



CITY OF
BAINBRIDGE ISLAND



Water & Sewer Rate Study

Presented by:
Chris Gonzalez, Project Manager

August 22, 2018



Agenda

- ◆ **Discussion of Key Policy Questions**
 - Water/Sewer Revenue Requirements
 - Water Cost-of-Service Analysis
 - Water Rate Structure Alternatives
 - Water/Sewer System Participation Fees (SPFs)

- ◆ **Questions/Discussion**



Key Policy Questions: Revenue Requirements

- ◆ **What level of rate-funded system reinvestment is appropriate?**
 - Closely related to cash vs. debt funding policy/preferences
 - Need to consider generational equity and near-term impacts
 - Draft revenue requirement findings reflect the following assumptions:
 - Water: Fund 30% of depreciation in 2019; increases to 45% by 2024
 - Sewer: Fund 35% of depreciation in 2019; increases to 90% by 2024



Key Policy Questions: Revenue Requirements

- ◆ How should the City adjust its utility rates?

- Moderate annual increases

Water Revenue Requirement	Existing 2018	Proposed 2019	2020	2021	Projected 2022	2023	2024
Annual Rate Adjustment		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Single-Family Bill @ 7 ccf/Month	\$19.74	\$20.51	\$21.35	\$22.23	\$23.12	\$24.03	\$24.98
Change From Prior Year		+\$0.77	+\$0.84	+\$0.88	+\$0.89	+\$0.91	+\$0.95

Sewer Revenue Requirement	Existing 2018	Proposed 2019	2020	2021	Projected 2022	2023	2024
Annual Rate Adjustment		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Single-Family Bill @ 7 ccf/Month	\$93.65	\$96.47	\$99.40	\$102.37	\$105.45	\$108.64	\$111.87
Change From Prior Year		+\$2.82	+\$2.93	+\$2.97	+\$3.08	+\$3.19	+\$3.23

- Larger, more periodic adjustments



Key Policy Questions: Cost-of-Service Analysis

- ◆ Should cost shifts be phased in over time?
 - Mitigate impacts to individual customer classes
 - Facilitate logical progression of rates over time
 - Allows monitoring of demand trends to inform ratemaking

Allocation of 2019 Revenue Requirement	Total Under 2018 Rates
Single-Family – Winslow	\$ 548,427
Single-Family – Rockaway Beach	24,935
Multi-Family	161,897
Commercial – Schools	21,209
Commercial – Other	219,995
Irrigation – Schools	31,406
Irrigation – Other	83,078
Other (Mixed Use)	9,436
Total	\$1,100,384

2019 Cost of Service	Δ From Existing
\$ 633,612	+15.5%
24,664	-1.1%
154,891	-4.3%
13,157	-38.0%
218,164	-0.8%
24,887	-20.8%
69,081	-16.8%
5,943	-37.0%
\$1,144,399	+4.0%

2019 Phased COS	Δ From Existing
\$ 592,442	+8.0%
24,935	0.0%
161,897	0.0%
21,209	0.0%
219,995	0.0%
31,406	0.0%
83,078	0.0%
9,436	0.0%
\$1,144,399	+4.0%

Allocation of 2019 Revenue Requirement – Schools	Total Under 2018 Rates
Total	\$52,616

2019 Cost of Service	Δ From Existing
\$38,044	-27.7%

2019 Phased COS	Δ From Existing
\$52,616	+0.0%



Key Policy Questions: Water Rates

- ◆ **Which rate alternative should the Council adopt?**
 - Across-the-board increase to existing structure (4% per year for 2019 – 2020)
 - Class-specific adjustments based on “pure” cost-of-service analysis
 - Class-specific adjustments based on “phased” cost-of-service analysis
 - Alternative structure based on cost-of-service analysis:
 - Consolidate single-family rates (Winslow/Rockaway Beach)
 - Consolidate commercial/other (mixed-use) rates
 - Consider seasonal or uniform volume rates for commercial and multi-family



Single-Family Water Rate Alternatives

Monthly Rates: Winslow	Existing (2018)	ATB		COS		Phased COS		COS Alternative	
		2019	2020	2019	2020	2019	2020	2019	2020
Base Rate:									
Up to 3/4"	\$10.77	\$11.20	\$11.65	\$12.44	\$12.94	\$11.63	\$12.38	\$11.68	\$12.54
1"	\$21.24	\$22.09	\$22.97	\$24.54	\$25.51	\$22.94	\$24.41	\$23.03	\$24.73
1-1/2"	\$38.72	\$40.27	\$41.88	\$44.73	\$46.51	\$41.83	\$44.51	\$41.98	\$45.07
Consumption Charge per ccf									
First 5 ccf (0 – 5 ccf)	\$1.09	\$1.13	\$1.18	\$1.26	\$1.31	\$1.18	\$1.25	\$1.18	\$1.27
Next 7 ccf (6 – 12 ccf)	\$1.76	\$1.83	\$1.90	\$2.03	\$2.11	\$1.90	\$2.02	\$1.91	\$2.05
Next 18 ccf (13 – 30 ccf)	\$2.49	\$2.59	\$2.69	\$2.88	\$2.99	\$2.69	\$2.86	\$2.70	\$2.90
Over 30 ccf	\$3.39	\$3.53	\$3.67	\$3.92	\$4.07	\$3.66	\$3.90	\$3.68	\$3.95

