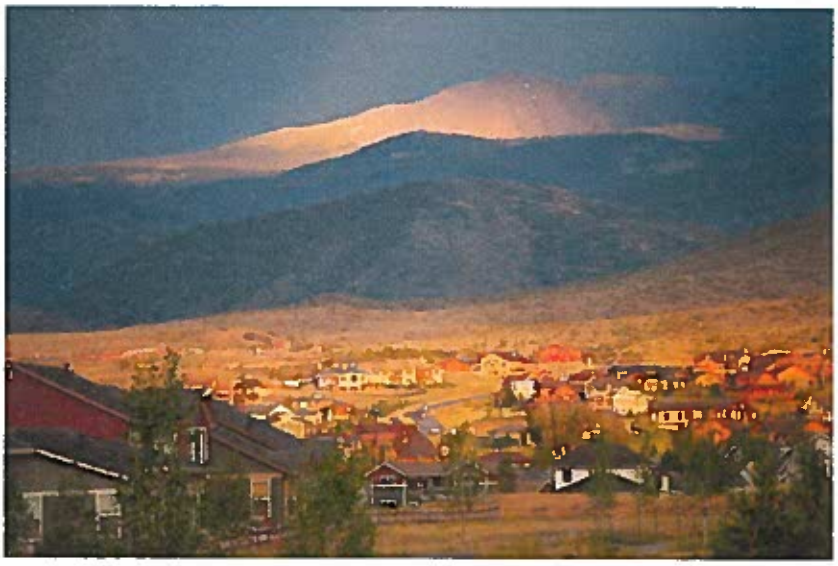
DRAFT RATE STUDY

TOWN OF EAGLE



October, 2016

Prepared by

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TOWN OF EAGLE

REVIEWED BY

REVIEWED BY

SGM Project # 2011-318.002

FILE PATH

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1.0 Executive Summary

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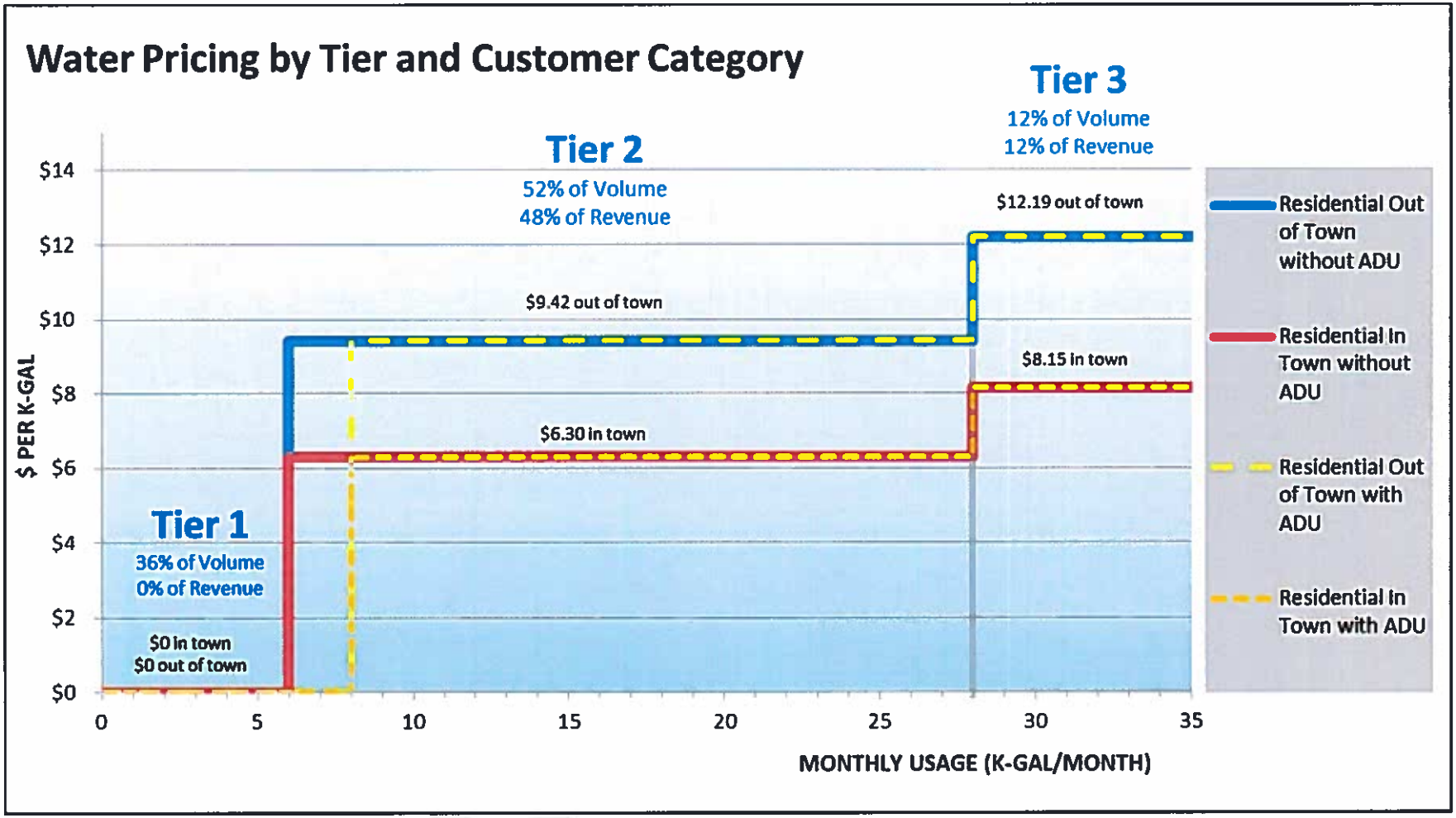
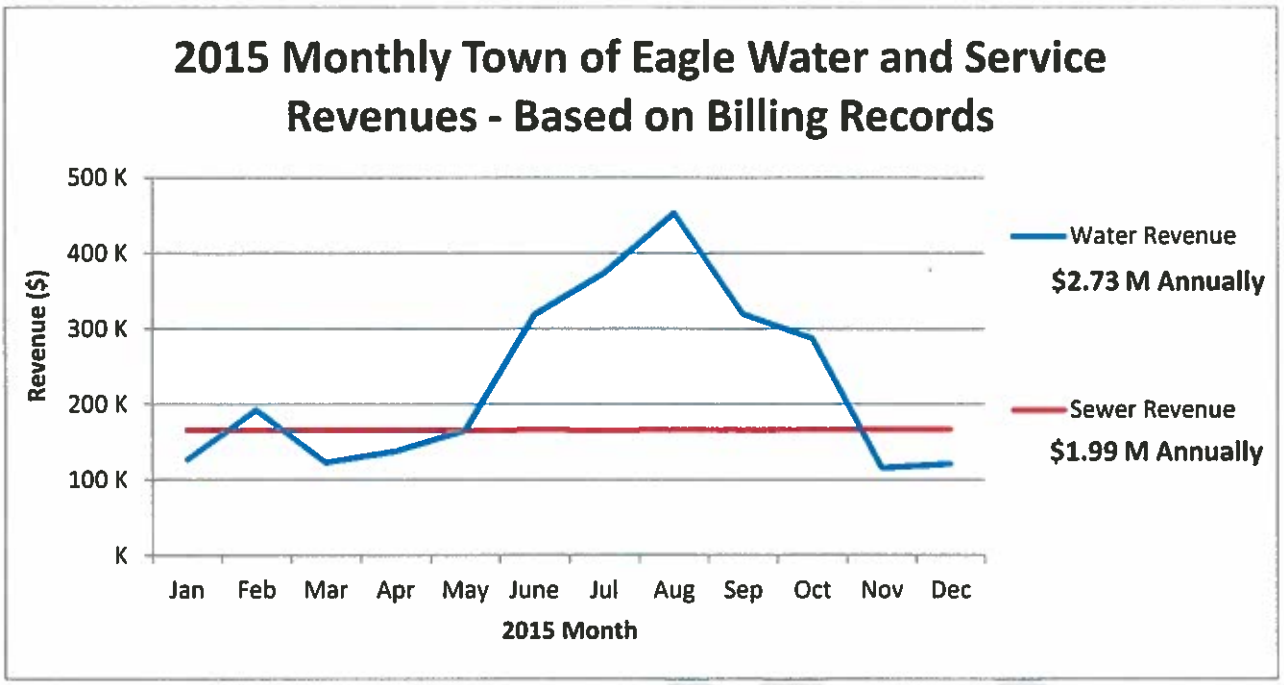
2.0 Existing Water and Sewer Service Rate Summary

In Town Service Fees						
Customer Class (Bill Code)	Usage Block (Gal)	Service Fee				
		2013	2014	2015	2016	Units
