

CITY OF HOLTVILLE

Sewer Rate Study

Funded by Community Development Block Grant

Raftelis Financial Consultants, Inc.



June 19, 2012

July 19, 2012

Alexander P. Meyerhoff, AICP
City Manager
City of Holtville
121 W. 5th Street
Holtville, CA 92250

Subject: Sewer Rate Study Report

Dear Mr. Meyerhoff:

Raftelis Financial Consultants Inc. (RFC) is pleased to present this report on sewer rates to the City of Holtville (City). We are confident that the results developed will ensure the financial viability of the utility. This report summarizes the recommendations and findings of the study.

It was a pleasure working with you and we appreciate the assistance you, Jack Holt, David Aguirre and other City staff members provided during the course of the study. If you have any questions, please call me at (626) 583-1895.

Sincerely,



Sudhir Pardiwala
Vice President



Steve Vuoso
Senior Consultant

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CITY OF HOLTVILLE - SEWER RATE STUDY 2012

1 EXECUTIVE SUMMARY

The City of Holtville (City) engaged Raftelis Financial Consultants, Inc. (RFC) to conduct a comprehensive sewer rate study to determine the sewer rates over the planning period from fiscal year¹ (FY) 2013 to 2017. These fiscal years encompass the period beginning July 1, 2012 and ending June 30, 2017. This report documents the resultant findings, analyses, and proposed changes that were developed with data collected from the City.

The main driving force for this study was the need for the City to complete major capital improvement projects including a Wastewater Treatment Plant (WWTP) upgrade and a Sewer Outfall Pipeline (Pipeline) replacement and residential collection system improvement. The WWTP is expected to cost \$6 million over 3 years (from FY 2012 through FY 2014). The Pipeline project is expected to cost \$4.5 million over 2 years (from FY 2012 through FY 2013). The City is still in the process of securing funding for these projects; however, at its direction we have developed financial plans and associated rate increases under two scenarios. The first scenario assumes that the two major capital projects are funded via Clean Water State Revolving Fund (CWSRF) Program Funds. The second scenario assumes CWSRF loans with fifty percent of the loans being forgivable (CWSRF 50). The two scenarios have significantly different impacts on the additional revenues needed over the next five years.

One major element of the rate component of this study is regarding the Barbara Worth Country Club (BWCC). The BWCC currently maintains its own collection system and therefore does not utilize the vast majority of the City's collection system. The City requested that RFC calculate the appropriate rates for the BWCC given this situation.

1.1 CWSRF SCENARIO

Under this scenario, the \$10.5 million in major capital projects (WWTP and Pipeline) will be funded via two SRF loans received during FY 2013. The loan terms are assumed to be 20 years with an annual interest rate of 2.4%. Payments on the loans commence the year after the projects are completed.

1.1.1 CWSRF SCENARIO RATE INCREASES

Annual rate increases of 22% will be needed for the first 3 years to ensure the City continues to meet all its operational and capital financing, debt coverage requirements and sustain the sewer utility fund.

Table 1-1 displays the proposed rate increases and effective dates.

¹ A fiscal year for the City is defined as the period from July 1 to June 30 of the following year. Therefore, fiscal year July 1, 2011 through June 30, 2012 is identified as FY 2012; fiscal year July 1, 2012 through June 30, 2013 is identified as FY 2013; and so forth.

CITY OF HOLTVILLE - SEWER RATE STUDY 2012

TABLE 1-1
PROPOSED RATE INCREASES - CWSRF SCENARIO - FY 2013 – FY 2016

| <u>Effective Date</u> | <u>Proposed Increases</u> |
|------------------------|---------------------------|
| January 1, 2013 | 22% |
| January 1, 2014 | 22% |
| January 1, 2015 | 22% |
| January 1, 2016 | 0% |
| January 1, 2017 | 0% |

1.1.2 CWSRF SCENARIO PROPOSED RATES

The proposed rate structure is similar to the current rate structure. Although there are increases in rates planned as part of the forecast, the structural changes to the rates resulted from calculating BWCC rates taking into account their limited use of the collection system.

Table 1-2 outlines the proposed rates for the forecast period after the annual rate increases outlined in Table 1-1 are applied and the rate adjustments regarding the BWCC rates. The current consumption allotments associated with non-residential customers remain unchanged (i.e., industrial, commercial).

CITY OF HOLTVILLE - SEWER RATE STUDY 2012

TABLE 1-2 PROPOSED MONTHLY RATES – CWSRF SCENARIO – FY 2013 – FY 2017

| City Rates | | Existing | | FY 2013 | | FY 2014 | | FY 2015 | | FY 2016 | | FY 2017 | |
|---|---|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|
| Line No. | Customer Class | Fixed \$/Month | Consumption Fee (\$/kgal) |
| 1 | Single Family | \$ 49.32 | | \$ 60.17 | | \$ 75.19 | | \$ 93.96 | | \$ 96.24 | | \$ 98.58 | |
| 2 | Multifamily (per dwelling unit) | \$ 49.32 | | \$ 60.17 | | \$ 75.19 | | \$ 93.96 | | \$ 96.24 | | \$ 98.58 | |
| 3 | Senior Discount | \$ 39.44 | | \$ 48.12 | | \$ 60.13 | | \$ 75.14 | | \$ 76.97 | | \$ 78.84 | |
| 4 | Offices | \$ 45.02 | \$ 3.95 | \$ 54.92 | \$ 4.94 | \$ 68.63 | \$ 6.17 | \$ 85.76 | \$ 7.71 | \$ 87.84 | \$ 7.90 | \$ 89.98 | \$ 8.09 |
| 5 | Churches | \$ 45.02 | \$ 3.95 | \$ 54.92 | \$ 4.94 | \$ 68.63 | \$ 6.17 | \$ 85.76 | \$ 7.71 | \$ 87.84 | \$ 7.90 | \$ 89.98 | \$ 8.09 |
| 6 | Service Stations | \$ 64.93 | \$ 3.95 | \$ 79.21 | \$ 4.94 | \$ 98.99 | \$ 6.17 | \$ 123.70 | \$ 7.71 | \$ 126.71 | \$ 7.90 | \$ 129.79 | \$ 8.09 |
| 7 | <u>Restaurants</u> | | | | | | | | | | | | |
| 8 | Under 30 persons | \$ 131.69 | \$ 3.95 | \$ 160.66 | \$ 4.94 | \$ 200.77 | \$ 6.17 | \$ 250.89 | \$ 7.71 | \$ 256.99 | \$ 7.90 | \$ 263.24 | \$ 8.09 |
| 9 | Over 30 persons | \$ 239.69 | \$ 3.95 | \$ 292.42 | \$ 4.94 | \$ 365.43 | \$ 6.17 | \$ 456.66 | \$ 7.71 | \$ 467.76 | \$ 7.90 | \$ 479.13 | \$ 8.09 |
| 10 | <u>Hotels</u> | | | | | | | | | | | | |
| 11 | Under 30 persons | \$ 214.88 | \$ 3.95 | \$ 262.15 | \$ 4.94 | \$ 327.60 | \$ 6.17 | \$ 409.39 | \$ 7.71 | \$ 419.34 | \$ 7.90 | \$ 429.53 | \$ 8.09 |
| 12 | Over 30 persons | \$ 406.05 | \$ 3.95 | \$ 495.38 | \$ 4.94 | \$ 619.06 | \$ 6.17 | \$ 773.61 | \$ 7.71 | \$ 792.42 | \$ 7.90 | \$ 811.68 | \$ 8.09 |
| 13 | Laundromats | \$ 225.49 | \$ 3.95 | \$ 275.10 | \$ 4.94 | \$ 343.78 | \$ 6.17 | \$ 429.61 | \$ 7.71 | \$ 440.05 | \$ 7.90 | \$ 450.75 | \$ 8.09 |
| 14 | Schools | \$ 323.42 | \$ 3.95 | \$ 394.57 | \$ 4.94 | \$ 493.08 | \$ 6.17 | \$ 616.18 | \$ 7.71 | \$ 631.16 | \$ 7.90 | \$ 646.50 | \$ 8.09 |
| 15 | Meat Processors, Packing Sheds, coolers, ice plants, etc. | \$ 323.42 | \$ 3.95 | \$ 394.57 | \$ 4.94 | \$ 493.08 | \$ 6.17 | \$ 616.18 | \$ 7.71 | \$ 631.16 | \$ 7.90 | \$ 646.50 | \$ 8.09 |
| 16 | <u>Truck Disposal</u> | | | | | | | | | | | | |
| 17 | Roto-Rooter | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| 18 | Alpha Site Logistics | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| 19 | A&S, AnconM, Mt.View | \$ 0.14 | | \$ 0.17 | | \$ 0.21 | | \$ 0.26 | | \$ 0.26 | | \$ 0.26 | |
| 20 | Sharps Sanitation | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| 21 | Lori's Sanitation | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| 22 | AG Portable Services | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| 23 | SD,VMJ,Maui,Och,Prim | \$ 0.14 | | \$ 0.17 | | \$ 0.21 | | \$ 0.26 | | \$ 0.26 | | \$ 0.26 | |
| 24 | Joel and Munoz Labor | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| 25 | Rent-A-Can | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| | | Fixed \$/Month | Consumption Fee (\$/kgal) |
| <u>Barbara Worth Country Club Rates</u> | | | | | | | | | | | | | |
| 26 | Single Family | \$ 49.32 | | \$ 36.41 | | \$ 45.49 | | \$ 56.85 | | \$ 58.23 | | \$ 59.64 | |
| 27 | Multifamily (per dwelling unit) | \$ 49.32 | | \$ 36.41 | | \$ 45.49 | | \$ 56.85 | | \$ 58.23 | | \$ 59.64 | |
| 28 | Senior Discount | \$ 39.44 | | \$ 29.11 | | \$ 36.38 | | \$ 45.46 | | \$ 46.57 | | \$ 47.70 | |
| 29 | Offices | \$ 45.02 | \$ 3.95 | \$ 33.23 | \$ 2.99 | \$ 41.52 | \$ 3.73 | \$ 51.89 | \$ 4.66 | \$ 53.15 | \$ 4.78 | \$ 54.44 | \$ 4.89 |
| 30 | Churches | \$ 45.02 | \$ 3.95 | \$ 33.23 | \$ 2.99 | \$ 41.52 | \$ 3.73 | \$ 51.89 | \$ 4.66 | \$ 53.15 | \$ 4.78 | \$ 54.44 | \$ 4.89 |
| 31 | Service Stations | \$ 64.93 | \$ 3.95 | \$ 47.93 | \$ 2.99 | \$ 59.89 | \$ 3.73 | \$ 74.84 | \$ 4.66 | \$ 76.66 | \$ 4.78 | \$ 78.53 | \$ 4.89 |
| 32 | <u>Restaurants</u> | | | | | | | | | | | | |
| 33 | Under 30 persons | \$ 131.69 | \$ 3.95 | \$ 97.21 | \$ 2.99 | \$ 121.47 | \$ 3.73 | \$ 151.80 | \$ 4.66 | \$ 155.49 | \$ 4.78 | \$ 159.27 | \$ 4.89 |
| 34 | Over 30 persons | \$ 239.69 | \$ 3.95 | \$ 176.93 | \$ 2.99 | \$ 221.10 | \$ 3.73 | \$ 276.30 | \$ 4.66 | \$ 283.01 | \$ 4.78 | \$ 289.89 | \$ 4.89 |
| 35 | <u>Hotels</u> | | | | | | | | | | | | |
| 36 | Under 30 persons | \$ 214.88 | \$ 3.95 | \$ 158.61 | \$ 2.99 | \$ 198.21 | \$ 3.73 | \$ 247.70 | \$ 4.66 | \$ 253.72 | \$ 4.78 | \$ 259.88 | \$ 4.89 |
| 37 | Over 30 persons | \$ 406.05 | \$ 3.95 | \$ 299.73 | \$ 2.99 | \$ 374.56 | \$ 3.73 | \$ 468.07 | \$ 4.66 | \$ 479.45 | \$ 4.78 | \$ 491.10 | \$ 4.89 |
| 38 | Laundromats | \$ 225.49 | \$ 3.95 | \$ 166.45 | \$ 2.99 | \$ 208.00 | \$ 3.73 | \$ 259.93 | \$ 4.66 | \$ 266.25 | \$ 4.78 | \$ 272.72 | \$ 4.89 |
| 39 | Schools | \$ 323.42 | \$ 3.95 | \$ 238.73 | \$ 2.99 | \$ 298.33 | \$ 3.73 | \$ 372.81 | \$ 4.66 | \$ 381.88 | \$ 4.78 | \$ 391.16 | \$ 4.89 |
| 40 | Meat Processors, Packing Sheds, coolers, ice plants, etc. | \$ 323.42 | \$ 3.95 | \$ 238.73 | \$ 2.99 | \$ 298.33 | \$ 3.73 | \$ 372.81 | \$ 4.66 | \$ 381.88 | \$ 4.78 | \$ 391.16 | \$ 4.89 |