Monthly Rates: Rockaway Beach	Existing (2018)	ATB		COS		Phased COS		COS Alternative	
		2019	2020	2019	2020	2019	2020	2019	2020
Base Rate									
Up to 3/4"	\$11.64	\$12.11	\$12.59	\$11.51	\$11.97	\$11.64	\$11.97	\$11.68	\$12.54
1"	\$22.94	\$23.86	\$24.81	\$22.69	\$23.60	\$22.94	\$23.60	\$23.03	\$24.73
1-1/2"	\$41.85	\$43.52	\$45.26	\$41.40	\$43.05	\$41.85	\$43.05	\$41.98	\$45.07
Consumption Charge per ccf									
First 5 ccf (0 – 5 ccf)	\$1.18	\$1.23	\$1.28	\$1.17	\$1.21	\$1.18	\$1.21	\$1.18	\$1.27
Next 7 ccf (6 – 12 ccf)	\$1.90	\$1.98	\$2.06	\$1.88	\$1.95	\$1.90	\$1.95	\$1.91	\$2.05
Next 18 ccf (13 – 30 ccf)	\$2.69	\$2.80	\$2.91	\$2.66	\$2.77	\$2.69	\$2.77	\$2.70	\$2.90
Over 30 ccf	\$3.66	\$3.81	\$3.96	\$3.62	\$3.77	\$3.66	\$3.77	\$3.68	\$3.95



Multi-Family Water Rate Alternatives

Monthly Rates	Existing (2018)	ATB		COS		Phased COS		COS Alternative	
		2019	2020	2019	2020	2019	2020	2019	2020
Base Rate per Unit	\$5.37	\$5.58	\$5.81	\$5.14	\$5.35	\$5.37	\$5.37	\$5.37	\$5.37
Consumption Charge per ccf									
First 5 ccf (0 – 5 ccf)	\$1.09	\$1.13	\$1.18	\$1.04	\$1.09	\$1.09	\$1.09		
Next 7 ccf (6 – 12 ccf)	\$1.76	\$1.83	\$1.90	\$1.68	\$1.75	\$1.76	\$1.76		
Next 18 ccf (13 – 30 ccf)	\$2.49	\$2.59	\$2.69	\$2.38	\$2.48	\$2.49	\$2.49		
Over 30 ccf	\$3.39	\$3.53	\$3.67	\$3.24	\$3.38	\$3.39	\$3.39		
Winter (Nov – Apr)								\$1.03	\$1.03
Summer (May – Oct)								\$1.19	\$1.19
								<i>Equivalent Uniform Consumption Charge:</i>	\$1.11
									\$1.11



Commercial/Other Water Rate Alternatives

Monthly Rates	Existing (2018)	ATB		COS		Phased COS		COS Alternative	
		2019	2020	2019	2020	2019	2020	2019	2020
Base Rate – Commercial:									
Up to 3/4"	\$16.45	\$17.11	\$17.79	\$16.31	\$16.98	\$16.45	\$16.98	\$16.45	\$16.45
1"	\$36.40	\$37.86	\$39.37	\$36.10	\$37.58	\$36.40	\$37.58	\$36.40	\$36.40
1-1/2"	\$69.78	\$72.57	\$75.47	\$69.20	\$72.05	\$69.78	\$72.05	\$69.78	\$69.78
2"	\$109.52	\$113.90	\$118.46	\$108.61	\$113.81	\$109.52	\$113.08	\$109.52	\$109.52
3"	\$215.89	\$224.53	\$233.51	\$214.09	\$222.90	\$215.89	\$222.90	\$215.89	\$215.89
4"	\$335.55	\$348.97	\$362.93	\$332.76	\$346.45	\$335.55	\$346.45	\$335.55	\$335.55
6"	\$667.94	\$694.66	\$722.44	\$662.38	\$689.63	\$667.94	\$689.63	\$667.94	\$667.94
Base Rate – Schools:									
Up to 3/4"	\$16.45	\$17.11	\$17.79	\$10.20	\$10.63	\$16.45	\$16.45	\$16.45	\$16.45
1"	\$36.40	\$37.86	\$39.37	\$22.58	\$23.51	\$36.40	\$36.40	\$36.40	\$36.40
1-1/2"	\$69.78	\$72.57	\$75.47	\$43.29	\$45.07	\$69.78	\$69.78	\$69.78	\$69.78
2"	\$109.52	\$113.90	\$118.46	\$67.94	\$70.74	\$109.52	\$109.52	\$109.52	\$109.52
3"	\$215.89	\$224.53	\$233.51	\$133.92	\$139.45	\$215.89	\$215.89	\$215.89	\$215.89
4"	\$335.55	\$348.97	\$362.93	\$208.15	\$216.75	\$335.55	\$335.55	\$335.55	\$335.55
Base Rate – Other (Mixed Use):									
Up to 3/4"	\$24.04	\$25.00	\$26.00	\$15.14	\$15.77	\$24.04	\$24.04	\$16.45	\$16.45
1"	\$55.37	\$57.58	\$59.89	\$34.87	\$36.31	\$55.37	\$55.37	\$36.40	\$36.40
3"	\$337.28	\$350.77	\$364.80	\$212.42	\$221.19	\$337.28	\$337.28	\$215.89	\$215.89
Consumption Charge per ccf									
Commercial	W/S \$1.43/\$1.65	W/S \$1.49/\$1.72	W/S \$1.55/\$1.78	W/S \$1.42/\$1.64	W/S \$1.48/\$1.70	W/S \$1.43/\$1.65	W/S \$1.48/\$1.70	W/S \$1.43/\$1.65	W/S \$1.43/\$1.65
Schools	\$1.43/\$1.65	\$1.49/\$1.72	\$1.55/\$1.78	\$0.89/\$1.02	\$0.92/\$1.07	\$1.43/\$1.65	\$1.43/\$1.65	\$1.43/\$1.65	\$1.43/\$1.65
Other (Mixed Use)	\$1.43/\$1.65	\$1.49/\$1.72	\$1.55/\$1.78	\$0.90/\$1.04	\$0.94/\$1.08	\$1.43/\$1.65	\$1.43/\$1.65	\$1.43/\$1.65	\$1.43/\$1.65

