Benefits	277,746	289,000	301,000	313,000	326,000	339,000	353,000	367,000	382,000	397,000	413,000
29 Insurance	58,938	65,000	68,000	71,000	75,000	79,000	83,000	87,000	91,000	96,000	101,000
30 Supplies and Services	1,666,998	1,942,000	2,136,000	2,350,000	2,585,000	2,844,000	3,128,000	3,441,000	3,785,000	4,164,000	4,580,000
31 Admin Charges and Credit	473,044	487,000	502,000	517,000	533,000	549,000	565,000	582,000	599,000	617,000	636,000
32 Subtotal O&M	2,982,962	3,309,000	3,554,000	3,820,000	4,110,000	4,425,000	4,767,000	5,140,000	5,546,000	5,990,000	6,474,000
33											
34 Net Operating Revenue	473,538	305,500	221,500	1,373,500	11,500	(117,500)	(214,500)	(382,500)	(573,500)	(791,500)	(1,038,500)
35											
36 Debt Service											
37 2015 Utility Bonds (3)	318,344	316,000	313,000	315,000	311,000	315,000	312,000	315,000	314,000	312,000	318,000
38 <u>New Bonds</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
39 Subtotal Debt Service	318,344	316,000	313,000	315,000	311,000	315,000	462,000	465,000	464,000	462,000	468,000
40											
41 Capital Projects	0	500,000	500,000	500,000	500,000	500,000	0	0	0	0	0
42											
43 Total Expenses	3,301,305	4,125,000	4,367,000	4,635,000	4,921,000	5,240,000	5,229,000	5,605,000	6,010,000	6,452,000	6,942,000
44											
45 Total Net Revenues	155,195	(510,500)	(591,500)	558,500	(799,500)	(932,500)	(676,500)	(847,500)	(1,037,500)	(1,253,500)	(1,506,500)
46											
47 ENDING FUND BALANCE	2,983,640	2,473,140	1,881,640	2,440,140	1,640,640	708,140	31,640	(815,860)	(1,853,360)	(3,106,860)	(4,613,360)
48											
49											
50 <u>Reserve Funds</u>											
51 Operating Reserve Target (25% of O&M)	745,700	827,300	888,500	955,000	1,027,500	1,106,300	1,191,800	1,285,000	1,386,500	1,497,500	1,618,500
52 <u>Drought Reserve (\$700,000?)</u>	<u>447,499</u>	<u>547,499</u>	<u>647,499</u>	<u>747,499</u>	<u>847,499</u>	<u>947,499</u>	<u>947,499</u>	<u>947,499</u>	<u>947,499</u>	<u>947,499</u>	<u>947,499</u>
53 Total Water Reserves	1,193,199	1,374,799	1,535,999	1,702,499	1,874,999	2,053,799	2,139,299	2,232,499	2,333,999	2,444,999	2,565,999
54 <u>Target Met?</u>	yes	yes	yes	yes	yes	no	no	no	no	no	no
55											
56 Debt Service Coverage - 1.25x (4)	1.49	0.97	0.71	0.39	0.04	-0.37	-0.46	-0.82	-1.24	-1.71	-2.22
57 <u>Target Met?</u>	yes	no	no	no	no	no	no	no	no	no	no
58											

1 - Water Sales projection adjusted for September 1, 2022 implementation date

2 - Assumes Capital Charge will increase every 5 years. First increase is planned for 2022/23 in which the Capital Charge will increase by half. Second increase is anticipated in 2027/28 and assumes that the City will issue \$5 million in new debt (combined water & sewer).

3 - Total debt service for New Bonds is estimated at \$300,000 and is split evenly with the Sewer Utility.

Table 5: Scenario 3: 8% Annual Rate Increases - Water Cash Flow Projection

DRAFT - 6/7/22

City of Brisbane

Water Utility Rate Study 2022

	Budget 2021/22	Years 1 -5: Proposition 218					Years 6 - 10: Extended Projection				
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
1 Overall Revenue Adjustment		8.0%	8.0%	8.0%	8.0%	8.0%	10.0%	8.0%	8.0%	8.0%	8.0%
2 Rate Increase Effective		Jan 1, 2023	Jul 1, 2023	Jul 1, 2024	Jul 1, 2025	Jul 1, 2026	Jul 1, 2027	Jul 1, 2028	Jul 1, 2029	Jul 1, 2030	Jul 1, 2031
3											
4											
5 BEGINNING FUND BALANCE	\$2,828,445	\$2,983,640	\$2,522,140	\$2,081,640	\$2,907,140	\$2,502,640	\$2,109,140	\$2,222,640	\$2,353,140	\$2,502,640	\$2,667,140
6											
7 Water Sales Based on 12 Mos. of Rev	3,000,000	3,240,000	3,370,000	3,640,000	3,931,000	4,245,000	4,670,000	5,044,000	5,448,000	5,884,000	6,355,000
8											
9 REVENUES											
10 Water Sales (1)	3,000,000	3,120,000	3,370,000	3,640,000	3,931,000	4,245,000	4,670,000	5,044,000	5,448,000	5,884,000	6,355,000
11 Meter Connection Fees	20,000	22,000	24,000	26,000	28,000	30,000	33,000	36,000	39,000	42,000	45,000
12 Fire Service Charges	115,000	124,000	134,000	145,000	157,000	170,000	187,000	202,000	218,000	235,000	254,000
13 Altamar Meter Reading Fee	7,500	8,000	9,000	10,000	11,000	12,000	13,000	14,000	15,000	16,000	17,000
14 Drought Reserve Charge	100,000	100,000	100,000	100,000	100,000	100,000	0	0	0	0	0
15 <u>Capital Charge (2)</u>	<u>182,500</u>	<u>257,500</u>	<u>257,500</u>	<u>257,500</u>	<u>257,500</u>	<u>257,500</u>	<u>407,500</u>	<u>407,500</u>	<u>407,500</u>	<u>407,500</u>	<u>407,500</u>
16 Investment Earnings	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
17 Account Open/Reconnection Fees	1,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
18 Late Payment Charges	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
19 Transfers from Other Funds	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
20 Less: Low Income Rate Assistance	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)
21 <u>Projected Grant Revenue</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,250,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
22 Total Revenues	3,456,500	3,663,500	3,926,500	5,460,500	4,516,500	4,846,500	5,342,500	5,735,500	6,159,500	6,616,500	7,110,500
23											
24 EXPENSES											
25 <u>Operating & Maintenance</u>											
26 Salaries	499,125	519,000	540,000	562,000	584,000	607,000	631,000	656,000	682,000	709,000	737,000
27 Payroll Taxes	7,112	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
28 Benefits	277,746	289,000	301,000	313,000	326,000	339,000	353,000	367,000	382,000	397,000	413,000
29 Insurance	58,938	65,000	68,000	71,000	75,000	79,000	83,000	87,000	91,000	96,000	101,000
30 Supplies and Services	1,666,998	1,942,000	2,136,000	2,350,000	2,585,000	2,844,000	3,128,000	3,441,000	3,785,000	4,164,000	4,580,000
31 <u>Admin Charges and Credit</u>	<u>473,044</u>	<u>487,000</u>	<u>502,000</u>	<u>517,000</u>	<u>533,000</u>	<u>549,000</u>	<u>565,000</u>	<u>582,000</u>	<u>599,000</u>	<u>617,000</u>	<u>636,000</u>
32 Subtotal O&M	2,982,962	3,309,000	3,554,000	3,820,000	4,110,000	4,425,000	4,767,000	5,140,000	5,546,000	5,990,000	6,474,000
33											
34 Net Operating Revenue	473,538	354,500	372,500	1,640,500	406,500	421,500	575,500	595,500	613,500	626,500	636,500
35											
36 Debt Service											
37 2015 Utility Bonds (3)	318,344	316,000	313,000	315,000	311,000	315,000	312,000	315,000	314,000	312,000	318,000
38 <u>New Bonds</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>
39 Subtotal Debt Service	318,344	316,000	313,000	315,000	311,000	315,000	462,000	465,000	464,000	462,000	468,000
40											
41 Capital Projects	0	500,000	500,000	500,000	500,000	500,000	0	0	0	0	0
42											
43 Total Expenses	3,301,305	4,125,000	4,367,000	4,635,000	4,921,000	5,240,000	5,229,000	5,605,000	6,010,000	6,452,000	6,942,000
44											
45 Total Net Revenues	155,195	(461,500)	(440,500)	825,500	(404,500)	(393,500)	113,500	130,500	149,500	164,500	168,500
46											
47 ENDING FUND BALANCE	2,983,640	2,522,140	2,081,640	2,907,140	2,502,640	2,109,140	2,222,640	2,353,140	2,502,640	2,667,140	2,835,640
48											
49											
50 <u>Reserve Funds</u>											
51 Operating Reserve Target (25% of O&M)	745,700	827,300	888,500	955,000	1,027,500	1,106,300	1,191,800	1,285,000	1,386,500	1,497,500	1,618,500
52 <u>Drought Reserve (\$700,000?)</u>	<u>447,499</u>	<u>547,499</u>	<u>647,499</u>	<u>747,499</u>	<u>847,499</u>	<u>947,499</u>	<u>947,499</u>	<u>947,499</u>	<u>947,499</u>	<u>947,499</u>	<u>947,499</u>
53 Total Water Reserves	1,193,199	1,374,799	1,535,999	1,702,499	1,874,999	2,053,799	2,139,299	2,232,499	2,333,999	2,444,999	2,565,999
54 <u>Target Met?</u>	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
55											
56 Debt Service Coverage - 1.25x (4)	1.49	1.12	1.19	1.24	1.31	1.34	1.25	1.28	1.32	1.36	1.36
57 <u>Target Met?</u>	yes	no	no	no	yes	yes	yes	yes	yes	yes	yes
58											

