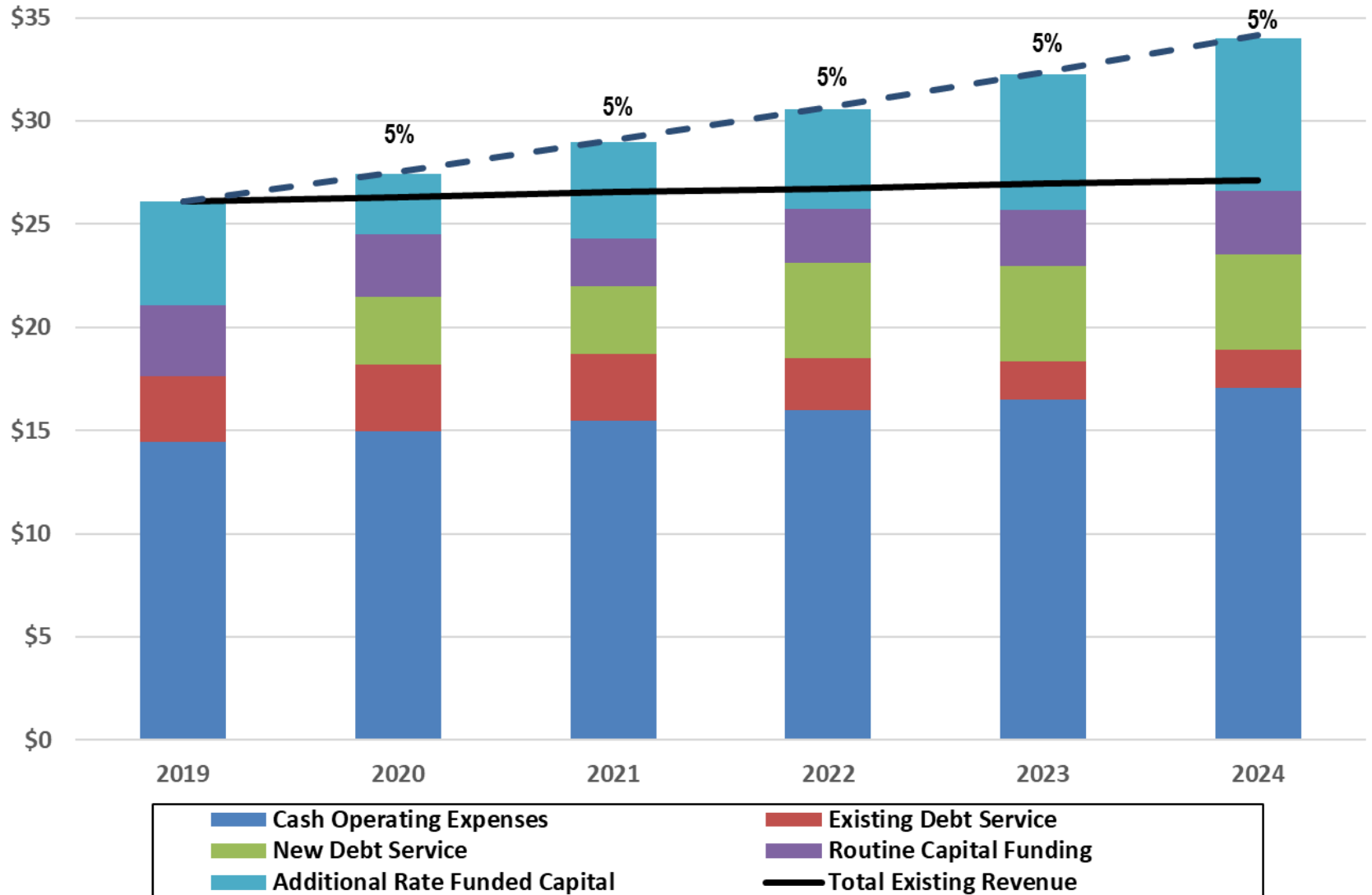


Public Hearing October 8, 2019



- Revenue Requirements
- Cost of Service Analysis
- System Development Fees
- Rate Design

Revenue Requirements



Goal: Distribute costs equitably among customer classes

- Utility costs broken out by system function -
 - Customers, Meters & services, Base demand, Peak demand, Fire protection
- Allocate costs to customer classes -
 - Residential, non-residential, Fire protection
- Compare revenue generated by customer class to C-O-S by customer class