Equivalent Uniform Consumption Charge: \$1.54 \$1.54



Irrigation Water Rate Alternatives

Monthly Rates	Existing (2018)	ATB		COS		Phased COS	
		2019	2020	2019	2020	2019	2020
Base Rate – Irrigation:							
Up to 3/4"	\$4.73	\$4.92	\$5.12	\$3.93	\$4.09	\$4.73	\$4.73
1"	\$6.22	\$6.47	\$6.73	\$5.17	\$5.38	\$6.22	\$6.22
1-1/2"	\$8.70	\$9.05	\$9.41	\$7.23	\$7.53	\$8.70	\$8.70
2"	\$11.70	\$12.17	\$12.65	\$9.73	\$10.12	\$11.70	\$11.70
3"	\$19.64	\$20.43	\$21.24	\$16.33	\$16.99	\$19.64	\$19.64
4"	\$28.59	\$29.73	\$30.92	\$23.77	\$24.74	\$28.59	\$28.59
6"	\$53.47	\$55.61	\$57.83	\$44.46	\$46.27	\$53.47	\$53.47
Base Rate – School Irrigation:							
Up to 3/4"	\$4.73	\$4.92	\$5.12	\$3.75	\$3.90	\$4.73	\$4.73
1"	\$6.22	\$6.47	\$6.73	\$4.93	\$5.13	\$6.22	\$6.22
1-1/2"	\$8.70	\$9.05	\$9.41	\$6.89	\$7.18	\$8.70	\$8.70
2"	\$11.70	\$12.17	\$12.65	\$9.27	\$9.65	\$11.70	\$11.70
3"	\$19.64	\$20.43	\$21.24	\$15.56	\$16.21	\$19.64	\$19.64
4"	\$28.59	\$29.73	\$30.92	\$22.66	\$23.59	\$28.59	\$28.59
6"	\$53.47	\$55.61	\$57.83	\$42.37	\$44.12	\$53.47	\$53.47
Consumption Charge per ccf							
Irrigation	\$3.89	\$4.05	\$4.21	\$3.23	\$3.37	\$3.89	\$3.89
School Irrigation	\$3.89	\$4.05	\$4.21	\$3.08	\$3.21	\$3.89	\$3.89



Sample Bimonthly Water Bills

	2018 Rates	2019 Water Rate Alternatives			
		ATB	COS	Phased COS	COS Alt.
Single-Family A (3/4", 11 ccf)	\$34.20	\$35.57	\$39.51	\$36.94	\$37.08
Single-Family B (1", 14 ccf)	\$60.42	\$62.84	\$69.80	\$65.27	\$65.50
Multi-Family A (1", 60 Units, 331 ccf)	\$1,005.19	\$1,045.40	\$961.69	\$1,005.19	\$1,037.31
Multi-Family B (2", 50 Units, 385 ccf)	\$956.65	\$994.92	\$915.25	\$956.65	\$994.01
Restaurant (3/4" 194 ccf)	\$353.00	\$367.12	\$350.06	\$353.00	\$353.00
Church (1-1/2", 28 ccf)	\$185.76	\$193.19	\$184.21	\$185.76	\$185.76
Hotel (3", 115 ccf)	\$621.53	\$646.39	\$616.36	\$621.53	\$621.53
Mixed Use A (1", 16 ccf)	\$137.14	\$142.63	\$86.37	\$137.14	\$99.20
Mixed Use B (3", 340 ccf)	\$1,235.56	\$1,284.98	\$778.17	\$1,235.56	\$992.78
Irrigation A (3/4", 48 ccf)	\$196.18	\$204.03	\$163.13	\$196.18	\$196.18
Irrigation B (1", 87 ccf)	\$350.87	\$364.90	\$291.76	\$350.87	\$350.87
School District:					
Commercial (2", 129 ccf)	\$431.89	\$449.17	\$267.92	\$431.89	\$431.89
Irrigation (2", 123 ccf)	\$501.87	\$521.94	\$397.69	\$501.87	\$501.87



Key Policy Questions: SPFs

- ◆ Which methodology should be used?