1 - Water Sales projection adjusted for September 1, 2022 implementation date

2 - Assumes Capital Charge will increase every 5 years. First increase is planned for 2022/23 in which the Capital Charge will increase by half. Second increase is anticipated in 2027/28 and assumes that the City will issue \$5 million in new debt (combined water & sewer).

3 - Total debt service for New Bonds is estimated at \$300,000 and is split evenly with the Sewer Utility.

Table 6: Water Scenario Comparison
City of Brisbane
Water Utility Rate Study 2022

GOAL 1 : MEET DEBT SERVICE COVERAGE

	Current 2021/22	Proposed				
		2022/23	2023/24	2024/25	2025/26	2026/27
Debt Service Coverage Ratio Required	1.25	1.25	1.25	1.25	1.25	1.25
Scenario 1: No Rate Increases <i>Target Met?</i>	1.49 yes	0.71 no	(0.07) no	(0.91) no	(1.86) no	(2.83) no
Scenario 2: 5% Annual Rate Increases <i>Target Met?</i>	1.49 yes	0.97 no	0.71 no	0.39 no	0.04 no	(0.37) no
Scenario 3: 8% Annual Rate Increases <i>Target Met?</i>	1.49 yes	1.12 no	1.19 no	1.24 no	1.31 yes	1.34 yes

GOAL 2: MEET RESERVE FUND TARGETS

	Current 2021/22	Proposed				
		2022/23	2023/24	2024/25	2025/26	2026/27
Water Fund Reserve Target	\$1,061,399	\$1,193,199	\$1,374,799	\$1,535,999	\$1,702,499	\$1,874,999
Scenario 1: No Rate Increases <i>Target Met?</i>	\$2,983,640 yes	\$2,391,140 yes	\$1,556,640 yes	\$1,704,140 yes	\$315,640 no	(\$1,391,860) no
Scenario 2: 5% Annual Rate Increases <i>Target Met?</i>	\$2,983,640 yes	\$2,473,140 yes	\$1,881,640 yes	\$2,440,140 yes	\$1,640,640 no	\$708,140 no
Scenario 3: 8% Annual Rate Increases <i>Target Met?</i>	\$2,983,640 yes	\$2,522,140 yes	\$2,081,640 yes	\$2,907,140 yes	\$2,502,640 yes	\$2,109,140 yes

GOAL 3: POSITIVE TOTAL NET REVENUES

	Current 2021/22	Proposed				
		2022/23	2023/24	2024/25	2025/26	2026/27
Scenario 1: No Rate Increases <i>Target Met?</i>	\$155,195 yes	(\$592,500) no	(\$834,500) no	\$147,500 yes	(\$1,388,500) no	(\$1,707,500) no
Scenario 2: 5% Annual Rate Increases <i>Target Met?</i>	\$155,195 yes	(\$510,500) no	(\$591,500) no	\$558,500 yes	(\$799,500) no	(\$932,500) no
Scenario 3: 8% Annual Rate Increases <i>Target Met?</i>	\$155,195 yes	(\$461,500) no	(\$440,500) no	\$825,500 yes	(\$404,500) no	(\$393,500) no

Table 7: Water Scenario Comparison Graph - Ending Water Fund Reserve Fund Balance

