

Scotts Valley Water District 2017 Rate Implementation

Board of Directors Meeting
November 9, 2017



SVWD 2016 Water Rate Study

- Developed a financial plan to determine potable and recycled water revenue requirements
- Conducted cost of service and tiered rate analysis
- Conducted connection fee analysis
- Developed a rate structure that complies with Proposition 218

Proposition 218 Public Process

- 13 committee and/or board meetings in 2016
 - Open to public
 - Advertised and promote to community
- 3 public forums
- Regular postings with updates of the process
 - District website
 - District Facebook page
 - Bill inserts
 - Ads in Press Banner and Scotts Valley Times
- Public hearing on December 12, 2016 after 45-day comment period
 - Adoption of water rate/fee schedule for 2016-2020

Rate Implementation

- Adopted rate increase scheduled for December 2017 - 15%
- Rate Implementation Program establishes guidelines for implementing rate increase
- Board will consider the need for the rate increases prior to implementing them each year from 2017-2020

Financial Plan Major Variables

Fund 01 (Potable Water) FY 2017

Projections

- Potable system demand
 - Rebound 8.6%
 - Revenue \$4.6M
- No new service connection revenue
- Year end reserve balance \$2.8M vs target \$3.0M

Actuals

- Potable system demand
 - Rebound 6.2%
 - Revenue \$4.1M
- New service connection revenue \$100K (1.8% of total revenue)
- Year end reserve balance \$3.1M vs target \$3.0M

Financial Plan Major Variables

Fund 01 (Potable Water) FY 2018

Projections

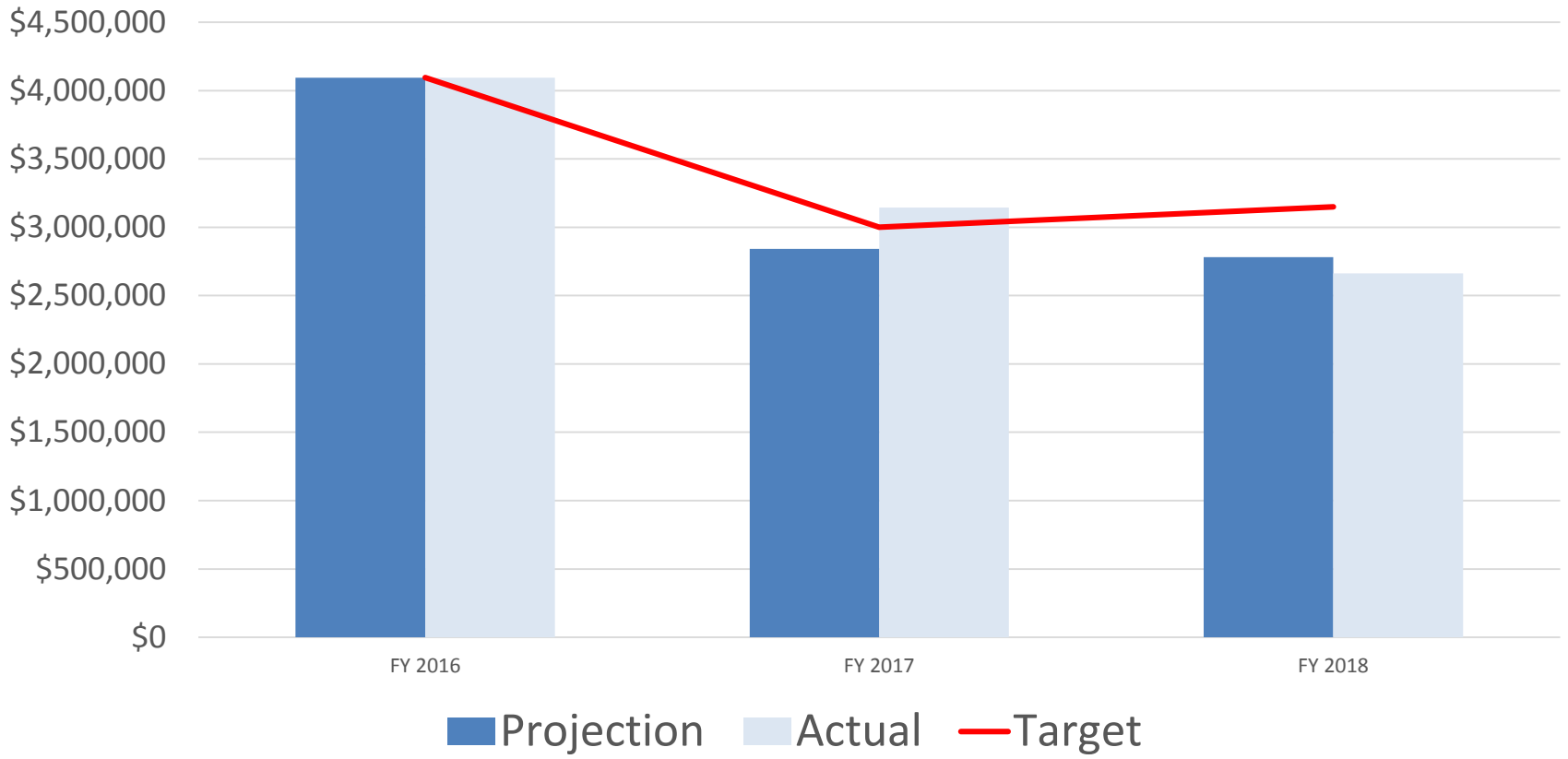
- Potable system demand
 - Rebound 4.3%
 - Revenue \$5.7M
- No new service connection revenue
- Projects expenses \$1.7M
- Year end reserve balance \$2.8M vs target \$3.2M