Water System Participation Fee Calculation
Existing Facilities Charge per MCE
Future Facilities Charge per MCE
Total SPF per MCE

"Average Cost" Method		
Fire	Other	Total
\$341	\$3,883	\$4,224
\$332	\$1,414	\$1,746
\$673	\$5,297	\$5,970

"Buy-In Plus Growth" Method		
Fire	Other	Total
\$342	\$3,981	\$4,323
\$766	\$1,970	\$2,736
\$1,108	\$5,951	\$7,059

Sewer System Participation Fee Calculation
Existing Facilities Charge per ERU
Future Facilities Charge per ERU
Total SPF per ERU

"Average Cost" Method		
Collection	Treatment	Total
\$2,293	\$4,118	\$6,411
\$1,437	\$295	\$1,732
\$3,730	\$4,413	\$8,143

"Buy-In Plus Growth" Method		
Collection	Treatment	Total
\$2,514	\$4,178	\$6,692
\$620	\$71	\$691
\$3,134	\$4,249	\$7,383

- ◆ How should recommended charges be implemented?
 - Full calculated charges
 - Phasing to full calculated charges
 - Some level below full calculated charges



Next Steps

- ◆ Feedback from Utility Advisory Committee
- ◆ Recommendation for Council
 - Water Rates
 - Water/Sewer SPFs
- ◆ Complete Sewer Cost-of-Service Analysis



Questions / Discussion



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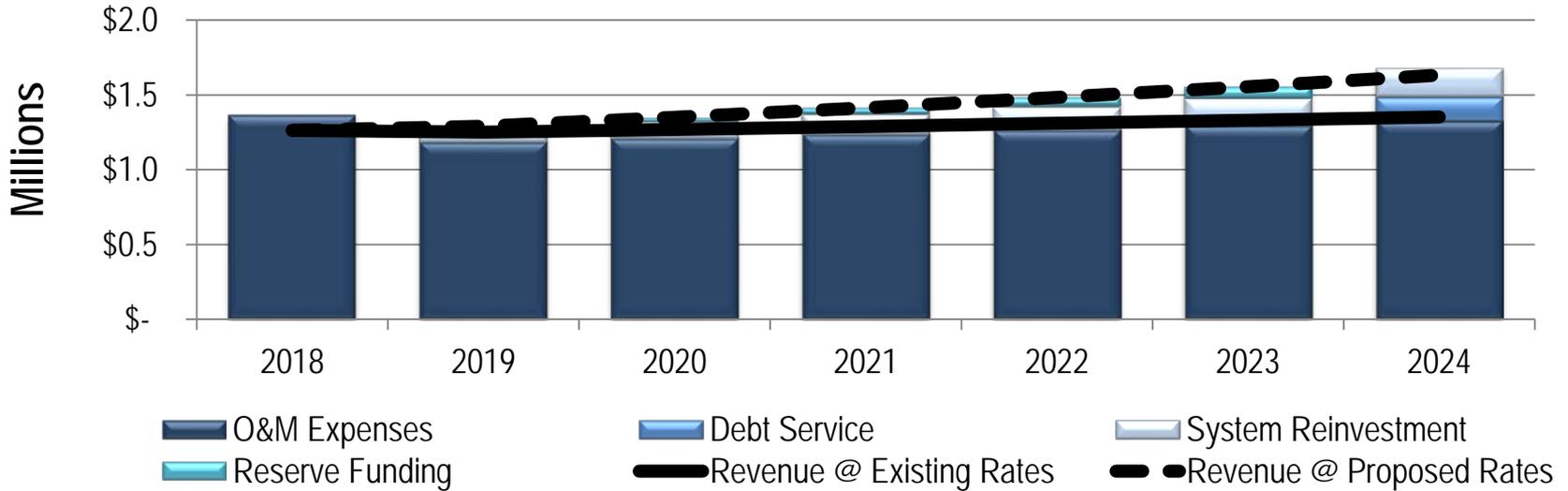
Contact FCS GROUP:

(425) 867-1802

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Water Revenue Requirement Forecast