City of Brisbane

Water Utility Rate Study 2022

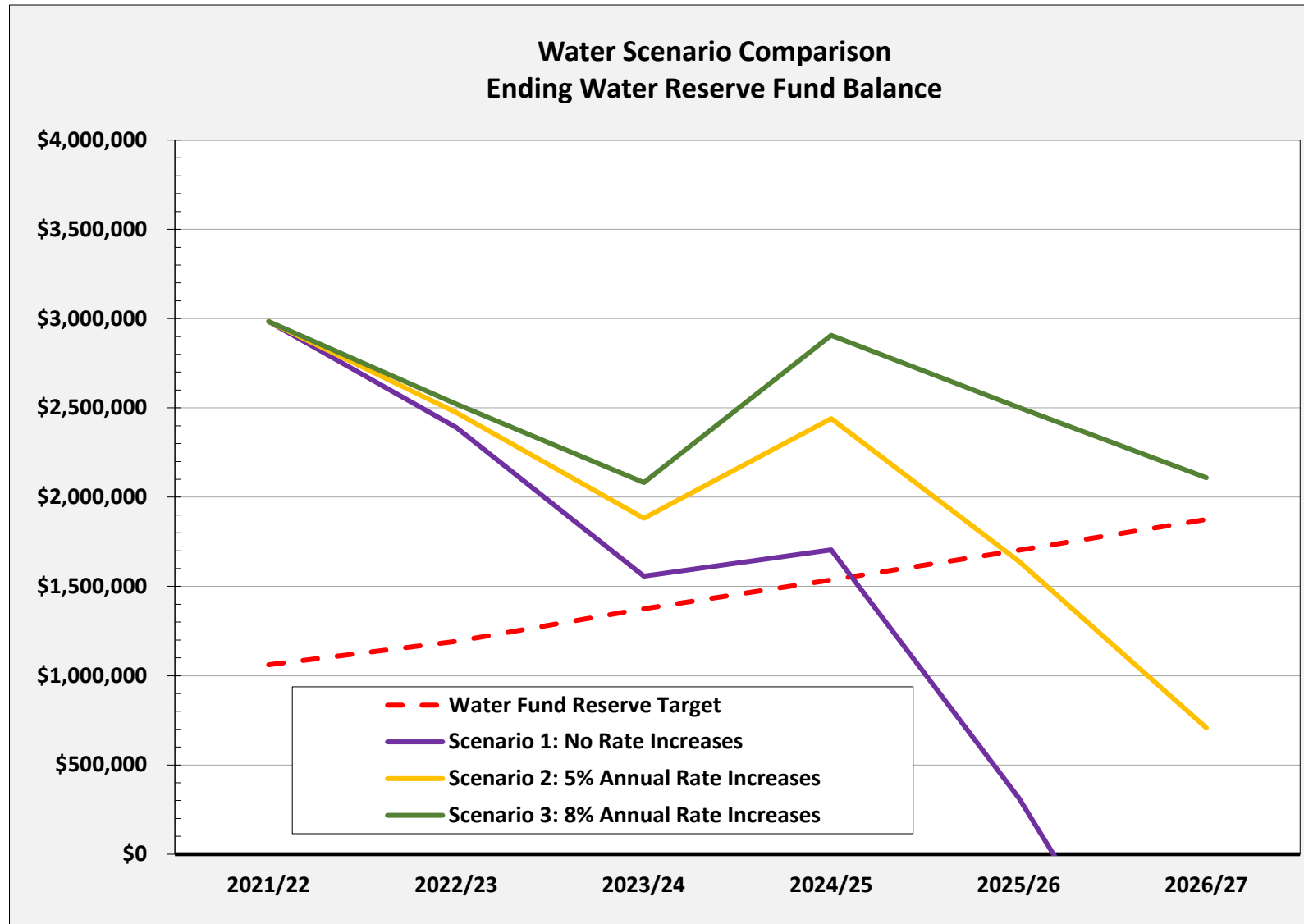


Table 8: Projected Water Consumption with 1 Unit Allotment
City of Brisbane
Water Utility Rate Study 2022

	CURRENT 2019/20	PROJECTED		PROJECTED - RATE STUDY PERIOD				
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Residential								
<i>Annual Increase %</i>		0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Annual Consumption (ccf)	109,065	109,065	109,065	110,156	111,257	112,370	113,493	114,628
<u>Less 1 ccf Allotment</u>	<u>9,655</u>	<u>9,655</u>	<u>9,655</u>	<u>9,752</u>	<u>9,849</u>	<u>9,948</u>	<u>10,047</u>	<u>10,148</u>
Total Consumption for Consumption Charges	99,410	99,410	99,410	100,404	101,408	102,422	103,446	104,481
Commercial								
<i>Annual Increase %</i>		0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Annual Consumption (ccf)	95,700	95,700	95,700	98,571	101,528	104,574	107,711	110,943
<u>Less 1 ccf Allotment</u>	<u>1,400</u>	<u>1,400</u>	<u>1,400</u>	<u>1,442</u>	<u>1,485</u>	<u>1,530</u>	<u>1,576</u>	<u>1,623</u>
Total Consumption for Consumption Charges	94,300	94,300	94,300	97,129	100,043	103,044	106,135	109,320
Irrigation								
<i>Annual Increase %</i>		0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Annual Consumption (ccf)	79,400	79,400	79,400	80,988	82,608	84,260	85,945	87,664
<u>Less 1 ccf Allotment</u>	<u>400</u>	<u>400</u>	<u>400</u>	<u>408</u>	<u>416</u>	<u>424</u>	<u>433</u>	<u>442</u>
Total Consumption for Consumption Charges	79,000	79,000	79,000	80,580	82,192	83,835	85,512	87,222
Total Consumption								
Total Consumption	284,165	284,165	284,165	289,715	295,393	301,204	307,150	313,235
<u>Less 1 ccf Allotment</u>	<u>11,455</u>	<u>11,455</u>	<u>11,455</u>	<u>11,602</u>	<u>11,750</u>	<u>11,902</u>	<u>12,056</u>	<u>12,212</u>
TOTAL CONSUMPTION (CCF) FOR CONSUMPTION CHARGES	272,710	272,710	272,710	278,113	283,643	289,302	295,094	301,023

Table 9: Projected Customer Growth & Water Consumption
City of Brisbane
Water Utility Rate Study 2022

	CURRENT 2019/20	PROJECTED		PROJECTED - RATE STUDY PERIOD				
		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
NUMBER OF METERS								
Growth Increase %		0.00%	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%
Total Water Meters	2,038	2,038	2,038	2,048	2,058	2,069	2,079	2,089
Total Meter Equivalents	3,259	3,259	3,259	3,275	3,292	3,308	3,325	3,341
WATER CONSUMPTION								
Residential								
Annual Increase %		0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consumption								
Tier 1: 1 - 20 ccf	86,634	86,634	86,634	87,501	88,376	89,259	90,152	91,054
Tier 2: Over 20 ccf	<u>12,776</u>	<u>12,776</u>	<u>12,776</u>	<u>12,903</u>	<u>13,032</u>	<u>13,163</u>	<u>13,294</u>	<u>13,427</u>
Subtotal Residential	99,410	99,410	99,410	100,404	101,408	102,422	103,446	104,481
Commercial								
Annual Increase %		0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Consumption (1)								
Tier 1: 1 - 20 ccf	26,948	26,948	26,948	27,757	28,590	29,447	30,331	31,241
Tier 2: Over 20 ccf	<u>67,352</u>	<u>67,352</u>	<u>67,352</u>	<u>69,372</u>	<u>71,453</u>	<u>73,597</u>	<u>75,805</u>	<u>78,079</u>
Subtotal Commercial	94,300	94,300	94,300	97,129	100,043	103,044	106,135	109,320
Irrigation								
Annual Increase %		0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Consumption								
Tier 1: 1 - 20 ccf	12,344	12,344	12,344	12,591	12,843	13,100	13,362	13,629
Tier 2: Over 20 ccf	<u>66,656</u>	<u>66,656</u>	<u>66,656</u>	<u>67,989</u>	<u>69,349</u>	<u>70,736</u>	<u>72,150</u>	<u>73,593</u>
Subtotal Irrigation	79,000	79,000	79,000	80,580	82,192	83,835	85,512	87,222
Total Consumption								
Annual Increase %		0.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Consumption								
Tier 1: 1 - 20 ccf	125,927	125,927	125,927	127,849	129,808	131,807	133,845	135,923
Tier 2: Over 20 ccf	<u>146,783</u>	<u>146,783</u>	<u>146,783</u>	<u>150,264</u>	<u>153,834</u>	<u>157,495</u>	<u>161,249</u>	<u>165,099</u>
Total Consumption	272,710	272,710	272,710	278,113	283,643	289,302	295,094	301,023