CITY OF HOLTVILLE - SEWER RATE STUDY 2012

1.2 CWSRF 50 SCENARIO

Under this scenario, the \$10.5 million in major capital projects (WWTP and Pipeline) will be funded via two SRF loans received during FY 2013, with fifty percent of the loan value being forgivable. The loan terms are assumed to be 20 years with an annual interest rate of 2.4%. Payments on the loans commence the year after the projects are completed.

1.2.1 CWSRF 50 SCENARIO RATE INCREASES

A rate increase of 13% will be needed in FY 2013 and 12% increases in FY 2014 and FY 2015 to ensure the City continues to meet all its financial obligations and sustain the sewer utility. Table 1-3 displays the proposed rate increases and effective dates.

TABLE 1-3
PROPOSED RATE INCREASES – CWSRF 50 SCENARIO - FY 2013 – FY 2017

| Effective Date | Proposed Increases |
|-----------------------|---------------------------|
| January 1, 2013 | 13% |
| January 1, 2014 | 12% |
| January 1, 2015 | 12% |
| January 1, 2016 | 0% |
| January 1, 2017 | 0% |

1.2.2 CWSRF 50 PROPOSED RATES

Table 1-4 outlines the proposed rates for the forecast period after the annual rate increases outlined in Table 1-3 are applied, along with changes to the results of the changing of the BWCC rates. The current consumption allotments associated with non-residential customers remain unchanged.

CITY OF HOLTVILLE - SEWER RATE STUDY 2012

TABLE 1-4 PROPOSED RATE INCREASES – CWSRF 50 SCENARIO - FY 2013 – FY 2017

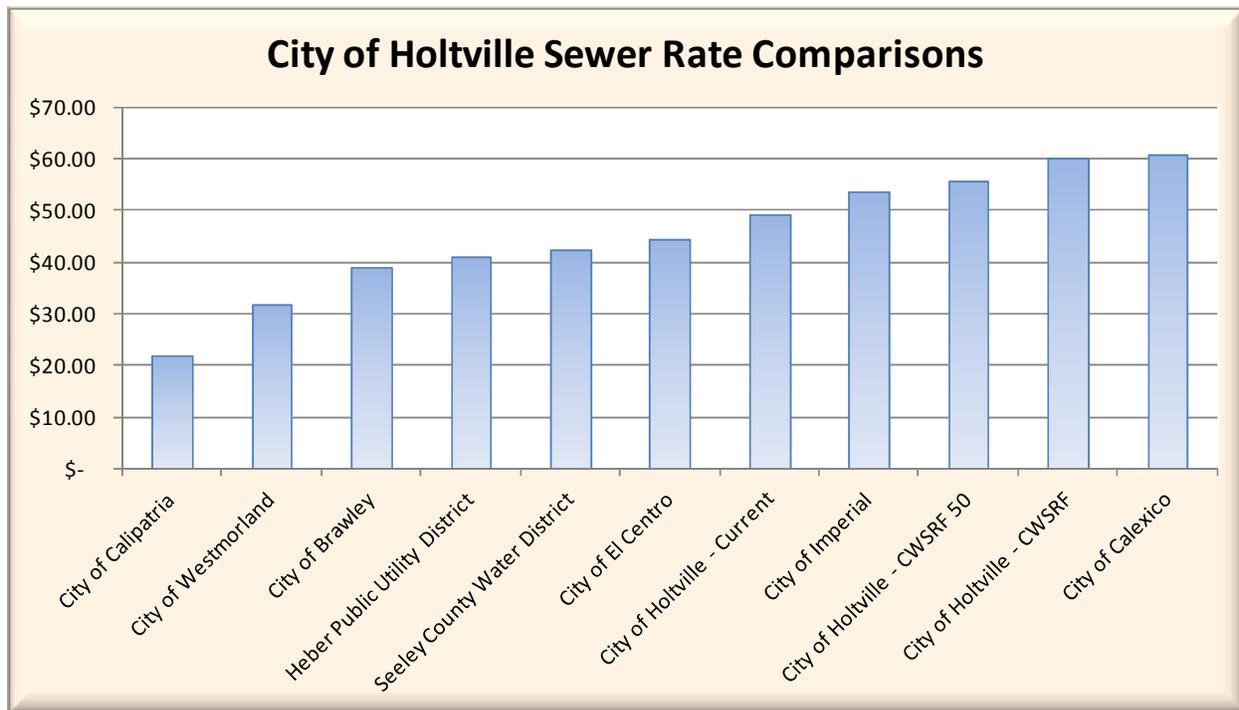
| City Rates | | Existing | | FY 2013 | | FY 2014 | | FY 2015 | | FY 2016 | | FY 2017 | |
|---|---|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|----------------------------------|
| Line No. | Customer Class | Fixed \$/Month | Consumption Fee (\$/kgal) |
| 1 | Single Family | \$ 49.32 | | \$ 55.73 | | \$ 63.92 | | \$ 73.31 | | \$ 75.07 | | \$ 76.87 | |
| 2 | Multifamily (per dwelling unit) | \$ 49.32 | | \$ 55.73 | | \$ 63.92 | | \$ 73.31 | | \$ 75.07 | | \$ 76.87 | |
| 3 | Senior Discount | \$ 39.44 | | \$ 44.57 | | \$ 51.12 | | \$ 58.63 | | \$ 60.04 | | \$ 61.48 | |
| 4 | Offices | \$ 45.02 | \$ 3.95 | \$ 50.87 | \$ 4.57 | \$ 58.34 | \$ 5.24 | \$ 66.91 | \$ 6.01 | \$ 68.52 | \$ 6.15 | \$ 70.16 | \$ 6.30 |
| 5 | Churches | \$ 45.02 | \$ 3.95 | \$ 50.87 | \$ 4.57 | \$ 58.34 | \$ 5.24 | \$ 66.91 | \$ 6.01 | \$ 68.52 | \$ 6.15 | \$ 70.16 | \$ 6.30 |
| 6 | Service Stations | \$ 64.93 | \$ 3.95 | \$ 73.37 | \$ 4.57 | \$ 84.15 | \$ 5.24 | \$ 96.51 | \$ 6.01 | \$ 98.83 | \$ 6.15 | \$ 101.20 | \$ 6.30 |
| 7 | Restaurants | | | | | | | | | | | | |
| 8 | Under 30 persons | \$ 131.69 | \$ 3.95 | \$ 148.81 | \$ 4.57 | \$ 170.67 | \$ 5.24 | \$ 195.74 | \$ 6.01 | \$ 200.44 | \$ 6.15 | \$ 205.25 | \$ 6.30 |
| 9 | Over 30 persons | \$ 239.69 | \$ 3.95 | \$ 270.85 | \$ 4.57 | \$ 310.63 | \$ 5.24 | \$ 356.25 | \$ 6.01 | \$ 364.80 | \$ 6.15 | \$ 373.55 | \$ 6.30 |
| 10 | Hotels | | | | | | | | | | | | |
| 11 | Under 30 persons | \$ 214.88 | \$ 3.95 | \$ 242.81 | \$ 4.57 | \$ 278.47 | \$ 5.24 | \$ 319.37 | \$ 6.01 | \$ 327.03 | \$ 6.15 | \$ 334.88 | \$ 6.30 |
| 12 | Over 30 persons | \$ 406.05 | \$ 3.95 | \$ 458.84 | \$ 4.57 | \$ 526.23 | \$ 5.24 | \$ 603.52 | \$ 6.01 | \$ 618.00 | \$ 6.15 | \$ 632.83 | \$ 6.30 |
| 13 | Laundromats | \$ 225.49 | \$ 3.95 | \$ 254.80 | \$ 4.57 | \$ 292.22 | \$ 5.24 | \$ 335.14 | \$ 6.01 | \$ 343.18 | \$ 6.15 | \$ 351.42 | \$ 6.30 |
| 14 | Schools | \$ 323.42 | \$ 3.95 | \$ 365.46 | \$ 4.57 | \$ 419.14 | \$ 5.24 | \$ 480.70 | \$ 6.01 | \$ 492.24 | \$ 6.15 | \$ 504.05 | \$ 6.30 |
| 15 | Meat Processors, Packing Sheds, coolers, ice plants, etc. | \$ 323.42 | \$ 3.95 | \$ 365.46 | \$ 4.57 | \$ 419.14 | \$ 5.24 | \$ 480.70 | \$ 6.01 | \$ 492.24 | \$ 6.15 | \$ 504.05 | \$ 6.30 |
| 16 | Truck Disposal | | | | | | | | | | | | |
| 17 | Roto-Rooter | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| 18 | Alpha Site Logistics | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| 19 | A&S, AnconM, Mt.View | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.20 | | \$ 0.20 | | \$ 0.20 | |
| 20 | Sharps Sanitation | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| 21 | Lori's Sanitation | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| 22 | AG Portable Services | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| 23 | SD,VMJ,Maui,Och,Prim | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.20 | | \$ 0.20 | | \$ 0.20 | |
| 24 | Joel and Munoz Labor | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| 25 | Rent-A-Can | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| | | Fixed \$/Month | Consumption Fee (\$/kgal) |
| Barbara Worth Country Club Rates | | | | | | | | | | | | | |
| 26 | Single Family | \$ 49.32 | | \$ 34.02 | | \$ 39.02 | | \$ 44.75 | | \$ 45.82 | | \$ 46.92 | |
| 27 | Multifamily (per dwelling unit) | \$ 49.32 | | \$ 34.02 | | \$ 39.02 | | \$ 44.75 | | \$ 45.82 | | \$ 46.92 | |
| 28 | Senior Discount | \$ 39.44 | | \$ 27.20 | | \$ 31.20 | | \$ 35.79 | | \$ 36.65 | | \$ 37.53 | |
| 29 | Offices | \$ 45.02 | \$ 3.95 | \$ 31.05 | \$ 2.79 | \$ 35.61 | \$ 3.20 | \$ 40.84 | \$ 3.67 | \$ 41.82 | \$ 3.75 | \$ 42.82 | \$ 3.85 |
| 30 | Churches | \$ 45.02 | \$ 3.95 | \$ 31.05 | \$ 2.79 | \$ 35.61 | \$ 3.20 | \$ 40.84 | \$ 3.67 | \$ 41.82 | \$ 3.75 | \$ 42.82 | \$ 3.85 |
| 31 | Service Stations | \$ 64.93 | \$ 3.95 | \$ 44.78 | \$ 2.79 | \$ 51.36 | \$ 3.20 | \$ 58.91 | \$ 3.67 | \$ 60.32 | \$ 3.75 | \$ 61.77 | \$ 3.85 |
| 32 | Restaurants | | | | | | | | | | | | |
| 33 | Under 30 persons | \$ 131.69 | \$ 3.95 | \$ 90.83 | \$ 2.79 | \$ 104.17 | \$ 3.20 | \$ 119.48 | \$ 3.67 | \$ 122.35 | \$ 3.75 | \$ 125.28 | \$ 3.85 |
| 34 | Over 30 persons | \$ 239.69 | \$ 3.95 | \$ 165.32 | \$ 2.79 | \$ 189.60 | \$ 3.20 | \$ 217.45 | \$ 3.67 | \$ 222.67 | \$ 3.75 | \$ 228.01 | \$ 3.85 |
| 35 | Hotels | | | | | | | | | | | | |
| 36 | Under 30 persons | \$ 214.88 | \$ 3.95 | \$ 148.21 | \$ 2.79 | \$ 169.97 | \$ 3.20 | \$ 194.94 | \$ 3.67 | \$ 199.61 | \$ 3.75 | \$ 204.41 | \$ 3.85 |
| 37 | Over 30 persons | \$ 406.05 | \$ 3.95 | \$ 280.07 | \$ 2.79 | \$ 321.20 | \$ 3.20 | \$ 368.38 | \$ 3.67 | \$ 377.22 | \$ 3.75 | \$ 386.27 | \$ 3.85 |
| 38 | Laundromats | \$ 225.49 | \$ 3.95 | \$ 155.53 | \$ 2.79 | \$ 178.37 | \$ 3.20 | \$ 204.56 | \$ 3.67 | \$ 209.47 | \$ 3.75 | \$ 214.50 | \$ 3.85 |
| 39 | Schools | \$ 323.42 | \$ 3.95 | \$ 223.07 | \$ 2.79 | \$ 255.84 | \$ 3.20 | \$ 293.41 | \$ 3.67 | \$ 300.46 | \$ 3.75 | \$ 307.66 | \$ 3.85 |
| 40 | Meat Processors, Packing Sheds, coolers, ice plants, etc. | \$ 323.42 | \$ 3.95 | \$ 223.07 | \$ 2.79 | \$ 255.84 | \$ 3.20 | \$ 293.41 | \$ 3.67 | \$ 300.46 | \$ 3.75 | \$ 307.66 | \$ 3.85 |