System Development Fee

Existing Cost Basis

- ✓ Existing assets (original cost)
- ✓ Less: Contributions (developer/grants)
- ✓ Plus: Construction work in progress

+

Future Cost Basis

- ✓ Future capital
- ✓ Less: Developer donations
- ✓ Less: Repair & replacement

Current & Future Customers

Results of Analysis:

- Could increase SDF \$564
- Existing SDF = \$4,905 increase to \$5,469

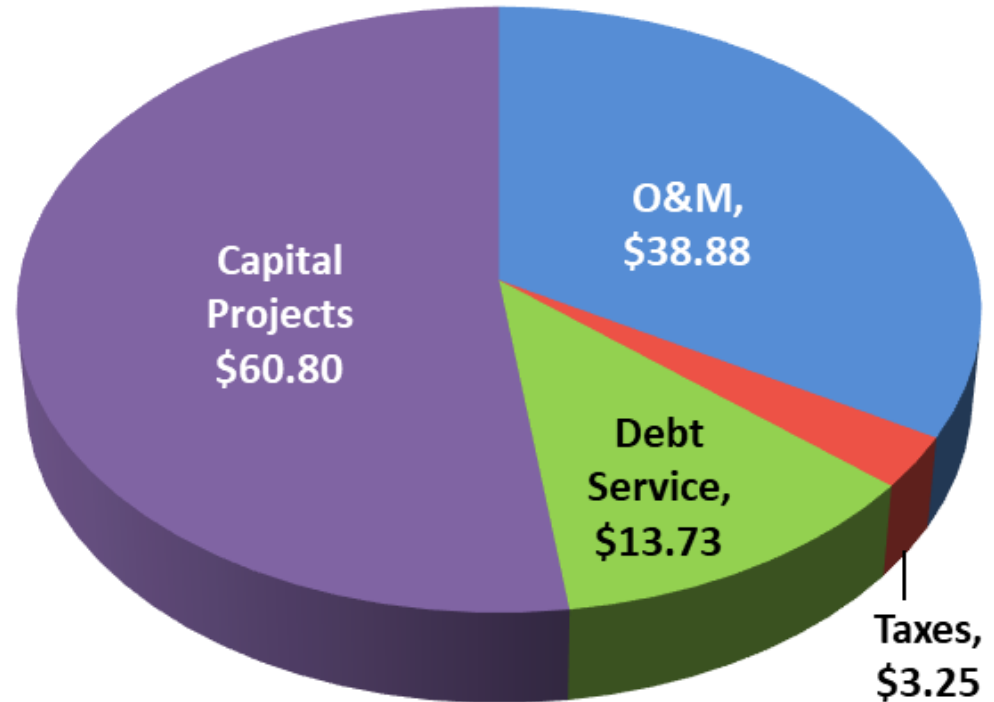
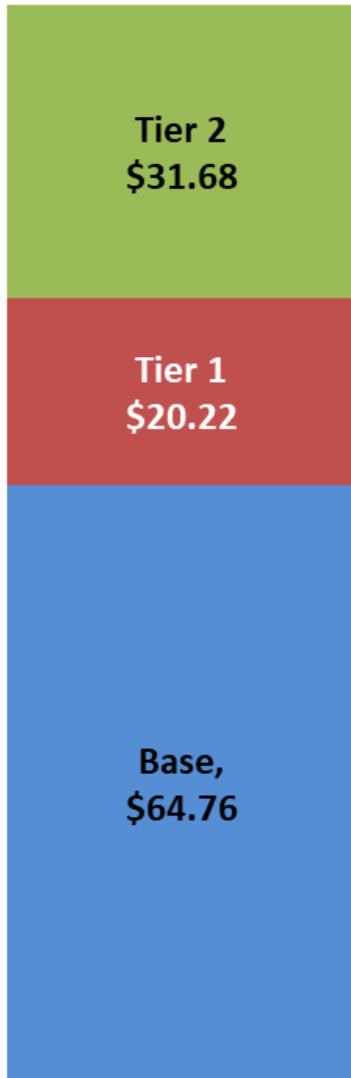
- Fixed & variable charges
- Meet revenue requirements of District
- Changes always help some customers and hurt other customers
- Rate design requires tradeoffs and choices between District policy goals & objectives