Table 10: Water Cost Allocation
City of Brisbane
Water Utility Rate Study 2022

Operating Expense	2022/23 Budget	FIXED CHARGES		CONSUMPTION CHARGES		Total
		Meters & Services	Customer Service	Base	Extra	
Salaries	\$519,000	10%	10%	25%	55%	100%
Payroll Taxes	\$7,000	10%	10%	25%	55%	100%
Benefits	\$289,000	10%	10%	25%	55%	100%
Insurance (2)	\$65,000	10%	10%	25%	55%	100%
Supplies and Services	\$1,942,000	2%	2%	25%	71%	100%
Admin Charges and Credits	\$487,000	25%	25%	25%	25%	100%
<u>Debt Service</u>	<u>\$316,000</u>	<u>10%</u>	<u>10%</u>	<u>25%</u>	55%	100%
Total Water Operating Expenses	\$3,625,000	\$280,200	\$280,200	\$906,300	\$2,158,400	\$3,625,100
Total Allocation %		7.7%	7.7%	25.0%	59.5%	100.0%

Table 11: Scenario 3: 8% Annual Rate Increases - Annual Revenue Requirement Allocation
City of Brisbane
Water Utility Rate Study 2022

	Cost Allocation %	PROJECTED - RATE STUDY PERIOD				
		2022/23	2023/24	2024/25	2025/26	2026/27
Total Revenue Requirement (1)		\$3,240,000	\$3,370,000	\$3,640,000	\$3,931,000	\$4,245,000
FIXED CHARGES						
Meters & Services	7.7%	\$250,452	\$260,501	\$281,372	\$303,866	\$328,139
<u>Customer Service Charge</u>	<u>7.7%</u>	<u>\$250,452</u>	<u>\$260,501</u>	<u>\$281,372</u>	<u>\$303,866</u>	<u>\$328,139</u>
Total Fixed Charges	15.5%	\$500,904	\$521,002	\$562,744	\$607,733	\$656,277
CONSUMPTION CHARGES						
Base	25.0%	\$810,000	\$842,500	\$910,000	\$982,750	\$1,061,250
<u>Extra</u>	<u>59.5%</u>	<u>\$1,929,096</u>	<u>\$2,006,498</u>	<u>\$2,167,256</u>	<u>\$2,340,517</u>	<u>\$2,527,473</u>
Total Consumption Charges	84.5%	\$2,739,096	\$2,848,998	\$3,077,256	\$3,323,267	\$3,588,723
TOTAL	100.0%	\$3,240,000	\$3,370,000	\$3,640,000	\$3,931,000	\$4,245,000

1 - From Cash Flow (Table 9, line 5)

Table 12: Scenario 3: 8% Annual Rate Increases - Water Fixed Charge Derivation

City of Brisbane

Water Utility Rate Study 2022

		PROJECTED - RATE STUDY PERIOD				
		2022/23	2023/24	2024/25	2025/26	2026/27
REVENUE REQUIREMENT						
Meters & Services		\$250,452	\$260,501	\$281,372	\$303,866	\$328,139
Customer Service Charge		<u>\$250,452</u>	<u>\$260,501</u>	<u>\$281,372</u>	<u>\$303,866</u>	<u>\$328,139</u>
Total Fixed Charge Revenue Requirement		\$500,904	\$521,002	\$562,744	\$607,733	\$656,277
METER EQUIVALENT CHARGE						
Total Meter Equivalent Charge Revenue Requirement		\$250,452	\$260,501	\$281,372	\$303,866	\$328,139
Total Number of Meter Equivalents		<u>3,275</u>	<u>3,292</u>	<u>3,308</u>	<u>3,325</u>	<u>3,341</u>
Total Meter Equivalent Charge		\$12.74	\$13.19	\$14.18	\$15.23	\$16.37
Meter Equivalent Charge by Meter Size						
Meter Size	Meter Ratio					
5/8"	1.00	\$12.74	\$13.19	\$14.18	\$15.23	\$16.37
3/4"	1.00	\$12.74	\$13.19	\$14.18	\$15.23	\$16.37
1"	1.67	\$21.23	\$21.98	\$23.63	\$25.38	\$27.28
1-1/2"	3.33	\$42.47	\$43.97	\$47.27	\$50.77	\$54.57
2"	5.33	\$67.95	\$70.35	\$75.63	\$81.23	\$87.31
3"	10.67	\$135.89	\$140.69	\$151.25	\$162.45	\$174.61
4"	16.67	\$212.33	\$219.83	\$236.33	\$253.83	\$272.83
6"	33.33	\$424.67	\$439.67	\$472.67	\$507.67	\$545.67
CUSTOMER SERVICE CHARGE						
Total Customer Service Charge Revenue Requirement		\$250,452	\$260,501	\$281,372	\$303,866	\$328,139
Total Number of Meters		<u>2,048</u>	<u>2,058</u>	<u>2,069</u>	<u>2,079</u>	<u>2,089</u>
Total Customer Service Charge per Account		\$20.38	\$21.09	\$22.67	\$24.36	\$26.17
TOTAL BIMONTHLY FIXED CHARGE (1)						
Meter Size						
5/8"		\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
3/4"		\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
1"		\$41.61	\$43.07	\$46.30	\$49.74	\$53.45
1-1/2"		\$62.85	\$65.06	\$69.94	\$75.13	\$80.74
2"		\$88.33	\$91.44	\$98.30	\$105.59	\$113.48
3"		\$156.27	\$161.78	\$173.92	\$186.81	\$200.78
4"		\$232.71	\$240.92	\$259.00	\$278.19	\$299.00
6"		\$445.05	\$460.76	\$495.34	\$532.03	\$571.84

1 - Total Bimonthly Fixed Charge is the sum of the "Meter Equivalent Charge" by meter size plus the "Total Customer Service Charge per Account"

Table 13: Scenario 3: 8% Annual Rate Increases - Consumption Charge Rate Derivation
City of Brisbane
Water Utility Rate Study 2022