CITY OF HOLTVILLE - SEWER RATE STUDY 2012

1.3 RATE SURVEY

RFC conducted a survey comparing monthly bills for City of Holtville SFR (Single Family Residence) customers under the existing and two proposed scenarios to other regional sewer utilities for FY 2013. Figure 1-1 displays the results. Where the City falls in comparison is impacted by which financial plan is implemented.

**FIGURE 1-1
BILL COMPARISON TO SURROUNDING AGENCIES FY 2013**



CITY OF HOLTVILLE - SEWER RATE STUDY 2012

2 INTRODUCTION

The City of Holtville (City) engaged Raftelis Financial Consultants, Inc. (RFC) to conduct a sewer rates and fees study that could be utilized to evaluate the revenue requirements and rates to be collected from City customers to ensure the financial viability of the utility. This report documents the findings and analyses of the study, as well as proposed changes.

The City's population was estimated at 6,479 in 2008. This is forecasted to grow to 7,915 by the year 2035. The City provides sewer services to approximately 2,000 residences and businesses. The majority of the customers are within City boundaries, with some customers outside of the City, including those at the Barbara Worth Country Club.

The City last increased rates on July 1, 2009. The City is currently in the process of completing two major capital projects. The City estimates that \$6 million dollars will be spent on an upgrade for the Wastewater Treatment Plant (WWTP) through FY 2014. The upgrade is necessary to ensure the City remains in compliance with discharge requirements by Colorado Regional Water Quality Control Board; failure to do so will result in significant fines for the City. The second project is a Sewer Outfall Pipeline Replacement (Pipeline). This project is estimated to cost the City a total of \$4.5 million through FY 2013.

The City is currently in the process of trying to secure subsidized funding for these two projects, including grants. However, the City directed RFC to conduct analyses under the best and worst case funding scenario assumptions. The first scenario assumes that the two major capital projects are funded via Clean Water State Revolving Fund (CWSRF) Program Funds. The second scenario assumes CWSRF loans with fifty percent of the loans being forgivable (CWSRF 50).

The City completed implementing a five year rate plan at the end of FY 2010. Rates have not been increased in FY 2011 or FY 2012. The City wishes to implement another five-year rate plan. Rates should be fair and equitable to the different customer classes and consistent with regulatory requirements. One major element of the rate component of this study is regarding the Barbara Worth Country Club (BWCC). The BWCC now currently maintains its own collection system and therefore does not benefit from the vast majority of the City collection system expenditures. The City requested that RFC calculate the appropriate rates for the BWCC given this situation.

CITY OF HOLTVILLE - SEWER RATE STUDY 2012

3 SEWER RATE STUDY

The following subsections present the findings and recommendations of the rate study pertaining to the sewer utility.

3.1 EXISTING SEWER RATES

Under the current sewer rate structure, residential customers are charged a fixed monthly fee for each dwelling unit. Non-residential customers are charged a fixed monthly charge plus a volume charge for each thousand gallons of water consumption that exceeds a defined allotment that varies by customer class. The City also charges a per gallon charge for Truck Disposal customers that are not permanently connected to the system. The current rate structure has been in effect since July 1, 2010 and is outlined in Table 3-1.

**TABLE 3-1
EXISTING SEWER RATE STRUCTURE**

| Line No. | Customer Class | Fixed \$/Month | Consumption Allotment (gal.) | Consumption Fee (\$/kgal) |
|----------|---|------------------|------------------------------|---------------------------|
| 1 | Single Family | \$ 49.32 | | |
| 2 | Multifamily (per dwelling unit) | \$ 49.32 | | |
| 3 | Senior Discount | \$ 39.44 | | |
| 4 | Offices | \$ 45.02 | 10,000 | \$ 3.95 |
| 5 | Churches | \$ 45.02 | 25,000 | \$ 3.95 |
| 6 | Service Stations | \$ 64.93 | 15,000 | \$ 3.95 |
| 7 | <u>Restaurants</u> | | | |
| 8 | Under 30 persons | \$ 131.69 | 30,000 | \$ 3.95 |
| 9 | Over 30 persons | \$ 239.69 | 60,000 | \$ 3.95 |
| 10 | <u>Hotels</u> | | | |
| 11 | Under 30 persons | \$ 214.88 | 50,000 | \$ 3.95 |
| 12 | Over 30 persons | \$ 406.05 | 175,000 | \$ 3.95 |
| 13 | Laundromats | \$ 225.49 | 100,000 | \$ 3.95 |
| 14 | Schools | \$ 323.42 | 150,000 | \$ 3.95 |
| 15 | Meat Processors, Packing Sheds, coolers, ice plants, etc. | \$ 323.42 | 500,000 | \$ 3.95 |
| 16 | <u>Truck Disposal</u> | <u>\$/gallon</u> | | |
| 17 | Roto-Rooter | \$ 0.12 | | |
| 18 | Alpha Site Logistics | \$ 0.12 | | |
| 19 | A&S, AnconM, Mt.View | \$ 0.14 | | |
| 20 | Sharps Sanitation | \$ 0.12 | | |
| 21 | Lori's Sanitation | \$ 0.12 | | |
| 22 | AG Portable Services | \$ 0.12 | | |
| 23 | SD,VMJ,Maui,Och,Prim | \$ 0.14 | | |
| 24 | Joel and Munoz Labor | \$ 0.12 | | |
| 25 | Rent-A-Can | \$ 0.12 | | |

3.2 SEWER BILLING UNITS & GROWTH

Table 3-2 displays the current number of dwelling units and non-residential accounts that are billed during FY 2012. The accounts are shown by customer class and location (inside city, outside city, and

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country club). Multifamily accounts are billed on a per dwelling unit basis and therefore shown similarly in the following table.