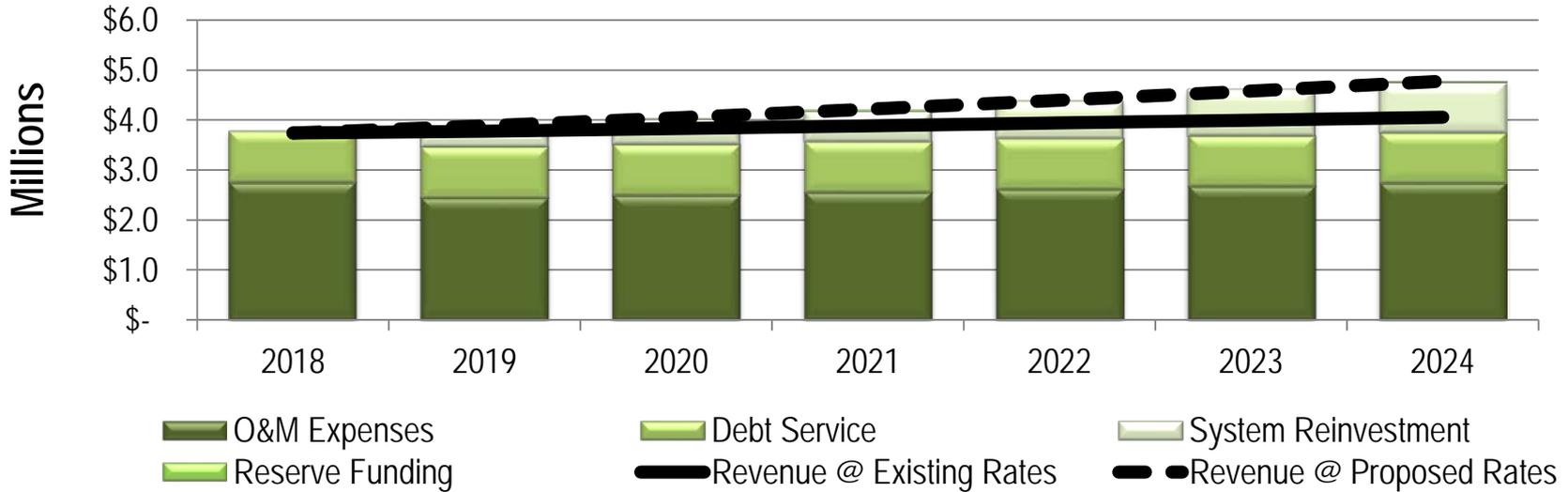


	<u>Existing</u> 2018	<u>Proposed</u> 2019	2020	2021	<u>Projected</u> 2022	2023	2024
Annual Rate Adjustment		4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Single-Family Bill @ 7 ccf/Month	\$19.74	\$20.51	\$21.35	\$22.23	\$23.12	\$24.03	\$24.98
Change From Prior Year		+\$0.77	+\$0.84	+\$0.88	+\$0.89	+\$0.91	+\$0.95

- ◆ Rate increases are needed to cover new debt service and phase in system reinvestment
 - Fund 30% of depreciation in 2019; increases to 45% by 2024