Residential without accessory dwelling unit (101)	Base Fee	$ 26.45	$ 29.10	$ 32.01	$ 33.61	$/Month
	0-6,000	$ -	$ -	$ -	$ -	$/kgal
	6,001-28,000	$ 4.95	$ 5.45	$ 6.00	$ 6.30	$/kgal
	> 28,000	$ 6.40	$ 7.05	$ 7.76	$ 8.15	$/kgal
Residential with accessory dwelling unit (106)	Base Fee	$ 33.20	$ 36.50	$ 40.15	$ 42.16	$/Month
	0-8,000	$ -	$ -	$ -	$ -	$/kgal
	8,001-28,000	$ 4.95	$ 5.45	$ 6.00	$ 6.30	$/kgal
	> 28,000	$ 6.40	$ 7.05	$ 7.76	$ 8.15	$/kgal
Commercial, Government, Schools, and Churches (104)	Base Fee	$ 26.45	$ 29.10	$ 32.01	$ 33.61	$/Month
	0-6,000	$ -	$ -	$ -	$ -	$/kgal
	> 6,000	$ 4.95	$ 5.45	$ 6.00	$ 6.30	$/kgal
Sewer			$ 4.00	$ 48.40	$ 50.82	$/Month
% Increase from previous year		5%	10%	10%	5%	