	PROJECTED - RATE STUDY PERIOD				
	2022/23	2023/24	2024/25	2025/26	2026/27
REVENUE REQUIREMENT					
Base Charge Revenue Requirement	\$810,000	\$842,500	\$910,000	\$982,750	\$1,061,250
<u>Extra Charge Revenue Requirement</u>	<u>\$1,929,096</u>	<u>\$2,006,498</u>	<u>\$2,167,256</u>	<u>\$2,340,517</u>	<u>\$2,527,473</u>
Total Consumption Charge Revenue Requirement	\$2,739,096	\$2,848,998	\$3,077,256	\$3,323,267	\$3,588,723
CONSUMPTION CHARGE DERIVATION					
All Customers					
Tier 1 Revenue Requirement	\$810,000	\$842,500	\$910,000	\$982,750	\$1,061,250
<u>Tier 1: 1-20 ccf Consumption (ccf)</u>	<u>127,849</u>	<u>129,808</u>	<u>131,807</u>	<u>133,845</u>	<u>135,923</u>
Tier 1 Rate per ccf	\$6.34	\$6.49	\$6.90	\$7.34	\$7.81
Tier 2 Revenue Requirement	\$1,929,096	\$2,006,498	\$2,167,256	\$2,340,517	\$2,527,473
<u>Tier 2: Over 20 ccf Consumption (ccf)</u>	<u>146,783</u>	<u>146,783</u>	<u>150,264</u>	<u>153,834</u>	<u>157,495</u>
Tier 2 Rate per ccf	\$13.14	\$13.67	\$14.42	\$15.21	\$16.05
SFPUC Rate + Bond Surcharge	\$5.15	\$5.63	\$6.15	\$6.72	\$7.36
Difference b/w Tier 1 Rate & SFPUC Rate	\$1.18	\$0.86	\$0.75	\$0.62	\$0.45

Table 14: Scenario 3: 8% Annual Rate Increases - Proposed Bimonthly Water Rates
City of Brisbane
Water Utility Rate Study 2022

	PROJECTED - RATE STUDY PERIOD				
	2022/23	2023/24	2024/25	2025/26	2026/27
FIXED CHARGES					
<u>Meter Size</u>					
5/8"	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
3/4"	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
1"	\$41.61	\$43.07	\$46.30	\$49.74	\$53.45
1-1/2"	\$62.85	\$65.06	\$69.94	\$75.13	\$80.74
2"	\$88.33	\$91.44	\$98.30	\$105.59	\$113.48
3"	\$156.27	\$161.78	\$173.92	\$186.81	\$200.78
4"	\$232.71	\$240.92	\$259.00	\$278.19	\$299.00
6"	\$445.05	\$460.76	\$495.34	\$532.03	\$571.84
CONSUMPTION CHARGES (per ccf)					
<u>All Customers (Usage over 1 ccf)</u>					
Tier 1: 1- 20 ccf	\$6.34	\$6.49	\$6.90	\$7.34	\$7.81
Tier 2: Over 20 ccf	\$13.14	\$13.67	\$14.42	\$15.21	\$16.05

Table 15: Scenario 3: 8% Annual Rate Increases - Sample Bimonthly Water Bill Impacts**City of Brisbane****Water Utility Rate Study 2022****RESIDENTIAL BILL IMPACTS - 5/8" METER**

	Bimonthly Use (ccf)	Current Bill	Proposed				
			2022/23	2023/24	2024/25	2025/26	2026/27
Residential: 5/8" meter, 1 ccf							
Fixed Meter Charge - 5/8"		\$22.67	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
Consumption Charge							
Tier 1: 0 - 1 ccf	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2: 2 - 3 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 3: 3 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 4: 4 - 8 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 5: 9 - 16 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Tier 6: Over 16 ccf</u>	<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Subtotal Consumption Charge	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Bimonthly Water Bill		\$22.67	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
\$ Change			\$10.45	\$1.16	\$2.57	\$2.74	\$2.95
% Change			46.1%	3.5%	7.5%	7.4%	7.5%
Residential: 5/8" meter, 4 ccf							
Fixed Meter Charge - 5/8"		\$22.67	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
Consumption Charge							
Tier 1: 0 - 1 ccf	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2: 2 - 3 ccf	1	\$2.17	\$6.34	\$6.49	\$6.90	\$7.34	\$7.81
Tier 3: 3 ccf	1	\$5.63	\$6.34	\$6.49	\$6.90	\$7.34	\$7.81
Tier 4: 4 - 8 ccf	1	\$7.00	\$6.34	\$6.49	\$6.90	\$7.34	\$7.81
Tier 5: 9 - 16 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<u>Tier 6: Over 16 ccf</u>	<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Subtotal Consumption Charge	4	\$14.80	\$19.01	\$19.47	\$20.71	\$22.03	\$23.42
Total Bimonthly Water Bill		\$37.47	\$52.13	\$53.75	\$57.56	\$61.62	\$65.96
\$ Change			\$14.66	\$1.62	\$3.81	\$4.06	\$4.35
% Change			39.1%	3.1%	7.1%	7.0%	7.1%
Residential: 5/8" meter, 10 ccf							
Fixed Meter Charge - 5/8"		\$22.67	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
Consumption Charge							
Tier 1: 0 - 1 ccf	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Tier 2: 2 - 3 ccf	1	\$2.17	\$6.34	\$6.49	\$6.90	\$7.34	\$7.81
Tier 3: 3 ccf	1	\$5.63	\$6.34	\$6.49	\$6.90	\$7.34	\$7.81
Tier 4: 4 - 8 ccf	5	\$35.00	\$31.68	\$32.45	\$34.52	\$36.71	\$39.04
Tier 5: 9 - 16 ccf	2	\$17.38	\$12.67	\$12.98	\$13.81	\$14.68	\$15.62
<u>Tier 6: Over 16 ccf</u>	<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Subtotal Consumption Charge	10	\$60.18	\$57.02	\$58.41	\$62.14	\$66.08	\$70.27
Total Bimonthly Water Bill		\$82.85	\$90.14	\$92.69	\$98.99	\$105.67	\$112.81
\$ Change			\$7.29	\$2.55	\$6.29	\$6.69	\$7.14
% Change			8.8%	2.8%	6.8%	6.8%	6.8%