**TABLE 3-2
SEWER BILLING UNITS – FY 2012**

| Line No. | Customer Class | Inside City | Outside City | Country Club | Total |
|----------|---|-------------|--------------|--------------|-------|
| 1 | Single Family | 1,020 | 53 | 69 | 1,142 |
| 2 | Multifamily (dwelling units) | 658 | 9 | 41 | 708 |
| 3 | Senior Discount | 45 | | | 45 |
| 4 | Offices | 38 | 2 | | 40 |
| 5 | Churches | 17 | | | 17 |
| 6 | Service Stations | 13 | 3 | | 16 |
| 7 | <u>Restaurants</u> | | | | |
| | Under 30 persons | 6 | | 1 | 7 |
| | Over 30 persons | 1 | | 1 | 2 |
| 8 | <u>Hotels</u> | | | | |
| | Under 30 persons | 2 | | | 2 |
| | Over 30 persons | 1 | | 1 | 2 |
| 9 | Schools | 3 | | | 3 |
| 10 | Meat Processors, Packing Sheds, coolers, ice plants, etc. | 9 | | | 9 |

Although there may be some minor growth in accounts, dwelling units and non-residential accounts are forecasted to remain constant throughout the forecast period of FY 2013 through FY 2017.

4 SEWER REVENUE REQUIREMENTS

A review of a utility’s revenue requirements is a key first step in the financial planning process. The review involves an analysis of annual operating revenues under the current rates, non-rate revenues, operation and maintenance (O&M) expenses, capital expenditures, and reserve requirements. This section of the report provides a discussion of the projected revenues, O&M and capital expenditures, capital improvement financing plan, and debt service requirements.

4.1 SEWER SYSTEM RATE REVENUE

The City owns and operates the sewer system. The principal source of operating revenues and capital revenues comes from sewer service charges from the City’s users; such revenues are forecasted to be approximately \$1.4 million during the forecast period if rates are kept constant. Table 4-1 outlines the rate revenue by source.

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TABLE 4-1
SEWER RATE REVENUE UNDER CURRENT RATES FY 2013 – FY 2017

| Line | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| No. Customer Classes | \$ | \$ | \$ | \$ | \$ | \$ |
| 1 Fixed Rate Revenue | 1,237,751 | 1,237,751 | 1,237,751 | 1,237,751 | 1,237,751 | 1,237,751 |
| 2 Consumption Rate Revenue | 35,092 | 35,092 | 35,092 | 35,092 | 35,092 | 35,092 |
| 3 Truck Disposal Revenue | 137,260 | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| 4 Total | 1,410,103 | 1,342,843 | 1,342,843 | 1,342,843 | 1,342,843 | 1,342,843 |

4.2 SEWER SYSTEM EXPENDITURES

For the sound financial operation of the City's sewer system, revenues generated must be sufficient to meet the revenue requirements or cash obligations of the system. Revenue requirements include O&M expenses of collection, treatment, and disposal costs, capital improvement program (CIP) expenditures, and principal and interest payments on existing debt. Additionally, debt coverage requirements, discussed later, need to be met.

4.2.1 SEWER OPERATION AND MAINTENANCE (O&M) EXPENSES

O&M expenditures include the cost of operating and maintaining sewer collection, treatment, and disposal facilities. O&M expenses also include the costs of providing technical services, such as laboratory services and other administrative costs of the sewer system. These costs are a normal obligation of the system, and such requirements are met from operating revenues as they are incurred. The comprehensive forecasted annual O&M expenditures for the study are based upon the City's budgeted FY 2011 expenditures, adjusted for the effect of inflation in future years. The City conservatively uses an inflation factor of 3% in projecting all O&M expenditures. Projected O&M expenditures for the study period are detailed in Table 4-2.

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**TABLE 4-2
SEWER O&M EXPENDITURES FY 2012 – FY 2017**

| Line No. | | FY 2012 \$ | FY 2013 \$ | FY 2014 \$ | FY 2015 \$ | FY 2016 \$ | FY 2017 \$ |
|--------------------------------|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Sewer Treatment Plant | | | | | | | |
| 1 | Salaries | 199,367 | 205,348 | 211,508 | 217,853 | 224,389 | 224,389 |
| 2 | Fringe Benefits | 87,242 | 89,859 | 92,555 | 95,332 | 98,192 | 98,192 |
| 3 | Personal Expenses | 8,446 | 8,699 | 8,960 | 9,229 | 9,506 | 9,506 |
| 4 | Materials, Supplies, & Se | 282,220 | 290,687 | 299,407 | 308,389 | 317,641 | 317,641 |
| 5 | Other | 5,150 | 5,305 | 5,464 | 5,628 | 5,796 | 5,796 |
| 6 | Debt Service | 141,225 | 144,225 | 141,975 | 139,725 | 142,081 | 142,081 |
| 7 | Sewer Treatment Plant Total | 723,650 | 744,123 | 759,870 | 776,156 | 797,606 | 797,606 |
| Sewer Collection System | | | | | | | |
| 8 | Salaries | 202,606 | 208,684 | 214,945 | 221,393 | 228,035 | 228,035 |
| 9 | Fringe Benefits | 96,811 | 99,715 | 102,707 | 105,788 | 108,961 | 108,961 |
| 10 | Personal Expenses | 8,343 | 8,593 | 8,851 | 9,117 | 9,390 | 9,390 |
| 11 | Materials, Supplies, & Services | 67,723 | 69,754 | 71,847 | 74,002 | 76,222 | 76,222 |
| 12 | Other | 129,059 | 132,931 | 136,919 | 141,026 | 145,257 | 145,257 |
| 13 | Sewer Collection System Total | 504,541 | 519,678 | 535,268 | 551,326 | 567,866 | 567,866 |
| 14 | Total Sewer O&M | 1,228,191 | 1,263,800 | 1,295,137 | 1,327,482 | 1,365,471 | 1,365,471 |

4.2.2 SEWER CAPITAL IMPROVEMENT PROGRAM (CIP)

As discussed in a previous section, the City has two major capital improvement projects that must be completed in the coming years. The WWTP and Pipeline projects comprise the vast majority of the City's CIP during the forecast period. However, additional replacement projects, averaging approximately \$131,601 annually during FY 2013 through FY 2017, are also planned. The total CIP expenditures are outlined in Table 4-3.

**TABLE 4-3
SEWER CAPITAL IMPROVEMENT PROGRAM FY 2012 – FY 2017**

| | FY 2012 \$ | FY 2013 \$ | FY 2014 \$ | FY 2015 \$ | FY 2016 \$ | FY 2017 \$ |
|------------------------------------|------------------|------------------|------------------|----------------|----------------|----------------|
| Major Projects | | | | | | |
| Wastewater Treatment Plant Upgrade | 700,000 | 2,500,000 | 2,800,000 | - | - | - |
| Sewer Outfall Pipeline Upgrade | 600,000 | 3,900,000 | - | - | - | - |
| Total Major Projects | 1,300,000 | 6,400,000 | 2,800,000 | - | - | - |
| Replacement Projects | 45,320 | 152,770 | 157,353 | 112,551 | 115,927 | 115,927 |
| Total CIP | 1,345,320 | 6,552,770 | 2,957,353 | 112,551 | 115,927 | 115,927 |

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4.2.3 EXISTING DEBT SERVICE REQUIREMENTS

Debt service requirements consist of principal and interest payments on existing debt. The City currently has debt service obligations associated with the outstanding 2003 Sewer Revenue Bonds. Existing debt service annual payments are approximately \$140,000 per year and are displayed in Table 4-4.

TABLE 4-4
EXISTING DEBT SERVICE REQUIREMENTS FY 2012 – FY 2017

| Line No. | | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
|----------|----------------------------|---------|---------|---------|---------|---------|---------|---------|
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | Sewer Revenue Bonds - 2003 | | | | | | | |
| 1 | Principal | 40,000 | 40,000 | 45,000 | 45,000 | 45,000 | 50,000 | 55,000 |
| 2 | Interest | 103,225 | 101,225 | 99,225 | 96,975 | 94,725 | 92,081 | 89,144 |
| 3 | Total | 143,225 | 141,225 | 144,225 | 141,975 | 139,725 | 142,081 | 144,144 |

4.2.4 DEBT SERVICE COVERAGE

The City must meet debt service coverage requirements on its outstanding (and future) bond issues. Coverage requirements typically vary between 1.0 and 1.25 or higher. The City's required debt coverage is 1.25, which means that the City's Net System Revenues shall amount to at least 1.25 times the Annual Debt Service. All potential financial plans must continue to meet this requirement.

4.2.5 OPERATING RESERVE

Operating reserves may be used to meet ongoing cash flow requirements as well as emergency requirements. Typically, a balance in the range of 10% to 50% of annual operating expenses is considered appropriate - this represents one (1) to six (6) months of working capital. Given that the City bills on a monthly basis, the cash flow is relatively stable; therefore, we recommend a target operating reserve of 25% of annual O&M expenditures.

The City should plan to establish and fund a capital reserve of between 50 and 100% of the annual replacement type project costs in the future after the financial situation has stabilized.

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5 PROPOSED FINANCIAL PLANS

A financial plan compares the revenue requirements and the non rate revenues to determine the rate revenues needed for the financial stability of the enterprise. In order to meet all of the revenue requirements outlined in section 4, RFC has developed two potential financial planning scenarios that will be discussed further in this section. At the direction of the City, the first scenario (CWSRF) assumes that the two major capital projects (WWTP and Pipeline) will be funded via SRF loans. The second scenario (CWSRF 50) assumes that the two major capital projects will be funded via SRF loans that are fifty percent forgivable.