Out of Town Service Fees						
Customer Class (Bill Code)	Usage Block (Gal)	Service Fee				
		2013	2014	2015	2016	Units
Residential without accessory dwelling unit (101)	Base Fee	$ 39.70	$4 3.65	$ 48.02	$ 50.42	$/Month
	0-6,000	$ -	$ -	$ -	$ -	$/kgal
	6,001-28,000	$ 7.40	$ 8.15	$ 8.97	$ 9.42	$/kgal
	> 28,000	$ 9.60	$ 10.55	$ 11.61	$ 12.19	$/kgal
Residential with accessory dwelling unit (106)	Base Fee	$ 49.80	$ 54.82	$ 60.28	$ 63.29	$/Month
	0-8,000	$ -	$ -	$ -	$ -	$/kgal
	8,001-28,000	$ 7.40	$ 8.15	$ 8.97	$ 9.42	$/kgal
	> 28,000	$ 9.60	$ 10.55	$ 11.61	$ 12.19	$/kgal
Commercial, Government, Schools, and Churches (104)	Base Fee	$ 39.70	$ 43.65	$ 48.02	$ 50.42	$/Month
	0-6,000	$ -	$ -	$ -	$ -	$/kgal
	> 6,000	$ 7.40	$ 8.15	$ 8.97	$ 9.42	$/kgal
Sewer			$ 4.00	$ 48.40	$ 50.82	$/Month
% Increase from previous year		5%*	10%	10%	5%	

* Note, increase in 2013 was 5% except for a 10% increase for rates for Out of Town Residential with ADU


Water Pricing by Tier and Customer Category
Tier 1
36% of Volume
0% of Revenue
$0 in town
$0 out of town
Tier 2
52% of Volume
48% of Revenue
$9.42 out of town
$6.30 in town
Tier 3
12% of Volume
12% of Revenue
$12.19 out of town
$8.15 in town
$ PER K-GAL
$0
$2
$4
$6
$8
$10
$12
$14
0
5
10
15
20
25
30
35
MONTHLY USAGE (K-GAL/MONTH)
Residential Out of Town without ADU
Residential In Town without ADU
Residential Out of Town with ADU
Residential In Town with ADU


2015 Monthly Town of Eagle Water and Service Revenues - Based on Billing Records
500 K
400 K
300 K
200 K
100 K
K
Revenue ($)
Jan
Feb
Mar
Apr
May
June
Jul
Aug
Sep
Oct
Nov
Dec
2015 Month
Water Revenue
$2.73 M Annually
Sewer Revenue
$1.99 M Annually

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3.0 Expenditures

	Total Expense	2015 Budgeted Expense	Annual % Increase
Water – 2015 Budget			
Operations and Maintenance		$ 144 K	
Depreciation		$ 564 K *Not budgeted*	
Contingency		$ 50 K	
Interest / Fiscal Charges		$ 71 K	
Admin Fee – General Fund		$ 60 K	20% ?
Debt Service Principal		$ 213 K	
		$1.96 M	
Change in Accrued Interest			
Wastewater – 2015 Budget			
Operations and Maintenance		$ 832 K	
Depreciation		$ 791 K *Not budgeted*	
Contingency		$ 20 K	
Interest / Fiscal Charges		$ 410 K	
Admin Fee – General Fund		$ 60 K	20% ?
Debt Service Principal		$ 766 K	
Change in Accrued Interest		$ 9 K *Not budgeted*	
Expenses itemized in the model			
O&M		$1.31 M in 2017	5% all years, except: 80% in 2021 *(2 years after construction begins for LBWTP)*
Capital Improvement Projects (CIP)- Total	$ 45.3 M 2017 - 2050	Based on CIP schedule	2.7 % *(construction inflation rate)*
Debt Service – 2004 General Obligation Bond For Upper Basin WTP	Principal: $3.75 M	$0.28 M: 2005 - 2024 except Op.3 -$0.28M in 2017 $1.72M in 2018	
Debt Service – New Bond(s)			
Admin Charges to General Fund		$60 K	None
40-yr CWCB Loan Through 2020		$10,815 (in 2011)	