Sewer Revenue Requirement Forecast

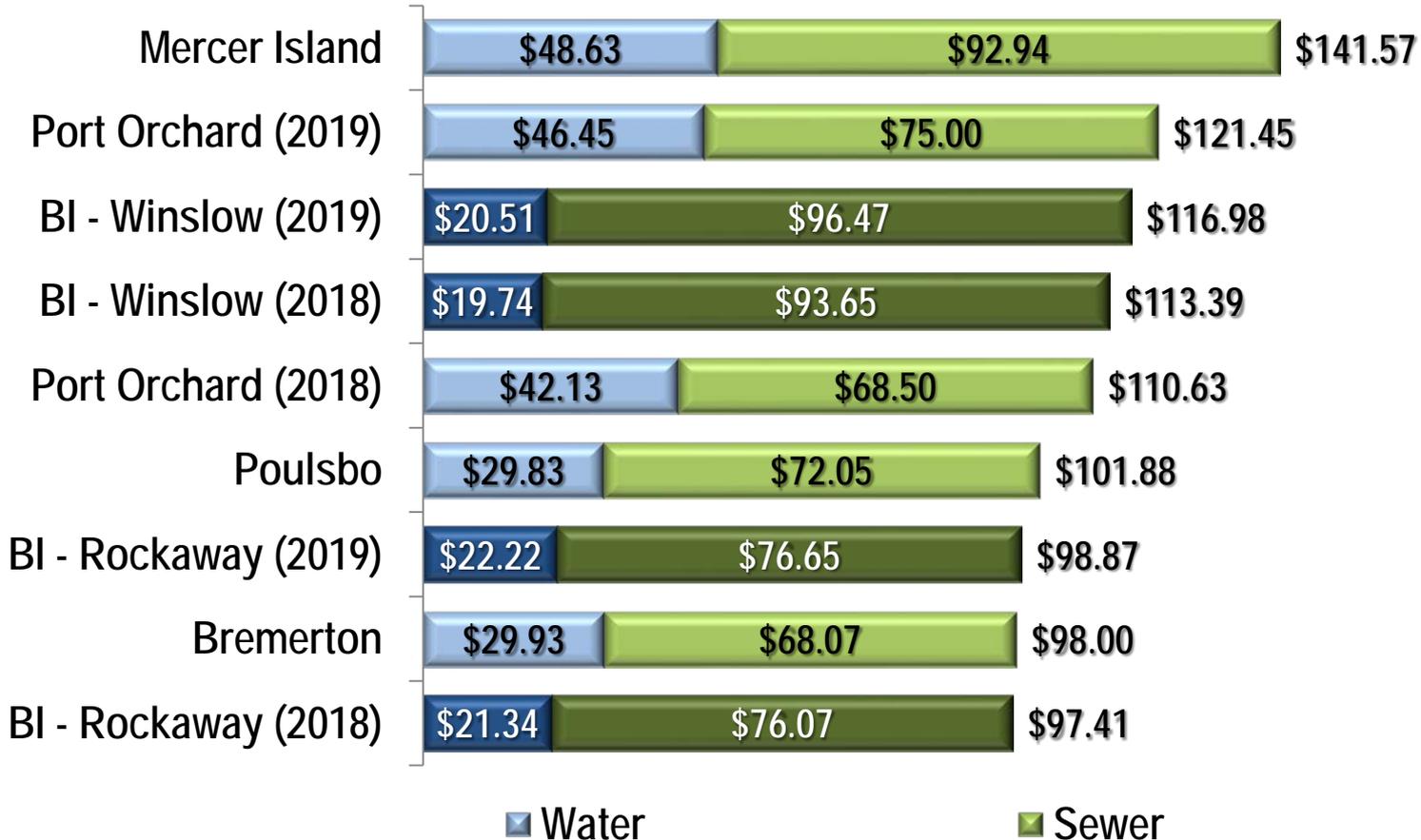


	Existing 2018	Proposed 2019	2020	2021	Projected 2022	2023	2024
Annual Rate Adjustment		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Single-Family Bill @ 7 ccf/Month	\$93.65	\$96.47	\$99.40	\$102.37	\$105.45	\$108.64	\$111.87
Change From Prior Year		+\$2.82	+\$2.93	+\$2.97	+\$3.08	+\$3.19	+\$3.23

- ◆ Rate increases are needed to generate funding for capital and phase in system reinvestment
 - Fund 35% of depreciation in 2019; increases to 90% by 2024