5.1 Rate Structure Revision

Under both of the two following Financial Plan Scenarios, changes to all customer rates will occur due to the BWCC now maintaining its own collection system. In order to allocate their fair share of the costs, the City's costs should be looked at in total and the portion that BWCC shares some percentage in should be separated to equitably allocate costs. Table 5-1 first displays the total City operating and capital costs and the second section displays those portions and pro-rated portions that BWCC benefits from.

**TALBE 5-1
CITY OPERATING AND CAPITAL COSTS AND AMOUNTS BWCC BENEFITS FROM**

| Line No. | | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
|----------|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>City</u> | | | | | | |
| 1 | O&M- Collection | \$ 504,541 | \$ 519,678 | \$ 535,268 | \$ 551,326 | \$ 567,866 | \$ 584,902 |
| 2 | O&M- Treatment | \$ 582,425 | \$ 599,898 | \$ 617,895 | \$ 636,431 | \$ 655,524 | \$ 675,190 |
| 3 | Existing Debt Service | \$ 141,225 | \$ 144,225 | \$ 141,975 | \$ 139,725 | \$ 142,081 | \$ 144,144 |
| 4 | SRF Loan, Pipeline | \$ - | \$ - | \$ 142,971 | \$ 142,971 | \$ 142,971 | \$ 142,971 |
| 5 | SRF Loan WWTP | \$ - | \$ - | \$ - | \$ 190,628 | \$ 190,628 | \$ 190,628 |
| 6 | Rate Funded Capital | \$ 45,320 | \$ 152,770 | \$ 157,353 | \$ 112,551 | \$ 115,927 | \$ 119,405 |
| 7 | Total | \$ 1,273,511 | \$ 1,416,570 | \$ 1,595,461 | \$ 1,773,633 | \$ 1,814,998 | \$ 1,857,240 |
| | <u>BWCC</u> | | | | | | |
| 8 | O&M- Collection | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 9 | O&M- Treatment | \$ 582,425 | \$ 599,898 | \$ 617,895 | \$ 636,431 | \$ 655,524 | \$ 675,190 |
| 10 | Existing Debt Service | \$ 141,225 | \$ 144,225 | \$ 141,975 | \$ 139,725 | \$ 142,081 | \$ 144,144 |
| 11 | SRF Loan, Pipeline | \$ - | \$ - | \$ 10,008 | \$ 10,008 | \$ 10,008 | \$ 10,008 |
| 12 | SRF Loan WWTP | \$ - | \$ - | \$ - | \$ 190,628 | \$ 190,628 | \$ 190,628 |
| 13 | Rate Funded Capital | \$ 45,320 | \$ 152,770 | \$ 157,353 | \$ 112,551 | \$ 115,927 | \$ 119,405 |
| 14 | Total | \$ 768,970 | \$ 896,892 | \$ 927,230 | \$ 1,089,343 | \$ 1,114,169 | \$ 1,139,375 |
| 15 | Percent of costs BWCC shares in | 60% | 63% | 58% | 61% | 61% | 61% |

There are two specific items in Table 5-1 that vary across the two sections. Line 1 indicates the collection system related operating costs for the City. As BWCC maintains its own collection system, these costs are excluded in the BWCC section shown on line 8. Similarly, line 4 reflects the SRF loan payments for the Pipeline project. Per the City's engineers, the BWCC will benefit partially from this project and should share in 7% of the loan payment costs, which is reflected on line 11.

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Line 15 in Table 5-1 reflects the percentage of the total costs that the BWCC should share in². This number may fluctuate slightly from year-to-year, but as this number should reflect a long-term relationship, an average of the years is appropriate to use when setting rates. An average of the percentages shown on line 15 is approximately 61%. This reflects that the BWCC rates should be approximately 61% of the City rates.

However, simply reducing the BWCC rates would not allow the City to meet its overall revenue requirement. Therefore, the remaining customer rates have to be adjusted to recover revenue no longer being collected from BWCC.

Table 5-2 displays the important figures in adjusting the BWCC and City rates and how they were derived.

TABLE 5-2 CITY AND BWCC RATE ADJUSTMENT PROCESS

| Line | | |
|------|---|------------------|
| No. | <u>Fixed Rate Revenue</u> | <u>FY 2013</u> |
| 1 | BWCC Revenue | 74,432 |
| 2 | City Revenue | 1,163,320 |
| 3 | Total Rate Revenue | 1,237,751 |
| 4 | BWCC % of Fixed Rate Revenue | 6.01% |
| 5 | City % of Fixed Rate Revenue | 93.99% |
| 6 | Percentage of City Costs BWCC Share In (BWCC rate should be 61% of City Rates) | 61% |
| 7 | New BWCC % of Rate Revenue | 3.67% |
| 8 | Percentage of Revenue Requirement Unmet | 2.34% |
| 9 | Percentage Applied to All Rates to Meet Revenue Requirement | 2.40% |

The first three lines of Table 5-2 display the level of fixed revenue from BWCC and the remaining City customers under the current rate structure. Currently, the BWCC fixed revenue is approximately 6.01% (line 4) of the Total City Fixed Revenue (line 3), while the City percentage is approximately 94% (line 5). Line 6 reflects the percentage of costs that the BWCC shares in, as calculated in Table 5-1. Multiplying this factor (line 6) to the existing percentage of rate revenue (line 4) results in what should be the new percentage of total fixed rate revenue collected by the City from BWCC, which is shown on line 7. This

² The value on line 15 for each year is derived from dividing the corresponding BWCC cost participation amount on line 14 by the total City cost on line 7.

CITY OF HOLTVILLE - SEWER RATE STUDY 2012

leaves approximately 2.34% total revenue requirement shortfall (100% - line 5 – line 7). In order to ensure all revenue requirements are met, rates must be increased by a percentage (line 9) of 2.4%. Line 9: line 8 / (line 5 + line 7).

5.2 CWSRF FINANCIAL PLAN SCENARIO

Under this scenario, the \$10.5 million in major capital projects (WTP and Pipeline) will be funded via two SRF loans received during FY 2013. The outfall loan of \$4.5 million will result in debt service payment of \$285,942 for 20 years. The treatment plant SRF loan is for \$6 million and results in \$381,257 in annual debt service. The loan terms are assumed to be 20 years with an annual interest rate of 2.4%. Payments on the loans commence the year after the projects are completed.

In order to meet all revenue requirements as outlined in Section 4, annual rate increases of 22% will be needed under this scenario in the first three years of the forecast. Table 5-3 outlines the proposed rate increases and effective dates.

**TABLE 5-3
PROPOSED RATE INCREASES - CWSRF SCENARIO - FY 2013– FY 2017**

| Effective Date | Proposed Increases |
|------------------------|--------------------|
| January 1, 2013 | 22% |
| January 1, 2014 | 22% |
| January 1, 2015 | 22% |
| January 1, 2016 | 0% |
| January 1, 2017 | 0% |

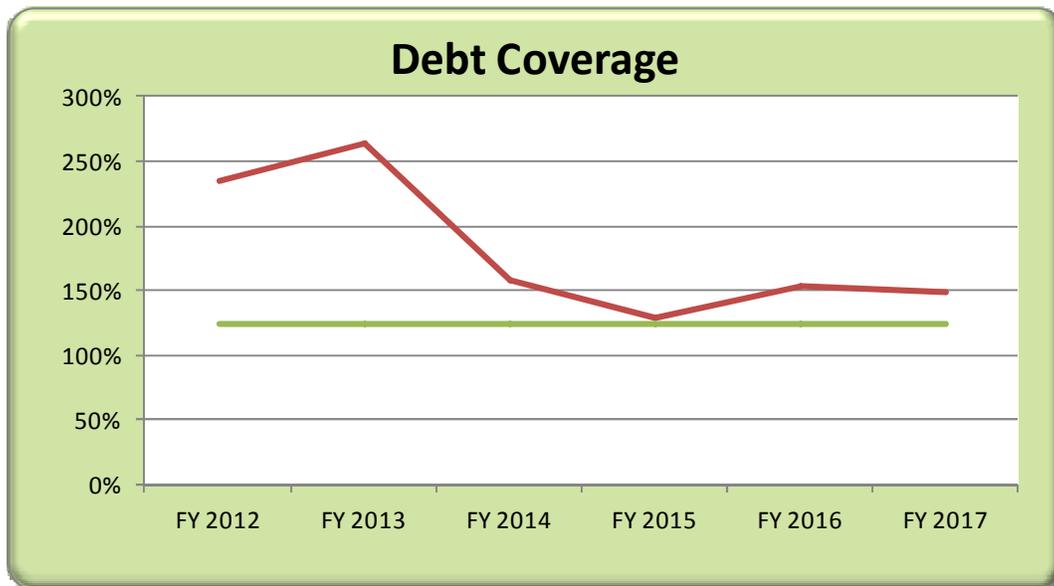
The operating financial plan presented in Table 5-4 provides a basis for evaluating the timing and extent of sewer revenue increases required to meet the projected revenue requirements for the study period. As shown in Table 5-4, and graphically in the following Figure 5-1, debt coverage is met in each year of the forecast period.