Rate Schedule

Fixed Charge By Meter Size:	Existing 2019	Proposed 2020
5/8 - Inch	\$ 29.15	\$ 32.38
3/4 - Inch	\$ 29.15	\$ 32.38
1- Inch	\$ 48.55	\$ 50.98
1-1/2- Inch	\$ 96.80	\$ 101.64
2- Inch	\$154.60	\$ 162.33
3- Inch	\$289.85	\$ 304.34
4- Inch	\$482.65	\$ 506.78
6- Inch	\$965.35	\$1,013.62
Capital Improvement Surcharge:	\$2.00	
<u>Single Family & Duplex</u>		
Block 1 (0-3 ccf)	\$ 3.21	\$ 3.37
Block 2 (4-100 ccf)	\$ 5.06	\$ 5.31
Block 3 (101+ccf)	\$ 2.95	\$ 3.10
<u>All Others</u>		
Block 1 (0-3 ccf)	\$ 5.06	\$ 5.31
Block 2 (4-100 ccf)	\$ 5.06	\$ 5.31
Block 3 (101+ccf)	\$ 2.95	\$ 3.10

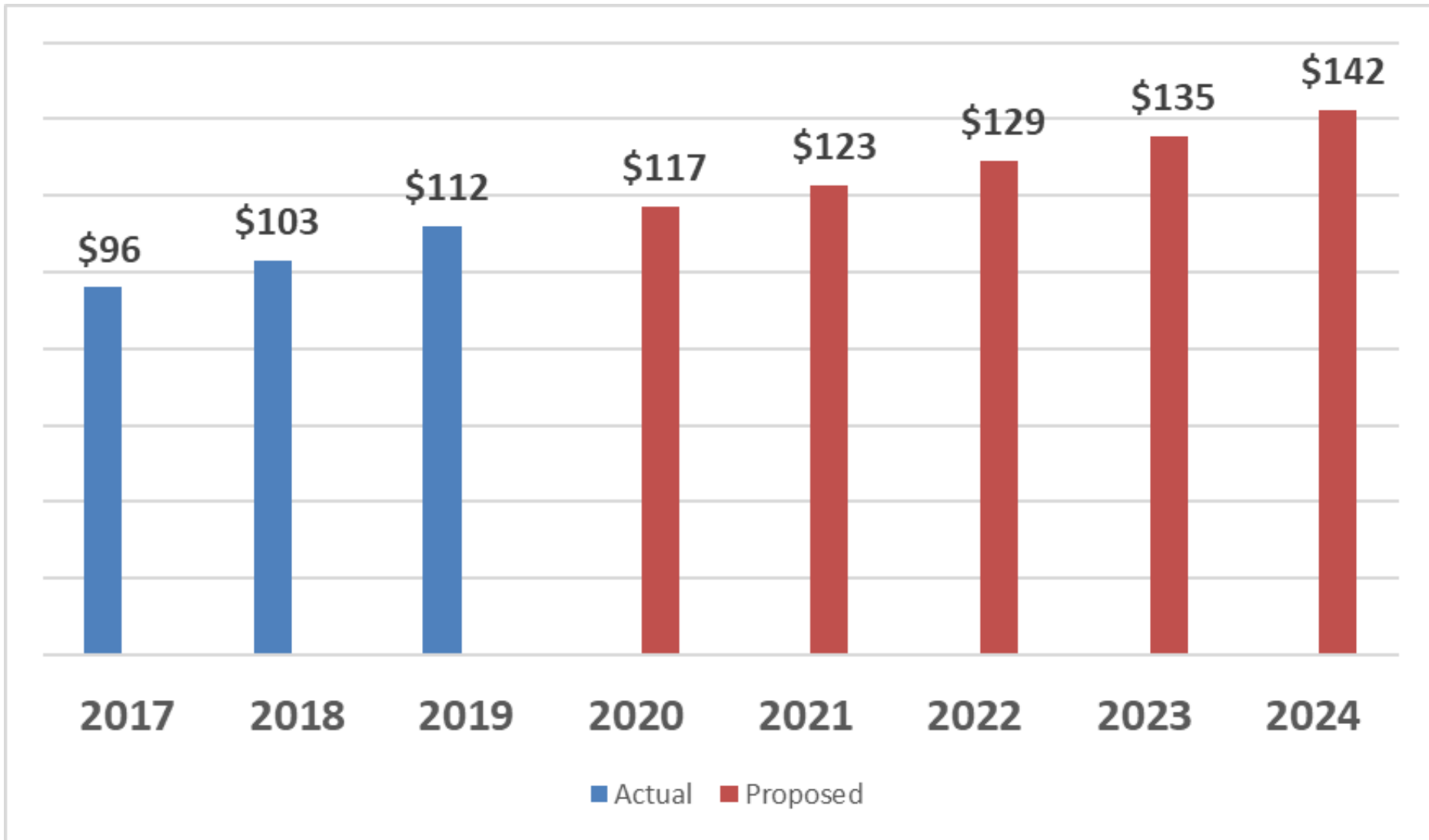
1 ccf = 100 cubic feet

Bi-Monthly Residential Bill \$116.66