Capital Projects Schedule

July, 2016

Water Utilities Projects 2013-2016 Average Annual Cost was $1.02M	Estimated Construction Year		Project Cost (Dollars)
Brush Creek Transmission Main Replacement-Phase I	2013		$ 316,324
I-70/Eby Creek Road	2014		$ 1,474,471
Downtown Distribution: Wall St.	2015		$ 620,000
Downtown Distribution: Second St and Capitol	2015		$ 430,000
Brush Creek Transmission Main Replacement-Phase II	2015		$ 779,000
New Diversion Screen	2016		$ 275,000
Downtown Distribution: Wall St.	2016		$ 175,000
Other 2016 projects	2016		$ -
Water Utilities Projects Projected 2017-2020 Average Annual Cost is $5.29M	**Estimated Construction Year**	**Estimated Project Cost (2016 Dollars)**	**Estimated Project Cost at Construction (Dollars)***
Cemetery Tank Replacement	2017	$ 662,759.25	$ 680,654
Lower Basin Water Treatment Plant Phase I	2019	$ 17,178,686.85	$ 18,889,277
Loop line- Violet Lane	2019	$ 1,450,000.00	$ 1,570,650
Water Utilities Projects Projected 2021-2025 Average Annual Cost is $1.68M	**Estimated Construction Year**	**Estimated Project Cost (2016 Dollars)**	**Estimated Project Cost at Construction (Dollars)***
Loop Line - Fairgrounds	2021	$ 2,075,000.00	$ 2,370,666
UBWTP - 3 Filter Trains	2022	$ 3,012,542.02	$ 3,351,312
Downtown Distribution: Capitol	2023	$ 468,723.82	$ 564,820
Eby Creek Pump Station	2024	$ 361,505.04	$ 447,381
Downtown Distribution: Fourth St.	2024	$ 458,181.13	$ 567,023
Downtown Distribution: Howard St.	2025	$ 862,451.92	$ 1,096,147
Water Utilities Projects Projected 2026-2030 Average Annual Cost is $1.17M	**Estimated Construction Year**	**Estimated Project Cost (2016 Dollars)**	**Estimated Project Cost at Construction (Dollars)***
Brush Creek Transmission Main Replacement-Phase III	2026	$ 1,024,264.29	$ 1,336,954
Brush Creek Transmission Main Replacement-Phase IV	2027	$ 1,024,264.29	$ 1,301,805
Eby Creek Lower Tank Replacement	2028	$ 1,024,264.29	$ 1,336,954
Eby Creek Upper Tank Project	2029	$ 783,260.93	$ 1,049,981
Terrace Distribution	2030	$ 610,707.34	$ 840,772
Water Utilities Projects Beyond 2030	**Estimated Construction Year**	**Estimated Project Cost (2016 Dollars)**	**Estimated Project Cost at Construction (Dollars)***
Eagle Ranch Distribution -Seg C	2033	$ 1,605,133.60	$ 2,393,690
Grand Avenue utilities	2034	$ 3,012,542.02	$ 4,613,815
West Eagle Redevelopment Utilities	2035	$ 3,012,542.02	$ 4,738,388
Chambers Distribution	2036	$ 813,386.35	$ 1,313,908
LBWTP - Phase 2	2040	$ 4,493,507.68	$ 8,074,865
LBWTP - Phase 3	2049	$ 1,405,049.60	$ 3,209,042

*Using a Construction Inflation Rate of 2.7%

4.0 Revenues

	2015 Budgeted Annual Revenue	Annual % Increase
Water – 2015 Budget		
Service Fees – water	$ 2.73 M	5%
Meters and Materials	$ 56 K	
Tap Fee/ Plant Investment Fee (PIF) – water	$ 0.33 M	None
Interest	$ 8 K	
Wastewater – 2015 Budget		
Service Fees – wastewater	$ 1.99 K	5%
Tap Fee/ Plant Investment Fee (PIF) – wastewater	$ 0.39 M	None
Property Taxes	$ 176 K	
Interest	$ 1 K	
Other revenues itemized in the model		
Water Sales – total	$2.41	5%
PIF	$ 0.34 M	None
Pre-Paid PIF	$0.18 M in 2018 $1.0 M in 2020	Not applicable
Other	$ 15 K	None
Service Charge	$ 22 K	None
Remiburseables	$ 20 K	None
Water System Improvement Fees E.R.	$0	
Water Interest	$14 K	None
Water Rights Interest	$100	None
Mics.	$0	
Bond Proceed Actual	$17 M or $14 M	
Water Plant Construction Fee	$ 911 K in 2017	

5.0 Expenditure / Revenue Comparison

6.0 Recommendations