Residential: 5/8" meter, 20 ccf Fixed Meter Charge - 5/8"" Consumption Charge Tier 1: 0 - 1 ccf Tier 2: 2 - 3 ccf Tier 3: 3 ccf Tier 4: 4 - 8 ccf Tier 5: 9 - 16 ccf <u>Tier 6: Over 16 ccf</u> Subtotal Consumption Charge Total Bimonthly Water Bill <i>\$ Change</i> <i>% Change</i>		\$22.67	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	1	\$2.17	\$6.34	\$6.49	\$6.90	\$7.34	\$7.81
	1	\$5.63	\$6.34	\$6.49	\$6.90	\$7.34	\$7.81
	5	\$35.00	\$31.68	\$32.45	\$34.52	\$36.71	\$39.04
	8	\$69.52	\$50.68	\$51.92	\$55.23	\$58.74	\$62.46
	4	<u>\$44.20</u>	<u>\$25.34</u>	<u>\$25.96</u>	<u>\$27.62</u>	<u>\$29.37</u>	<u>\$31.23</u>
	20	\$156.52	\$120.38	\$123.32	\$131.18	\$139.51	\$148.35
		\$179.19	\$153.50	\$157.60	\$168.03	\$179.10	\$190.89
			<i>(\$25.69)</i>	<i>\$4.10</i>	<i>\$10.43</i>	<i>\$11.07</i>	<i>\$11.79</i>
			<i>-14.3%</i>	<i>2.7%</i>	<i>6.6%</i>	<i>6.6%</i>	<i>6.6%</i>
		\$22.67	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	1	\$2.17	\$6.34	\$6.49	\$6.90	\$7.34	\$7.81
	1	\$5.63	\$6.34	\$6.49	\$6.90	\$7.34	\$7.81
	5	\$35.00	\$31.68	\$32.45	\$34.52	\$36.71	\$39.04
	8	\$69.52	\$50.68	\$51.92	\$55.23	\$58.74	\$62.46
	<u>24</u>	<u>\$265.20</u>	<u>\$288.19</u>	<u>\$299.36</u>	<u>\$316.08</u>	<u>\$333.66</u>	<u>\$352.19</u>
	40	\$377.52	\$383.23	\$396.71	\$419.64	\$443.80	\$469.31
		\$400.19	\$416.35	\$430.99	\$456.49	\$483.39	\$511.85
			<i>\$16.16</i>	<i>\$14.65</i>	<i>\$25.49</i>	<i>\$26.90</i>	<i>\$28.46</i>
			<i>4.0%</i>	<i>3.5%</i>	<i>5.9%</i>	<i>5.9%</i>	<i>5.9%</i>

RESIDENTIAL BILL IMPACTS - 3/4" METER

	Monthly Use (ccf)	Current Bill	Proposed				
			2022/23	2023/24	2024/25	2025/26	2026/27
Residential: 3/4" meter, 1 ccf Fixed Meter Charge - 3/4"" Consumption Charge Tier 1: 0 - 3 ccf Tier 2: 4 - 8 ccf Tier 3: 9 - 16 ccf <u>Tier 4: Over 16 ccf</u> Subtotal Consumption Charge Total Bimonthly Water Bill <i>\$ Change</i> <i>% Change</i>		\$22.67	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
	1	\$5.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
	1	\$5.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		\$27.86	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
			<i>\$5.26</i>	<i>\$1.16</i>	<i>\$2.57</i>	<i>\$2.74</i>	<i>\$2.95</i>
			<i>18.9%</i>	<i>3.5%</i>	<i>7.5%</i>	<i>7.4%</i>	<i>7.5%</i>

Residential: 3/4" meter, 4 ccf	Fixed Meter Charge - 3/4"		\$22.67	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
	Consumption Charge							
	Tier 1: 0 - 3 ccf	3	\$15.57	\$12.67	\$12.98	\$13.81	\$14.68	\$15.62
	Tier 2: 4 - 8 ccf	1	\$7.00	\$6.34	\$6.49	\$6.90	\$7.34	\$7.81
	Tier 3: 9 - 16 ccf	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<u>Tier 4: Over 16 ccf</u>	<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
	Subtotal Consumption Charge	4	\$22.57	\$19.01	\$19.47	\$20.71	\$22.03	\$23.42
	Total Bimonthly Water Bill		\$45.24	\$52.13	\$53.75	\$57.56	\$61.62	\$65.96
	\$ Change			\$6.89	\$1.62	\$3.81	\$4.06	\$4.35
	% Change			15.2%	3.1%	7.1%	7.0%	7.1%
Residential: 3/4" meter, 10 ccf	Fixed Meter Charge - 3/4"		\$22.67	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
	Consumption Charge							
	Tier 1: 0 - 3 ccf	3	\$15.57	\$12.67	\$12.98	\$13.81	\$14.68	\$15.62
	Tier 2: 4 - 8 ccf	5	\$35.00	\$31.68	\$32.45	\$34.52	\$36.71	\$39.04
	Tier 3: 9 - 16 ccf	2	\$17.38	\$12.67	\$12.98	\$13.81	\$14.68	\$15.62
	<u>Tier 4: Over 16 ccf</u>	<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
	Subtotal Consumption Charge	10	\$67.95	\$57.02	\$58.41	\$62.14	\$66.08	\$70.27
	Total Bimonthly Water Bill		\$90.62	\$90.14	\$92.69	\$98.99	\$105.67	\$112.81
	\$ Change			(\$0.48)	\$2.55	\$6.29	\$6.69	\$7.14
	% Change			-0.5%	2.8%	6.8%	6.8%	6.8%
Residential: 3/4" meter, 20 ccf	Fixed Meter Charge - 3/4"		\$22.67	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
	Consumption Charge							
	Tier 1: 0 - 3 ccf	3	\$15.57	\$12.67	\$12.98	\$13.81	\$14.68	\$15.62
	Tier 2: 4 - 8 ccf	5	\$35.00	\$31.68	\$32.45	\$34.52	\$36.71	\$39.04
	Tier 3: 9 - 16 ccf	8	\$69.52	\$50.68	\$51.92	\$55.23	\$58.74	\$62.46
	<u>Tier 4: Over 16 ccf</u>	<u>4</u>	<u>\$44.20</u>	<u>\$25.34</u>	<u>\$25.96</u>	<u>\$27.62</u>	<u>\$29.37</u>	<u>\$31.23</u>
	Subtotal Consumption Charge	20	\$164.29	\$120.38	\$123.32	\$131.18	\$139.51	\$148.35
	Total Bimonthly Water Bill		\$186.96	\$153.50	\$157.60	\$168.03	\$179.10	\$190.89
	\$ Change			(\$33.46)	\$4.10	\$10.43	\$11.07	\$11.79
	% Change			-17.9%	2.7%	6.6%	6.6%	6.6%
Residential: 3/4" meter, 40 ccf	Fixed Meter Charge - 3/4"		\$22.67	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
	Consumption Charge							
	Tier 1: 0 - 3 ccf	3	\$15.57	\$12.67	\$12.98	\$13.81	\$14.68	\$15.62
	Tier 2: 4 - 8 ccf	5	\$35.00	\$31.68	\$32.45	\$34.52	\$36.71	\$39.04
	Tier 3: 9 - 16 ccf	8	\$69.52	\$50.68	\$51.92	\$55.23	\$58.74	\$62.46
	<u>Tier 4: Over 16 ccf</u>	<u>24</u>	<u>\$265.20</u>	<u>\$288.19</u>	<u>\$299.36</u>	<u>\$316.08</u>	<u>\$333.66</u>	<u>\$352.19</u>
	Subtotal Consumption Charge	40	\$385.29	\$383.23	\$396.71	\$419.64	\$443.80	\$469.31
	Total Bimonthly Water Bill		\$407.96	\$416.35	\$430.99	\$456.49	\$483.39	\$511.85
	\$ Change			\$8.39	\$14.65	\$25.49	\$26.90	\$28.46
	% Change			2.1%	3.5%	5.9%	5.9%	5.9%