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**TABLE 5-4
SEWER OPERATING FINANCIAL PLAN – CWSRF SCENARIO – FY 2012 – FY 2017**

| Line No. | | FY 2012 \$ | FY 2013 \$ | FY 2014 \$ | FY 2015 \$ | FY 2016 \$ | FY 2017 \$ |
|-----------------------------|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 1 | Revenue from Existing Retail Rates | 1,410,103 | 1,342,843 | 1,342,843 | 1,342,843 | 1,342,843 | 1,342,843 |
| 2 | Additional Rate Revenue Required | - | 147,700 | 475,600 | 875,700 | 1,095,500 | 1,095,500 |
| 3 | | | | | | | |
| 4 | Total Rate Revenue | 1,410,103 | 1,490,543 | 1,818,443 | 2,218,543 | 2,438,343 | 2,438,343 |
| 6 | Interest Earnings | 8,186 | 9,901 | 11,215 | 12,830 | 16,054 | 20,357 |
| 7 | Total Revenue | 1,418,289 | 1,500,444 | 1,829,657 | 2,231,373 | 2,454,397 | 2,458,700 |
| Revenue Requirements | | | | | | | |
| 8 | O&M- Collection | 504,541 | 519,678 | 535,268 | 551,326 | 567,866 | 584,902 |
| 9 | O&M- Treatment | 582,425 | 599,898 | 617,895 | 636,431 | 655,524 | 675,190 |
| 10 | Existing Debt Service | 141,225 | 144,225 | 141,975 | 139,725 | 142,081 | 144,144 |
| 11 | SRF Loan, Pipeline | - | - | 285,942 | 285,942 | 285,942 | 285,942 |
| 12 | SRF Loan WWTP | - | - | - | 381,257 | 381,257 | 381,257 |
| 13 | Rate Funded Capital | 45,320 | 152,770 | 157,353 | 112,551 | 115,927 | 119,405 |
| 14 | Total Revenue Requirements | 1,273,511 | 1,416,570 | 1,738,433 | 2,107,232 | 2,148,598 | 2,190,840 |
| 15 | Net Annual Cash Balance | 144,778 | 83,874 | 91,225 | 124,141 | 305,800 | 267,860 |
| 16 | Debt Coverage Ratio | 235% | 264% | 158% | 129% | 152% | 148% |
| 17 | Required Coverage Ratio | 125% | 125% | 125% | 125% | 125% | 125% |

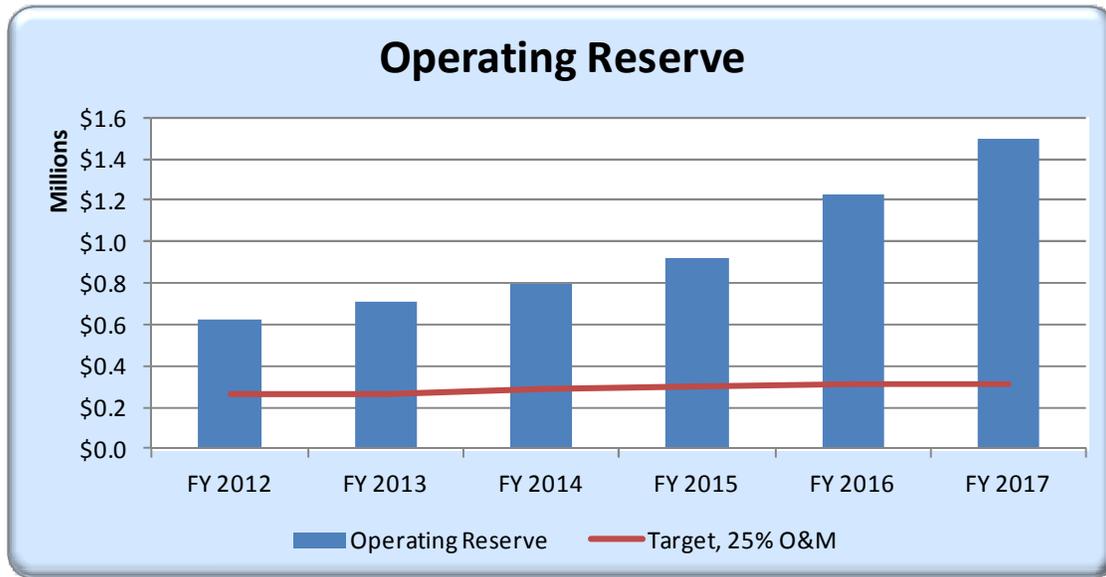
**FIGURE 5-1
DEBT COVERAGE – CWSRF SCENARIO – FY 2012 – FY 2017**



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Additionally, the operating reserve target of 25% of annual O&M is met under this financial plan, as shown in Figure 5-2. The target is approximately \$272,000 in FY 2012 and increases as O&M expenses increase.

FIGURE 5-2
OPERATING RESERVE – CWSRF SCENARIO – FY 2012 – FY 2017



As shown in Figure 5-2, the operating reserve does accumulate a balance beyond its targeted amount and it would appear that lower rate increases would be acceptable. However, it is the need to meet debt coverage requirements shown in Table 5-4 and Figure 5-1 that ultimately determines the level of rate increases needed under this scenario.

5.3 CWSRF 50 Scenario

Under this scenario, the \$10.5 million in major capital projects (WWTP and Pipeline) will be funded via CWSRF loans with fifty percent of the loans being forgivable. The outfall loan of \$2.25 million will result in loan payment of \$142,971 for 20 years. The treatment plant SRF loan is for \$3 million and results in \$190,628 in annual debt service. The loan terms are assumed to be 20 years with an annual interest rate of 2.4%. Payments on the loans commence the year after the projects are completed.

In order to meet all revenue requirements as outlined in Section 4, annual rate increases of 13% will be required in FY 2013 and 12% in FY 2014 and FY 2015. Table 5-5 outlines the proposed rate increases and effective dates.

CITY OF HOLTVILLE - SEWER RATE STUDY 2012

**TABLE 5-5
PROPOSED RATE INCREASES – CWSRF 50 SCENARIO – FY 2013 – FY 2017**

| Effective Date | Proposed Increases |
|------------------------|--------------------|
| January 1, 2013 | 13% |
| January 1, 2014 | 12% |
| January 1, 2015 | 12% |
| January 1, 2016 | 0% |
| January 1, 2017 | 0% |

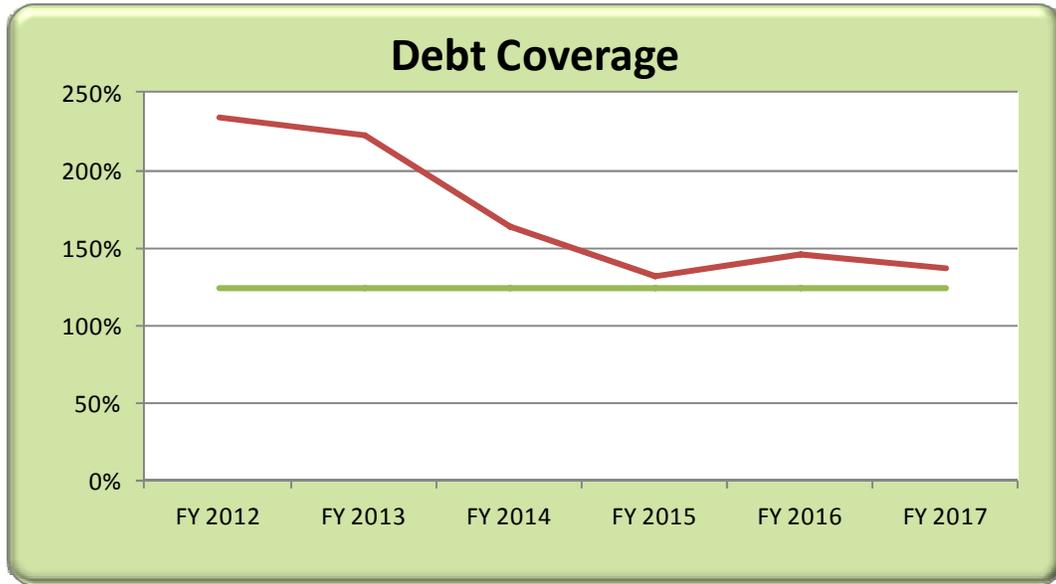
The operating financial plan presented in Table 5-6 provides a basis for evaluating the timing and extent of sewer revenue increases required to meet the projected revenue requirements for the study period.

**TABLE 5-6
SEWER OPERATING FINANCIAL PLAN – CWSRF 50 SCENARIO – FY 2012 – FY 2017**

| Line No. | | FY 2012 \$ | FY 2013 \$ | FY 2014 \$ | FY 2015 \$ | FY 2016 \$ | FY 2017 \$ |
|----------|---|------------------|------------------|------------------|------------------|------------------|------------------|
| 1 | Revenue from Existing Retail Rates | 1,410,103 | 1,342,843 | 1,342,843 | 1,342,843 | 1,342,843 | 1,342,843 |
| 2 | Additional Rate Revenue Required | - | 87,300 | 265,600 | 458,700 | 560,600 | 560,600 |
| 3 | | | | | | | |
| 4 | Total Rate Revenue | 1,410,103 | 1,430,143 | 1,608,443 | 1,801,543 | 1,903,443 | 1,903,443 |
| 6 | Interest Earnings | 8,186 | 9,445 | 9,788 | 10,245 | 11,279 | 12,467 |
| 7 | Total Revenue | 1,418,289 | 1,439,588 | 1,618,231 | 1,811,788 | 1,914,722 | 1,915,910 |
| | Revenue Requirements | | | | | | |
| 8 | O&M- Collection | 504,541 | 519,678 | 535,268 | 551,326 | 567,866 | 584,902 |
| 9 | O&M- Treatment | 582,425 | 599,898 | 617,895 | 636,431 | 655,524 | 675,190 |
| 10 | Existing Debt Service | 141,225 | 144,225 | 141,975 | 139,725 | 142,081 | 144,144 |
| 11 | SRF Loan, Pipeline | - | - | 142,971 | 142,971 | 142,971 | 142,971 |
| 12 | SRF Loan WWTP | - | - | - | 190,628 | 190,628 | 190,628 |
| 13 | Rate Funded Capital | 45,320 | 152,770 | 157,353 | 112,551 | 115,927 | 119,405 |
| 14 | Total Revenue Requirements | 1,273,511 | 1,416,570 | 1,595,461 | 1,773,633 | 1,814,998 | 1,857,240 |
| 15 | Net Annual Cash Balance | 144,778 | 23,018 | 22,770 | 38,156 | 99,724 | 58,670 |
| 16 | Debt Coverage Ratio | 235% | 222% | 163% | 132% | 145% | 137% |
| 17 | Required Coverage Ratio | 125% | 125% | 125% | 125% | 125% | 125% |

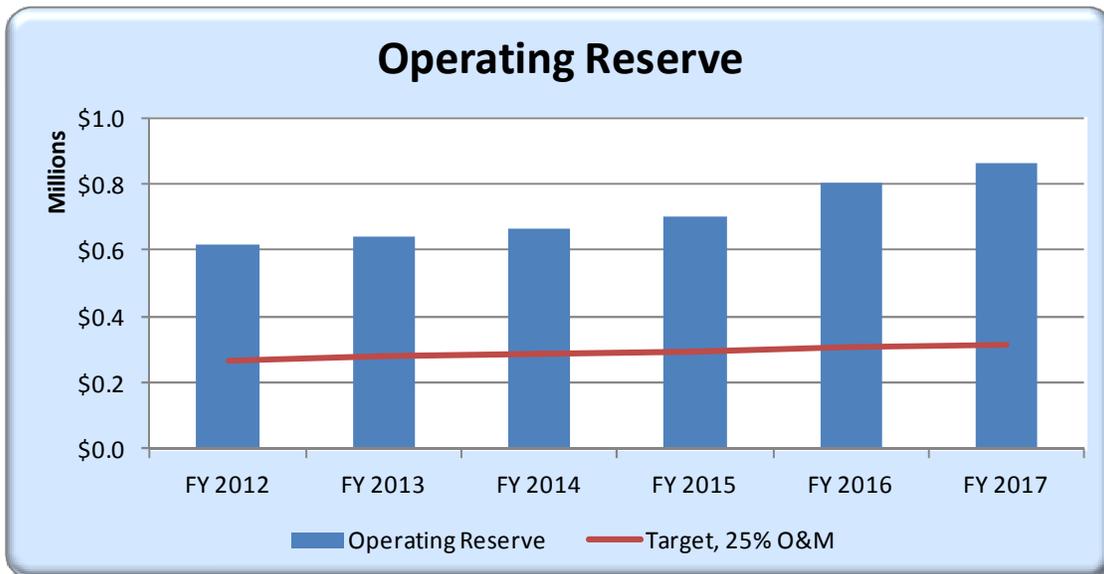
The ultimate driving force for the large rate increases associated with this scenario is the need to meet debt coverage requirements. As shown in Table 5-6, and graphically in the following Figure 5-3, debt coverage is met in each year of the forecast period.