Actuals

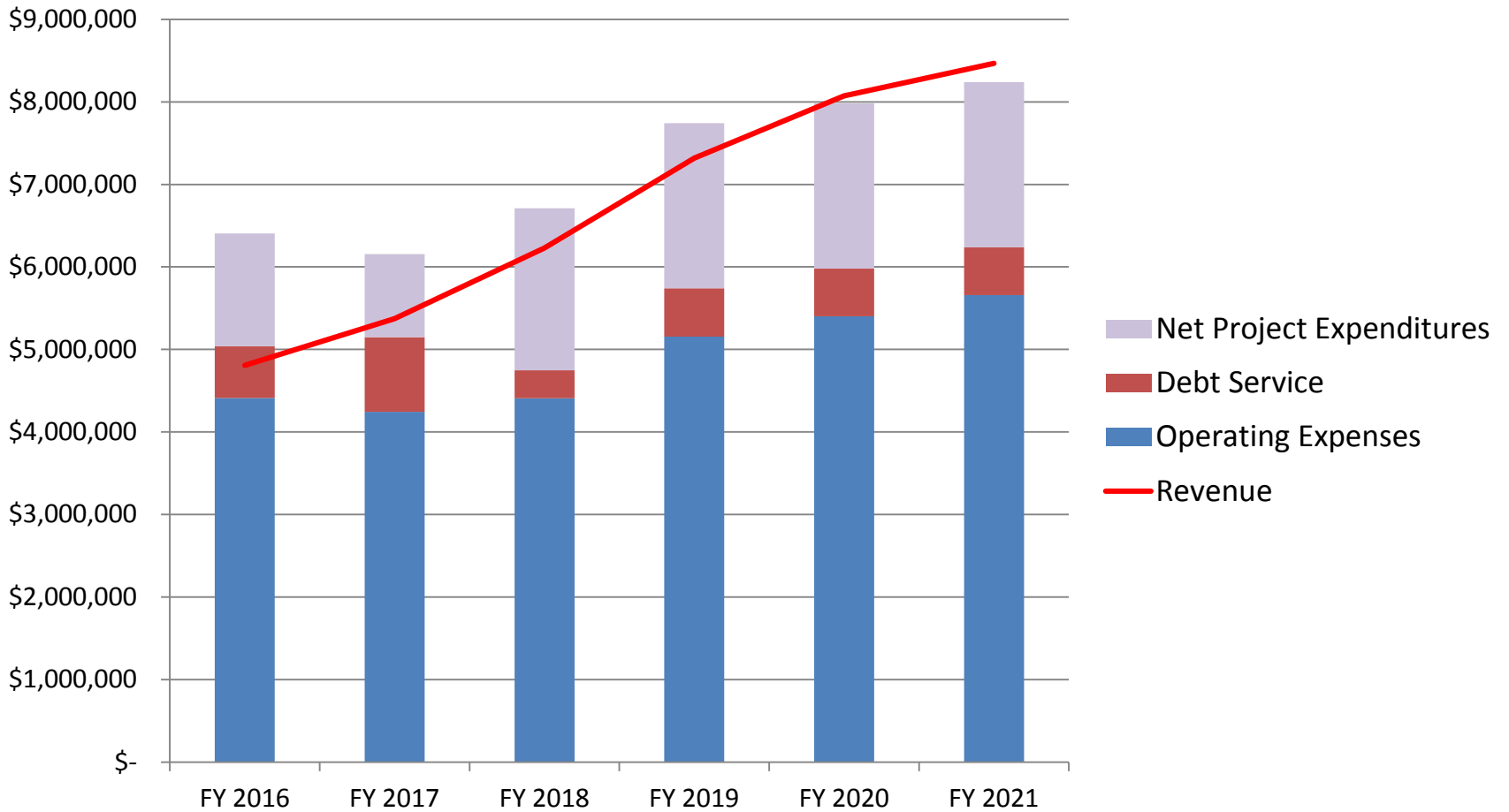
- Potable system demand
 - Rebound Unknown
 - Revenue \$5.2M
- New service connection revenue \$144K
- Projects expenses \$2.0M
- Year end reserve balance \$2.6M vs target \$3.2M

Reserve Balance: Potable Water Fund

Fiscal Year End



Revenue-Expense Projections



Average Residential Monthly Water Bill

6000 gal (8ccf)/month
December 2017