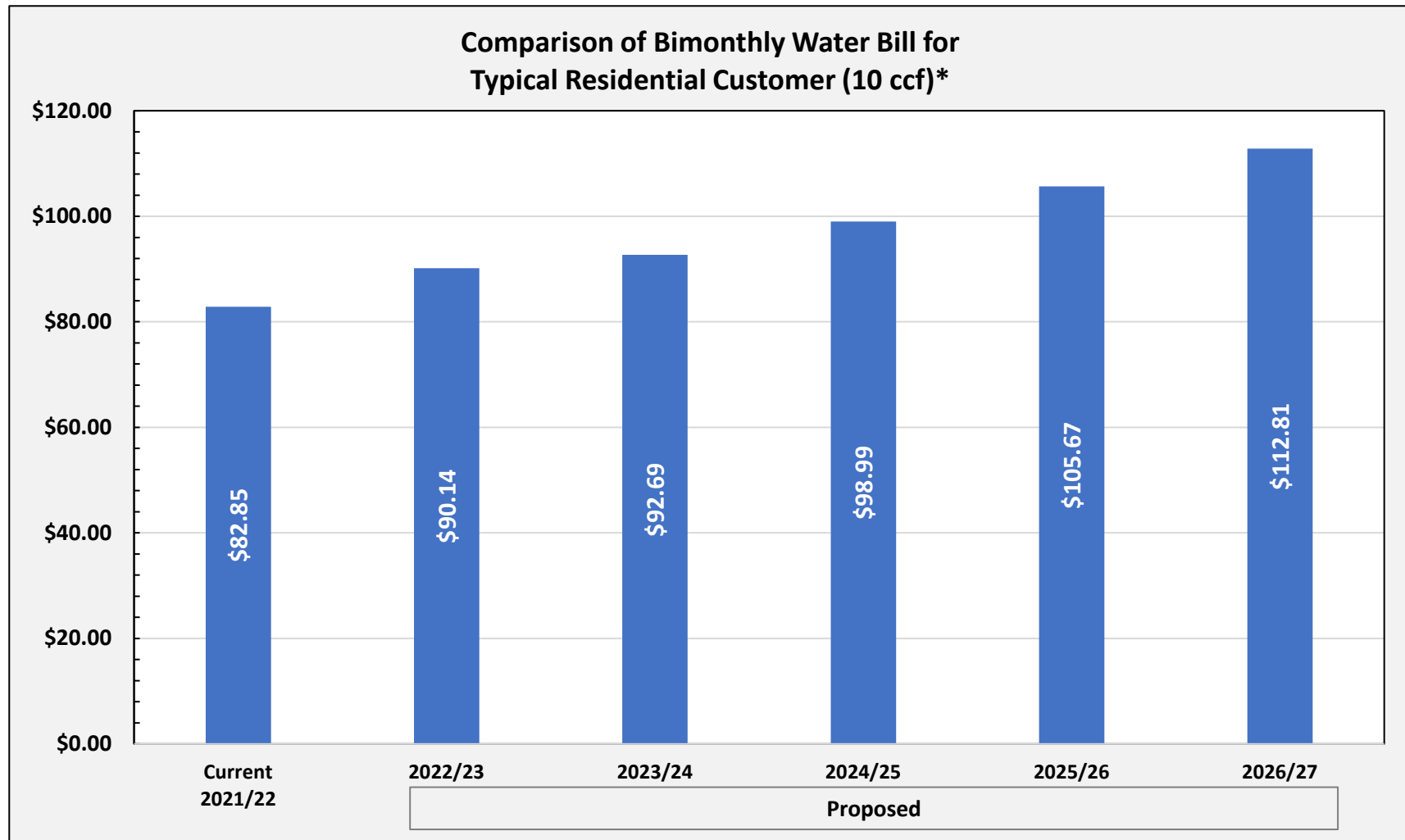
COMMERCIAL BILL IMPACTS

	Monthly Use (ccf)	Current Bill	Proposed				
			2022/23	2023/24	2024/25	2025/26	2026/27
Commercial: 5/8" meter, 10 ccf							
Fixed Meter Charge - 5/8"		\$35.07	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
Consumption Charge							
Tier 1: 0 - 8 ccf	8	\$41.58	\$44.35	\$45.43	\$48.33	\$51.40	\$54.65
Tier 2: 9 - 16 ccf	2	\$17.38	\$12.67	\$12.98	\$13.81	\$14.68	\$15.62
Tier 3: Over 16 ccf	<u>0</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Subtotal Consumption Charge	10	\$58.96	\$57.02	\$58.41	\$62.14	\$66.08	\$70.27
Total Bimonthly Water Bill		\$94.03	\$90.14	\$92.69	\$98.99	\$105.67	\$112.81
\$ Change			(\$3.89)	\$2.55	\$6.29	\$6.69	\$7.14
% Change			-4.1%	2.8%	6.8%	6.8%	6.8%
Commercial: 1-1/2" meter, 40 ccf							
Fixed Meter Charge - 1-1/2"		\$0.00	\$33.12	\$34.28	\$36.85	\$39.59	\$42.54
Consumption Charge							
Tier 1: 0 - 8 ccf	8	\$56.00	\$44.35	\$45.43	\$48.33	\$51.40	\$54.65
Tier 2: 9 - 16 ccf	8	\$69.52	\$50.68	\$51.92	\$55.23	\$58.74	\$62.46
Tier 3: Over 16 ccf	<u>24</u>	<u>\$265.20</u>	<u>\$288.19</u>	<u>\$299.36</u>	<u>\$316.08</u>	<u>\$333.66</u>	<u>\$352.19</u>
Subtotal Consumption Charge	40	\$390.72	\$383.23	\$396.71	\$419.64	\$443.80	\$352.19
Total Bimonthly Water Bill		\$390.72	\$416.35	\$430.99	\$456.49	\$483.39	\$394.73
\$ Change			\$25.63	\$14.65	\$25.49	\$26.90	(\$88.66)
% Change			6.6%	3.5%	5.9%	5.9%	-18.3%