FIGURE 5-3
DEBT COVERAGE – CWSRF 50 SCENARIO – FY 2012 – FY 2017



Additionally, the operating reserve target of 25% of annual O&M is met under this financial plan, as shown in Figure 5-4.

FIGURE 5-4
OPERATING RESERVE - FY 2012 – FY 2017



As with the CWSRF scenario, the operating reserve does accumulate a balance beyond its targeted amount and it would appear that lower rate increases would be acceptable. However, it is the need to meet the debt coverage shown in Table 5-6 and Figure 5-3 that is ultimately responsible for the level of rate increases needed under the CWSRF 50 scenario.

6 PROPOSED RATES

This section outlines the proposed rates over the forecast period under both the CWSRF and CWSRF 50 scenarios. The rates are calculated by applying percentage increases outlined in the previous section across the board to the existing rates. It should be noted that consumption allotments remain unchanged and therefore are not displayed in the proposed rate tables.

6.1 CWSRF SCENARIO RATES

Table 6-1 outlines the proposed monthly rates for the forecast period after rates are adjusted as described in section 5.1 and the annual rate increases outlined in Table 5-3 are applied.

6.2 CWSRF 50 SCENARIO RATES

Table 6-2 outlines the proposed monthly rates for the forecast period after rates are adjusted as described in section 5.1 and the annual rate increases outlined in Table 5-5 are applied.

CITY OF HOLTVILLE - SEWER RATE STUDY 2012

TABLE 6-1 PROPOSED MONTHLY RATES – CWSRF SCENARIO – FY 2013 – FY 2017

| City Rates | | Existing | | FY 2013 | | FY 2014 | | FY 2015 | | FY 2016 | | FY 2017 | |
|-------------------|---|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|----------------|---------------------------|
| Line No. | Customer Class | Fixed \$/Month | Consumption Fee (\$/kgal) |
| 1 | Single Family | \$ 49.32 | | \$ 60.17 | | \$ 75.19 | | \$ 93.96 | | \$ 96.24 | | \$ 98.58 | |
| 2 | Multifamily (per dwelling unit) | \$ 49.32 | | \$ 60.17 | | \$ 75.19 | | \$ 93.96 | | \$ 96.24 | | \$ 98.58 | |
| 3 | Senior Discount | \$ 39.44 | | \$ 48.12 | | \$ 60.13 | | \$ 75.14 | | \$ 76.97 | | \$ 78.84 | |
| 4 | Offices | \$ 45.02 | \$ 3.95 | \$ 54.92 | \$ 4.94 | \$ 68.63 | \$ 6.17 | \$ 85.76 | \$ 7.71 | \$ 87.84 | \$ 7.90 | \$ 89.98 | \$ 8.09 |
| 5 | Churches | \$ 45.02 | \$ 3.95 | \$ 54.92 | \$ 4.94 | \$ 68.63 | \$ 6.17 | \$ 85.76 | \$ 7.71 | \$ 87.84 | \$ 7.90 | \$ 89.98 | \$ 8.09 |
| 6 | Service Stations | \$ 64.93 | \$ 3.95 | \$ 79.21 | \$ 4.94 | \$ 98.99 | \$ 6.17 | \$ 123.70 | \$ 7.71 | \$ 126.71 | \$ 7.90 | \$ 129.79 | \$ 8.09 |
| 7 | Restaurants | | | | | | | | | | | | |
| 8 | Under 30 persons | \$ 131.69 | \$ 3.95 | \$ 160.66 | \$ 4.94 | \$ 200.77 | \$ 6.17 | \$ 250.89 | \$ 7.71 | \$ 256.99 | \$ 7.90 | \$ 263.24 | \$ 8.09 |
| 9 | Over 30 persons | \$ 239.69 | \$ 3.95 | \$ 292.42 | \$ 4.94 | \$ 365.43 | \$ 6.17 | \$ 456.66 | \$ 7.71 | \$ 467.76 | \$ 7.90 | \$ 479.13 | \$ 8.09 |
| 10 | Hotels | | | | | | | | | | | | |
| 11 | Under 30 persons | \$ 214.88 | \$ 3.95 | \$ 262.15 | \$ 4.94 | \$ 327.60 | \$ 6.17 | \$ 409.39 | \$ 7.71 | \$ 419.34 | \$ 7.90 | \$ 429.53 | \$ 8.09 |
| 12 | Over 30 persons | \$ 406.05 | \$ 3.95 | \$ 495.38 | \$ 4.94 | \$ 619.06 | \$ 6.17 | \$ 773.61 | \$ 7.71 | \$ 792.42 | \$ 7.90 | \$ 811.68 | \$ 8.09 |
| 13 | Laundromats | \$ 225.49 | \$ 3.95 | \$ 275.10 | \$ 4.94 | \$ 343.78 | \$ 6.17 | \$ 429.61 | \$ 7.71 | \$ 440.05 | \$ 7.90 | \$ 450.75 | \$ 8.09 |
| 14 | Schools | \$ 323.42 | \$ 3.95 | \$ 394.57 | \$ 4.94 | \$ 493.08 | \$ 6.17 | \$ 616.18 | \$ 7.71 | \$ 631.16 | \$ 7.90 | \$ 646.50 | \$ 8.09 |
| 15 | Meat Processors, Packing Sheds, coolers, ice plants, etc. | \$ 323.42 | \$ 3.95 | \$ 394.57 | \$ 4.94 | \$ 493.08 | \$ 6.17 | \$ 616.18 | \$ 7.71 | \$ 631.16 | \$ 7.90 | \$ 646.50 | \$ 8.09 |
| 16 | Truck Disposal | | | | | | | | | | | | |
| 17 | Roto-Rooter | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| 18 | Alpha Site Logistics | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| 19 | A&S, AnconM, Mt.View | \$ 0.14 | | \$ 0.17 | | \$ 0.21 | | \$ 0.26 | | \$ 0.26 | | \$ 0.26 | |
| 20 | Sharps Sanitation | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| 21 | Lori's Sanitation | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| 22 | AG Portable Services | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| 23 | SD,VMJ,Maui,Och,Prim | \$ 0.14 | | \$ 0.17 | | \$ 0.21 | | \$ 0.26 | | \$ 0.26 | | \$ 0.26 | |
| 24 | Joel and Munoz Labor | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| 25 | Rent-A-Can | \$ 0.12 | | \$ 0.15 | | \$ 0.18 | | \$ 0.22 | | \$ 0.22 | | \$ 0.22 | |
| | | Fixed \$/Month | Consumption Fee (\$/kgal) |
| 26 | Single Family | \$ 49.32 | | \$ 36.41 | | \$ 45.49 | | \$ 56.85 | | \$ 58.23 | | \$ 59.64 | |
| 27 | Multifamily (per dwelling unit) | \$ 49.32 | | \$ 36.41 | | \$ 45.49 | | \$ 56.85 | | \$ 58.23 | | \$ 59.64 | |
| 28 | Senior Discount | \$ 39.44 | | \$ 29.11 | | \$ 36.38 | | \$ 45.46 | | \$ 46.57 | | \$ 47.70 | |
| 29 | Offices | \$ 45.02 | \$ 3.95 | \$ 33.23 | \$ 2.99 | \$ 41.52 | \$ 3.73 | \$ 51.89 | \$ 4.66 | \$ 53.15 | \$ 4.78 | \$ 54.44 | \$ 4.89 |
| 30 | Churches | \$ 45.02 | \$ 3.95 | \$ 33.23 | \$ 2.99 | \$ 41.52 | \$ 3.73 | \$ 51.89 | \$ 4.66 | \$ 53.15 | \$ 4.78 | \$ 54.44 | \$ 4.89 |
| 31 | Service Stations | \$ 64.93 | \$ 3.95 | \$ 47.93 | \$ 2.99 | \$ 59.89 | \$ 3.73 | \$ 74.84 | \$ 4.66 | \$ 76.66 | \$ 4.78 | \$ 78.53 | \$ 4.89 |
| 32 | Restaurants | | | | | | | | | | | | |
| 33 | Under 30 persons | \$ 131.69 | \$ 3.95 | \$ 97.21 | \$ 2.99 | \$ 121.47 | \$ 3.73 | \$ 151.80 | \$ 4.66 | \$ 155.49 | \$ 4.78 | \$ 159.27 | \$ 4.89 |
| 34 | Over 30 persons | \$ 239.69 | \$ 3.95 | \$ 176.93 | \$ 2.99 | \$ 221.10 | \$ 3.73 | \$ 276.30 | \$ 4.66 | \$ 283.01 | \$ 4.78 | \$ 289.89 | \$ 4.89 |
| 35 | Hotels | | | | | | | | | | | | |
| 36 | Under 30 persons | \$ 214.88 | \$ 3.95 | \$ 158.61 | \$ 2.99 | \$ 198.21 | \$ 3.73 | \$ 247.70 | \$ 4.66 | \$ 253.72 | \$ 4.78 | \$ 259.88 | \$ 4.89 |
| 37 | Over 30 persons | \$ 406.05 | \$ 3.95 | \$ 299.73 | \$ 2.99 | \$ 374.56 | \$ 3.73 | \$ 468.07 | \$ 4.66 | \$ 479.45 | \$ 4.78 | \$ 491.10 | \$ 4.89 |
| 38 | Laundromats | \$ 225.49 | \$ 3.95 | \$ 166.45 | \$ 2.99 | \$ 208.00 | \$ 3.73 | \$ 259.93 | \$ 4.66 | \$ 266.25 | \$ 4.78 | \$ 272.72 | \$ 4.89 |
| 39 | Schools | \$ 323.42 | \$ 3.95 | \$ 238.73 | \$ 2.99 | \$ 298.33 | \$ 3.73 | \$ 372.81 | \$ 4.66 | \$ 381.88 | \$ 4.78 | \$ 391.16 | \$ 4.89 |
| 40 | Meat Processors, Packing Sheds, coolers, ice plants, etc. | \$ 323.42 | \$ 3.95 | \$ 238.73 | \$ 2.99 | \$ 298.33 | \$ 3.73 | \$ 372.81 | \$ 4.66 | \$ 381.88 | \$ 4.78 | \$ 391.16 | \$ 4.89 |