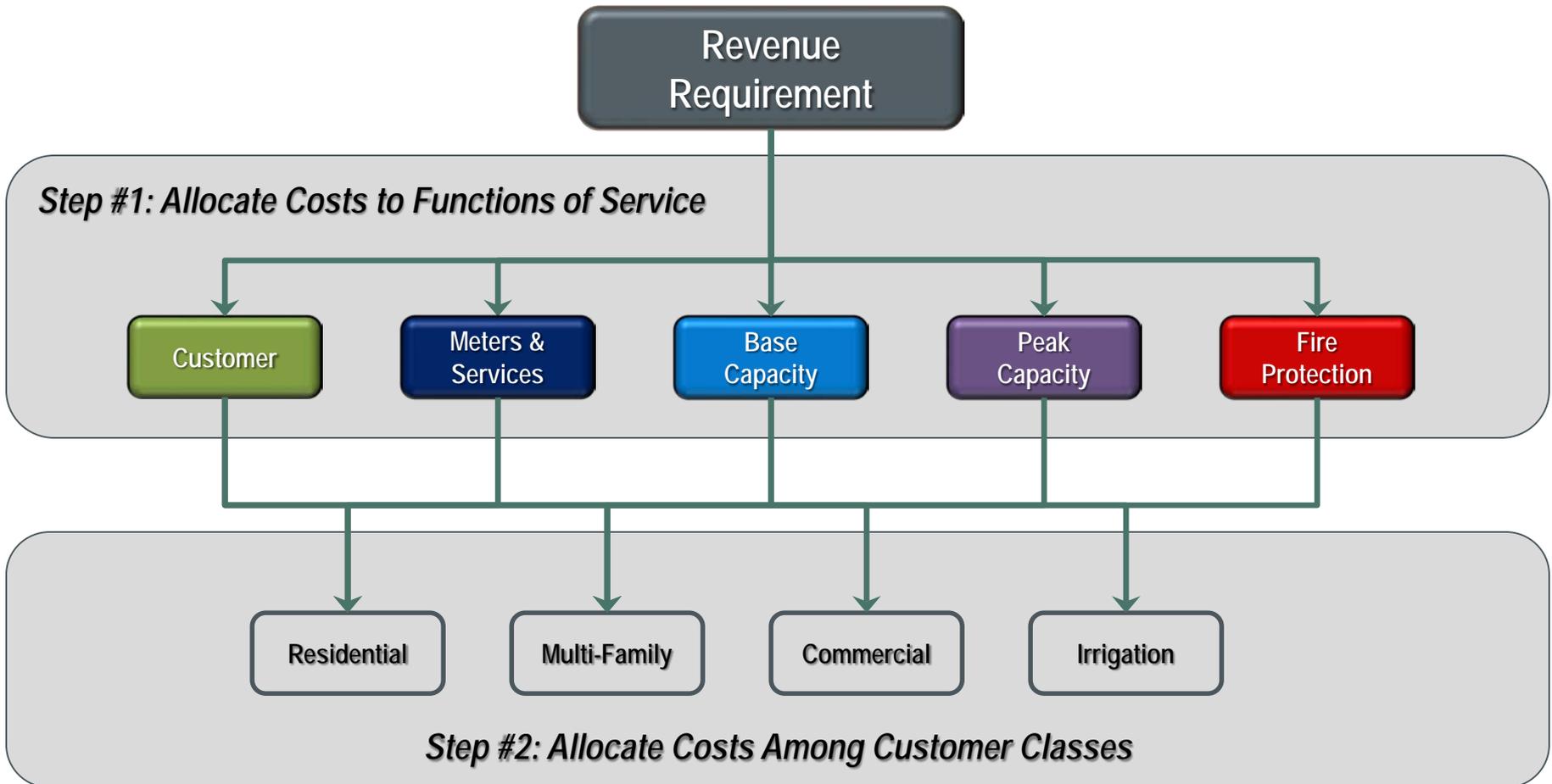


Sample Monthly Bill – 3/4" Single-Family @ 7 ccf



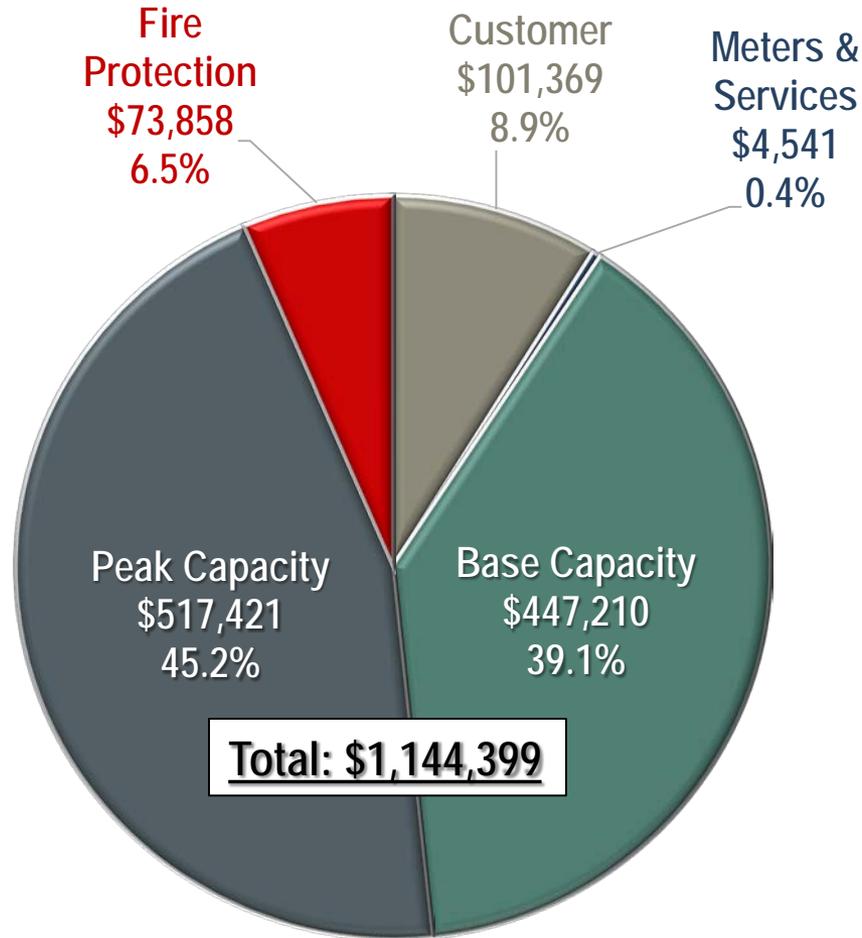


Cost-of-Service Analysis Methodology





Functional Allocation of 2019 Water Rev. Requirement





Allocating Water Costs to Customer Classes

	Customer	Meters & Svcs	Base Capacity	Peak Capacity	Fire Protection
Allocation Basis	Accounts	MSEs	Annual Use	Summer Use	Fire Accounts*
Projected 2019 Metrics:					
Single-Family - Winslow	2,176	2,195	166,728 ccf	100,205 ccf	2,176
Single-Family – Rockaway Beach	70	72	7,210 ccf	3,916 ccf	70
Multi-Family	102	225	54,385 ccf	27,759 ccf	153
Commercial – Schools	10	44	4,489 ccf	2,372 ccf	15
Commercial – Other	233	321	71,319 ccf	39,144 ccf	349
Irrigation – Schools	3	16	7,930 ccf	5,313 ccf	0
Irrigation – Other	69	87	20,059 ccf	14,848 ccf	0
Other (Mixed-Use)	5	15	2,069 ccf	1,041 ccf	7
Total	2,668	2,975	334,190 ccf	194,597 ccf	2,770
Percent of Total:					
Single-Family - Winslow	81.6%	73.8%	49.9%	51.5%	78.6%
Single-Family – Rockaway Beach	2.6%	2.4%	2.2%	2.0%	2.5%
Multi-Family	3.8%	7.6%	16.3%	14.3%	5.5%
Commercial – Schools	0.4%	1.5%	1.3%	1.2%	0.5%
Commercial – Other	8.7%	10.8%	21.3%	20.1%	12.6%
Irrigation – Schools	0.1%	0.5%	2.4%	2.7%	0.0%
Irrigation – Other	2.6%	2.9%	6.0%	7.6%	0.0%
Other (Mixed-Use)	0.2%	0.5%	0.6%	0.6%	0.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

*Fire accounts weighted based on fire flow requirement

- 60,000 gallons (1,000 gpm for 60 minutes) for single family
- 90,000 gallons (1,500 gpm for 90 minutes) for non-single family (excluding irrigation)



Recap of Key Methodologies

◆ “Average Cost” Method

- Recognizes that existing/future system benefits existing/future customers
- Represents the average unit cost of system capacity

“Average Cost” Method

$$\text{SPF} = \frac{\text{Existing \& Future Asset Cost}}{\text{Existing Customers \& Growth}}$$

◆ “Buy-In Plus Growth” Method

- Proportionate buy-in to existing facilities oversized to serve growth
- Recovers cost of future growth-related projects from growth (similar to an impact fee)

“Buy-In Plus Growth” Method

$$\text{SPF} = \frac{\text{Existing System Cost}}{\text{Existing Customers \& Growth}} + \frac{\text{Future Expansion Cost}}{\text{Future Growth}}$$