IRRIGATION BILL IMPACTS

	Monthly Use (ccf)	Current Bill	Proposed				
			2022/23	2023/24	2024/25	2025/26	2026/27
Irrigation: 1-1/2" meter, 50 ccf							
Fixed Meter Charge - 5/8"		\$92.47	\$88.33	\$91.44	\$98.30	\$105.59	\$113.48
Consumption Charge							
Tier 1: 0 - 8 ccf	8	\$41.42	\$44.35	\$45.43	\$48.33	\$51.40	\$54.65
Tier 2: 9 - 16 ccf	8	\$90.80	\$50.68	\$51.92	\$55.23	\$58.74	\$62.46
Tier 3: Over 16 ccf	<u>34</u>	<u>\$448.46</u>	<u>\$472.19</u>	<u>\$490.74</u>	<u>\$518.00</u>	<u>\$546.66</u>	<u>\$576.86</u>
Subtotal Consumption Charge	50	\$580.68	\$567.22	\$588.09	\$621.56	\$656.80	\$693.98
Total Bimonthly Water Bill		\$673.15	\$655.55	\$679.53	\$719.85	\$762.39	\$807.45
\$ Change			(\$17.61)	\$23.98	\$40.33	\$42.53	\$45.07
% Change			-2.6%	3.7%	5.9%	5.9%	5.9%
Irrigation: 2" meter, 100 ccf							
Fixed Meter Charge - 2"		\$92.47	\$88.33	\$91.44	\$98.30	\$105.59	\$113.48
Consumption Charge							
Tier 1: 0 - 8 ccf	8	\$41.42	\$44.35	\$45.43	\$48.33	\$51.40	\$54.65
Tier 2: 9 - 16 ccf	8	\$90.80	\$50.68	\$51.92	\$55.23	\$58.74	\$62.46
Tier 3: Over 16 ccf	<u>84</u>	<u>\$1,107.96</u>	<u>\$1,129.31</u>	<u>\$1,174.23</u>	<u>\$1,239.15</u>	<u>\$1,307.39</u>	<u>\$1,379.26</u>
Subtotal Consumption Charge	100	\$1,240.18	\$1,224.35	\$1,271.58	\$1,342.71	\$1,417.53	\$1,496.37
Total Bimonthly Water Bill		\$1,332.65	\$1,312.67	\$1,363.02	\$1,441.00	\$1,523.12	\$1,609.85
\$ Change			(\$19.98)	\$50.35	\$77.98	\$82.11	\$86.74
% Change			-1.5%	3.8%	5.7%	5.7%	5.7%

Table 16: Comparison of Bimonthly Water Bill for Typical Residential Customer
City of Brisbane
Water Utility Rate Study 2022



* Does not include Drought Surcharge or Capital Charge

Table 17: Bimonthly Water Bill Survey
City of Brisbane
Water Utility Rate Study 2022

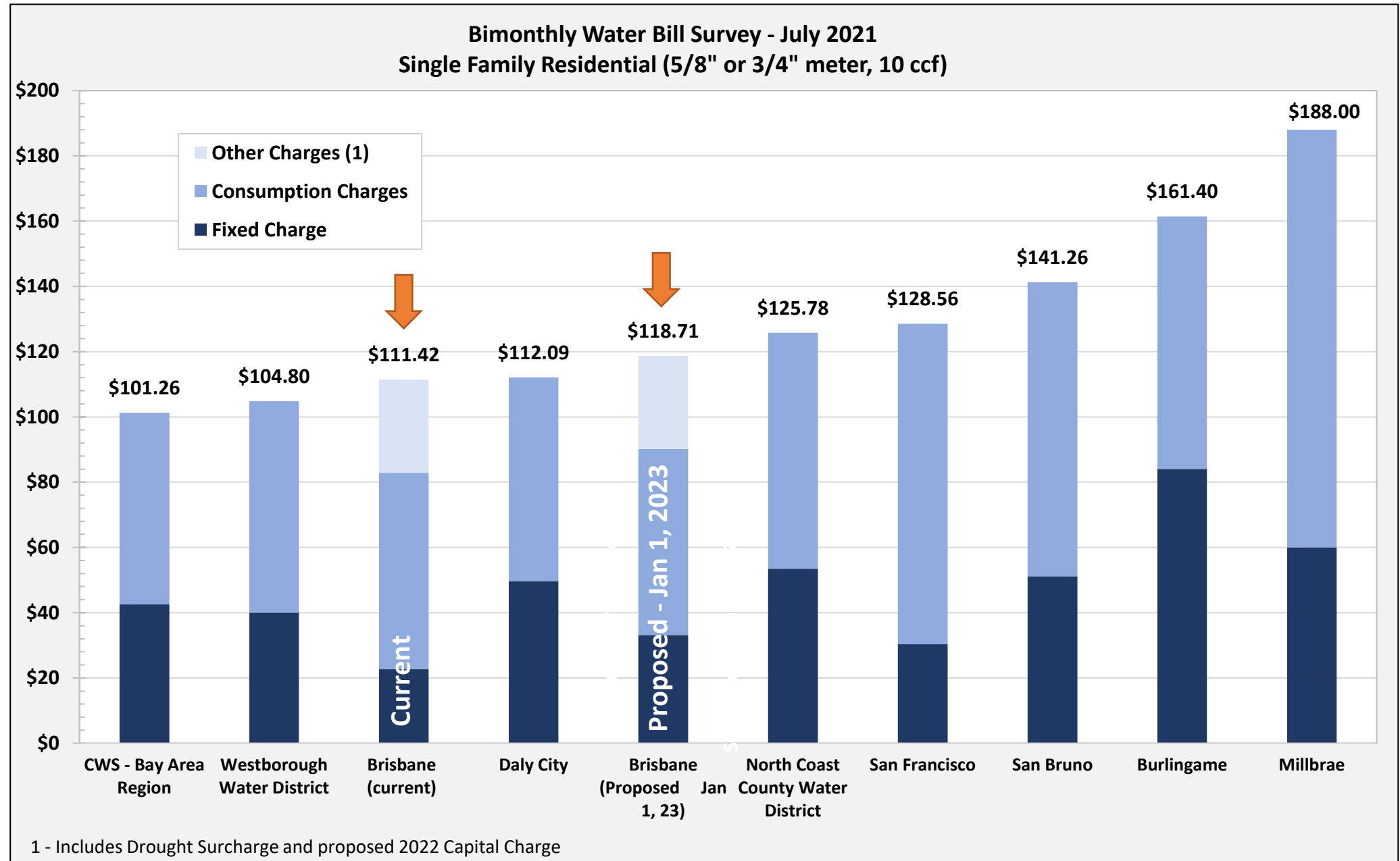


Table 18: Water Low Income Discount
City of Brisbane
Water and Sewer Utility Rate Study 2022

	Proposed Rates Jan 1, 2023
Total Number of Residential Water Customers	1,650
Estimated Number of Customers Eligible for Discount	400
Total 2020/21 Water Low Income Discount Revenue	\$37,500
Annual Discount per Customer	\$93.80
Bimonthly Discount per Customer	\$15.60
5/8" Meter Bimonthly Fixed Charge	\$33.12
<u>Less Proposed Bimonthly Discount per Customer</u>	<u>\$15.60</u>
5/8" Meter Bimonthly Fixed Charge less Discount	\$17.52
% of Discount	47.1%