CITY OF HOLTVILLE - SEWER RATE STUDY 2012

TABLE 6-2 PROPOSED MONTHLY RATES – CWSRF 50 SCENARIO – FY 2013 – FY 2017

| City Rates | | Existing | | FY 2013 | | FY 2014 | | FY 2015 | | FY 2016 | | FY 2017 | |
|---|---|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|-------------------|------------------------------|
| | | Fixed \$/Month | Consumption Fee (\$/kgal) |
| 1 | Single Family | \$ 49.32 | | \$ 55.73 | | \$ 63.92 | | \$ 73.31 | | \$ 75.07 | | \$ 76.87 | |
| 2 | Multifamily (per dwelling unit) | \$ 49.32 | | \$ 55.73 | | \$ 63.92 | | \$ 73.31 | | \$ 75.07 | | \$ 76.87 | |
| 3 | Senior Discount | \$ 39.44 | | \$ 44.57 | | \$ 51.12 | | \$ 58.63 | | \$ 60.04 | | \$ 61.48 | |
| 4 | Offices | \$ 45.02 | \$ 3.95 | \$ 50.87 | \$ 4.57 | \$ 58.34 | \$ 5.24 | \$ 66.91 | \$ 6.01 | \$ 68.52 | \$ 6.15 | \$ 70.16 | \$ 6.30 |
| 5 | Churches | \$ 45.02 | \$ 3.95 | \$ 50.87 | \$ 4.57 | \$ 58.34 | \$ 5.24 | \$ 66.91 | \$ 6.01 | \$ 68.52 | \$ 6.15 | \$ 70.16 | \$ 6.30 |
| 6 | Service Stations | \$ 64.93 | \$ 3.95 | \$ 73.37 | \$ 4.57 | \$ 84.15 | \$ 5.24 | \$ 96.51 | \$ 6.01 | \$ 98.83 | \$ 6.15 | \$ 101.20 | \$ 6.30 |
| 7 | Restaurants | | | | | | | | | | | | |
| 8 | Under 30 persons | \$ 131.69 | \$ 3.95 | \$ 148.81 | \$ 4.57 | \$ 170.67 | \$ 5.24 | \$ 195.74 | \$ 6.01 | \$ 200.44 | \$ 6.15 | \$ 205.25 | \$ 6.30 |
| 9 | Over 30 persons | \$ 239.69 | \$ 3.95 | \$ 270.85 | \$ 4.57 | \$ 310.63 | \$ 5.24 | \$ 356.25 | \$ 6.01 | \$ 364.80 | \$ 6.15 | \$ 373.55 | \$ 6.30 |
| 10 | Hotels | | | | | | | | | | | | |
| 11 | Under 30 persons | \$ 214.88 | \$ 3.95 | \$ 242.81 | \$ 4.57 | \$ 278.47 | \$ 5.24 | \$ 319.37 | \$ 6.01 | \$ 327.03 | \$ 6.15 | \$ 334.88 | \$ 6.30 |
| 12 | Over 30 persons | \$ 406.05 | \$ 3.95 | \$ 458.84 | \$ 4.57 | \$ 526.23 | \$ 5.24 | \$ 603.52 | \$ 6.01 | \$ 618.00 | \$ 6.15 | \$ 632.83 | \$ 6.30 |
| 13 | Laundromats | \$ 225.49 | \$ 3.95 | \$ 254.80 | \$ 4.57 | \$ 292.22 | \$ 5.24 | \$ 335.14 | \$ 6.01 | \$ 343.18 | \$ 6.15 | \$ 351.42 | \$ 6.30 |
| 14 | Schools | \$ 323.42 | \$ 3.95 | \$ 365.46 | \$ 4.57 | \$ 419.14 | \$ 5.24 | \$ 480.70 | \$ 6.01 | \$ 492.24 | \$ 6.15 | \$ 504.05 | \$ 6.30 |
| 15 | Meat Processors, Packing Sheds, coolers, ice plants, etc. | \$ 323.42 | \$ 3.95 | \$ 365.46 | \$ 4.57 | \$ 419.14 | \$ 5.24 | \$ 480.70 | \$ 6.01 | \$ 492.24 | \$ 6.15 | \$ 504.05 | \$ 6.30 |
| 16 | Truck Disposal | | | | | | | | | | | | |
| 17 | Roto-Rooter | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| 18 | Alpha Site Logistics | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| 19 | A&S, AnconM, Mt.View | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.20 | | \$ 0.20 | | \$ 0.20 | |
| 20 | Sharps Sanitation | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| 21 | Lori's Sanitation | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| 22 | AG Portable Services | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| 23 | SD,VMJ,Maui,Och,Prim | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.20 | | \$ 0.20 | | \$ 0.20 | |
| 24 | Joel and Munoz Labor | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| 25 | Rent-A-Can | \$ 0.12 | | \$ 0.14 | | \$ 0.16 | | \$ 0.18 | | \$ 0.18 | | \$ 0.18 | |
| | | Fixed | Consumption |
| | | \$/Month | Fee (\$/kgal) |
| Barbara Worth Country Club Rates | | | | | | | | | | | | | |
| 26 | Single Family | \$ 49.32 | | \$ 34.02 | | \$ 39.02 | | \$ 44.75 | | \$ 45.82 | | \$ 46.92 | |
| 27 | Multifamily (per dwelling unit) | \$ 49.32 | | \$ 34.02 | | \$ 39.02 | | \$ 44.75 | | \$ 45.82 | | \$ 46.92 | |
| 28 | Senior Discount | \$ 39.44 | | \$ 27.20 | | \$ 31.20 | | \$ 35.79 | | \$ 36.65 | | \$ 37.53 | |
| 29 | Offices | \$ 45.02 | \$ 3.95 | \$ 31.05 | \$ 2.79 | \$ 35.61 | \$ 3.20 | \$ 40.84 | \$ 3.67 | \$ 41.82 | \$ 3.75 | \$ 42.82 | \$ 3.85 |
| 30 | Churches | \$ 45.02 | \$ 3.95 | \$ 31.05 | \$ 2.79 | \$ 35.61 | \$ 3.20 | \$ 40.84 | \$ 3.67 | \$ 41.82 | \$ 3.75 | \$ 42.82 | \$ 3.85 |
| 31 | Service Stations | \$ 64.93 | \$ 3.95 | \$ 44.78 | \$ 2.79 | \$ 51.36 | \$ 3.20 | \$ 58.91 | \$ 3.67 | \$ 60.32 | \$ 3.75 | \$ 61.77 | \$ 3.85 |
| 32 | Restaurants | | | | | | | | | | | | |
| 33 | Under 30 persons | \$ 131.69 | \$ 3.95 | \$ 90.83 | \$ 2.79 | \$ 104.17 | \$ 3.20 | \$ 119.48 | \$ 3.67 | \$ 122.35 | \$ 3.75 | \$ 125.28 | \$ 3.85 |
| 34 | Over 30 persons | \$ 239.69 | \$ 3.95 | \$ 165.32 | \$ 2.79 | \$ 189.60 | \$ 3.20 | \$ 217.45 | \$ 3.67 | \$ 222.67 | \$ 3.75 | \$ 228.01 | \$ 3.85 |
| 35 | Hotels | | | | | | | | | | | | |
| 36 | Under 30 persons | \$ 214.88 | \$ 3.95 | \$ 148.21 | \$ 2.79 | \$ 169.97 | \$ 3.20 | \$ 194.94 | \$ 3.67 | \$ 199.61 | \$ 3.75 | \$ 204.41 | \$ 3.85 |
| 37 | Over 30 persons | \$ 406.05 | \$ 3.95 | \$ 280.07 | \$ 2.79 | \$ 321.20 | \$ 3.20 | \$ 368.38 | \$ 3.67 | \$ 377.22 | \$ 3.75 | \$ 386.27 | \$ 3.85 |
| 38 | Laundromats | \$ 225.49 | \$ 3.95 | \$ 155.53 | \$ 2.79 | \$ 178.37 | \$ 3.20 | \$ 204.56 | \$ 3.67 | \$ 209.47 | \$ 3.75 | \$ 214.50 | \$ 3.85 |
| 39 | Schools | \$ 323.42 | \$ 3.95 | \$ 223.07 | \$ 2.79 | \$ 255.84 | \$ 3.20 | \$ 293.41 | \$ 3.67 | \$ 300.46 | \$ 3.75 | \$ 307.66 | \$ 3.85 |
| 40 | Meat Processors, Packing Sheds, coolers, ice plants, etc. | \$ 323.42 | \$ 3.95 | \$ 223.07 | \$ 2.79 | \$ 255.84 | \$ 3.20 | \$ 293.41 | \$ 3.67 | \$ 300.46 | \$ 3.75 | \$ 307.66 | \$ 3.85 |

CITY OF HOLTVILLE - SEWER RATE STUDY 2012

7 RATE SURVEY

RFC conducted a survey comparing monthly bills for City SFR customers under the existing and two proposed scenarios to other regional utilities for FY 2013. Figure 7-1 displays the results. Where the City falls in comparison is impacted by which financial plan is implemented.

**FIGURE 7-1
BILL COMPARISON TO SURROUNDING AGENCIES FY 2012**