Water SPF Calculation

Water System Participation Fee Calculation	"Average Cost" Method			"Buy-In Plus Growth" Method		
	Fire	Other	Total	Fire	Other	Total
Net Existing Cost Basis	\$2,114,439	\$22,029,517	\$24,143,955	\$2,123,111	\$22,581,776	\$24,704,887
Allocable Number of Meter Capacity Equivalents	6,214	5,673		6,214	5,673	
Existing Facilities Charge per MCE	\$341	\$3,883	\$4,224	\$342	\$3,981	\$4,323
Net Future Cost Basis	\$2,064,197	\$8,019,803	\$10,084,000	\$1,999,403	\$4,690,249	\$6,689,652
Allocable Number of Meter Capacity Equivalents	6,214	5,673		2,608	2,381	
Future Facilities Charge per MCE	\$332	\$1,414	\$1,746	\$766	\$1,970	\$2,736
Total SPF per MCE	\$673	\$5,297	\$5,970	\$1,108	\$5,951	\$7,059

- ◆ SPF calculation recognize differences in fire flow requirements
 - Forms the basis for class-specific SPFs



Schedule of Water SPFs

	Single-Family			Multi-Family		
	Existing	Average Cost	Buy-In + Growth	Existing	Average Cost	Buy-In + Growth
5/8" Meter	\$2,754	\$3,980	\$4,706	\$4,515	\$4,204	\$5,076
3/4" Meter	\$2,754	\$5,970	\$7,059	\$4,515	\$6,306	\$7,613
1" Meter	\$6,885	\$9,949	\$11,765	\$11,287	\$10,510	\$12,689
1-1/2" Meter	\$13,770	\$19,899	\$23,530	\$22,575	\$21,020	\$25,378
2" Meter	\$22,033	\$31,838	\$37,649	\$36,120	\$33,631	\$40,604
3" Meter	\$44,066	\$63,676	\$75,298	\$72,241	\$67,262	\$81,209
4" Meter	\$68,854	\$99,494	\$117,652	\$112,876	\$105,098	\$126,889
6" Meter	\$137,708	\$198,987	\$235,305	\$225,753	\$210,195	\$253,778

	Commercial			Irrigation		
	Existing	Average Cost	Buy-In + Growth	Existing	Average Cost	Buy-In + Growth
5/8" Meter	\$5,692	\$4,204	\$5,076	\$4,498	\$3,531	\$3,967
3/4" Meter	\$5,692	\$6,306	\$7,613	\$4,498	\$5,297	\$5,951
1" Meter	\$14,231	\$10,510	\$12,689	\$11,245	\$8,829	\$9,918
1-1/2" Meter	\$28,462	\$21,020	\$25,378	\$22,490	\$17,657	\$19,836
2" Meter	\$45,539	\$33,631	\$40,604	\$35,984	\$28,251	\$31,737
3" Meter	\$91,079	\$67,262	\$81,209	\$71,968	\$56,503	\$63,475
4" Meter	\$142,311	\$105,098	\$126,889	\$112,450	\$88,285	\$99,179
6" Meter	\$284,623	\$210,195	\$253,778	\$224,901	\$176,571	\$198,359



Sewer SPF Calculation

Sewer System Participation Fee Calculation	"Average Cost" Method			"Buy-In Plus Growth" Method		
	Collection	Treatment	Total	Collection	Treatment	Total
Net Existing Cost Basis	\$13,785,254	\$23,008,966	\$36,794,221	\$15,113,279	\$23,344,446	\$38,457,726
Allocable Number of Equivalent Residential Units	6,011	5,588		6,011	5,588	
Existing Facilities Charge per ERU	\$2,293	\$4,118	\$6,411	\$2,514	\$4,178	\$6,692
Net Future Cost Basis	\$8,637,000	\$1,650,000	\$9,737,000	\$841,965	\$82,500	\$924,465
Allocable Number of Equivalent Residential Units	6,011	5,588		1,359	1,158	
Future Facilities Charge per ERU	\$1,437	\$295	\$1,732	\$620	\$71	\$691
Total SPF per ERU	\$3,730	\$4,413	\$8,143	\$3,134	\$4,249	\$7,383

- ◆ **SPF calculation is functionalized to recognize applicable service areas**
 - Collection system benefits both Winslow and South Island Sewer customers
 - Treatment system benefits only Winslow customers
 - South Island Sewer customers receive treatment from KCSD #7



Schedule of Sewer SPFs

	Existing	Average Cost		Buy-In + Growth	
	Winslow Only	Winslow	South Island	Winslow	South Island
Single-Family	\$5,123	\$8,143	\$3,730	\$7,383	\$3,134
Multi-Family (Per Dwelling Unit)	\$3,178	\$5,051	\$2,314	\$4,580	\$1,944
Commercial (Per ERU ¹)	\$5,123	\$8,143	\$3,730	\$7,383	\$3,134

¹Defined by the City as 20 fixture units.

- ◆ **Updated structure introduces City SPF for South Island Sewer customers**
 - Recognizes the City's historical/planned investments in collection infrastructure
- ◆ **South Island Sewer connections are subject to KCSD #7 treatment charges**
 - Properties that paid ULID #1 assessments: \$1,600 connection charge
 - Properties that did not pay ULID #1 assessments:
 - Without reservation number: \$10,330 latecomer charge
 - With reservation number: \$8,720 latecomer charge