Residential bi-monthly bill using 6 ccf per month

Proposed 5% Increase





2020

PROPOSED

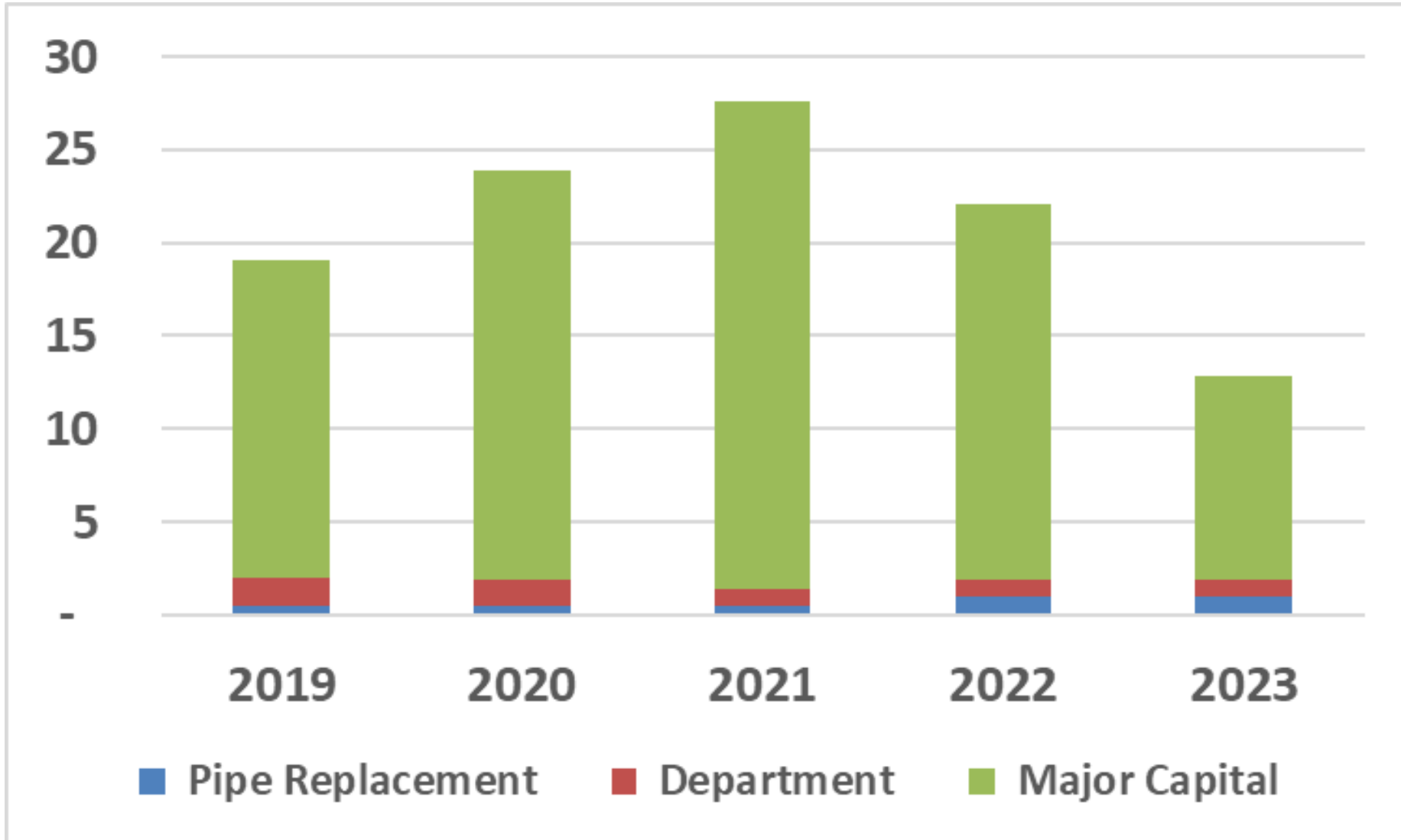
BUDGET

PUBLIC UTILITY DISTRICT
NO. 1 OF SKAGIT COUNTY

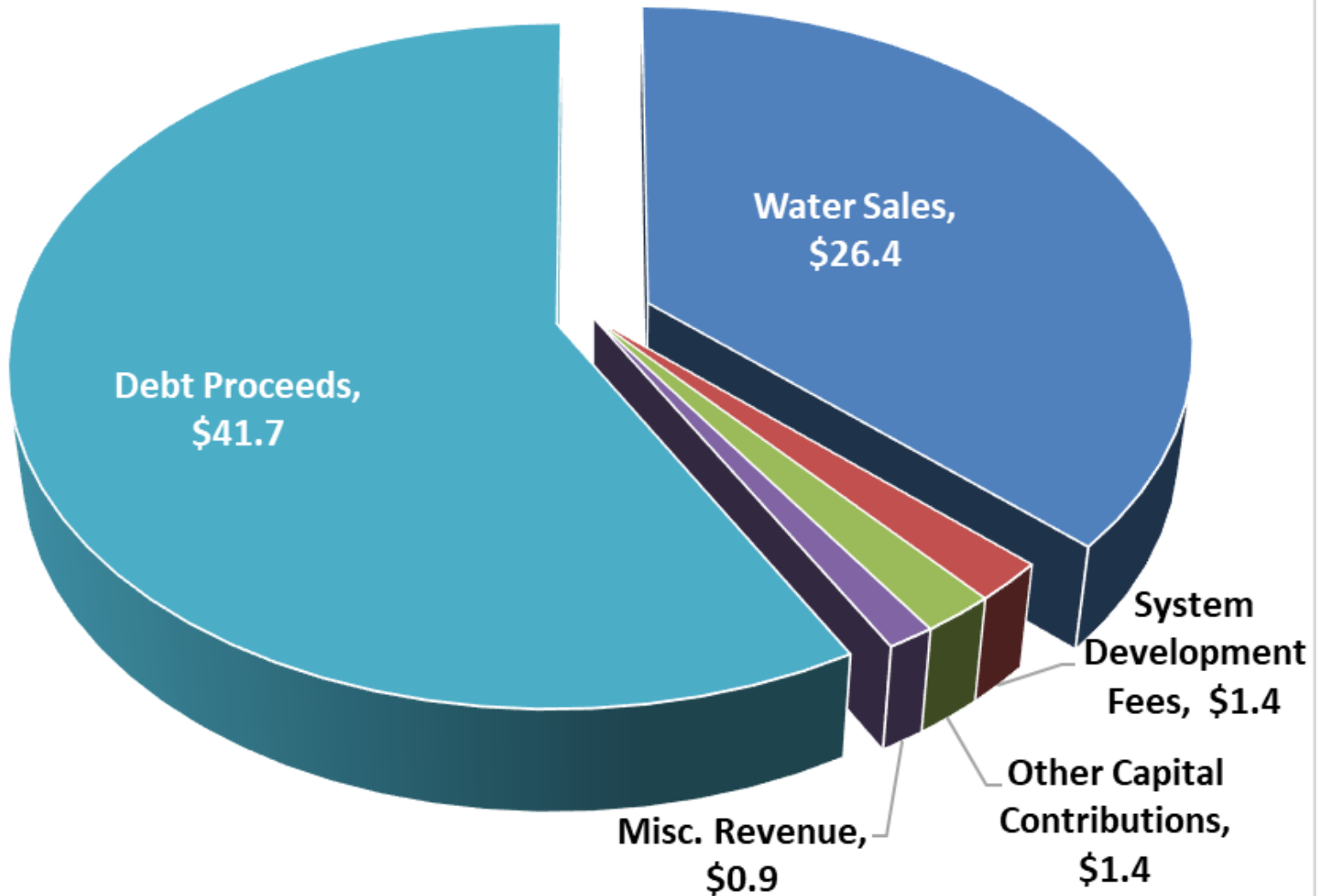


- Determine District Needs
- Establishes Priorities & Goals
- Identifies funding necessary to achieve goals
- Maintains Accountability

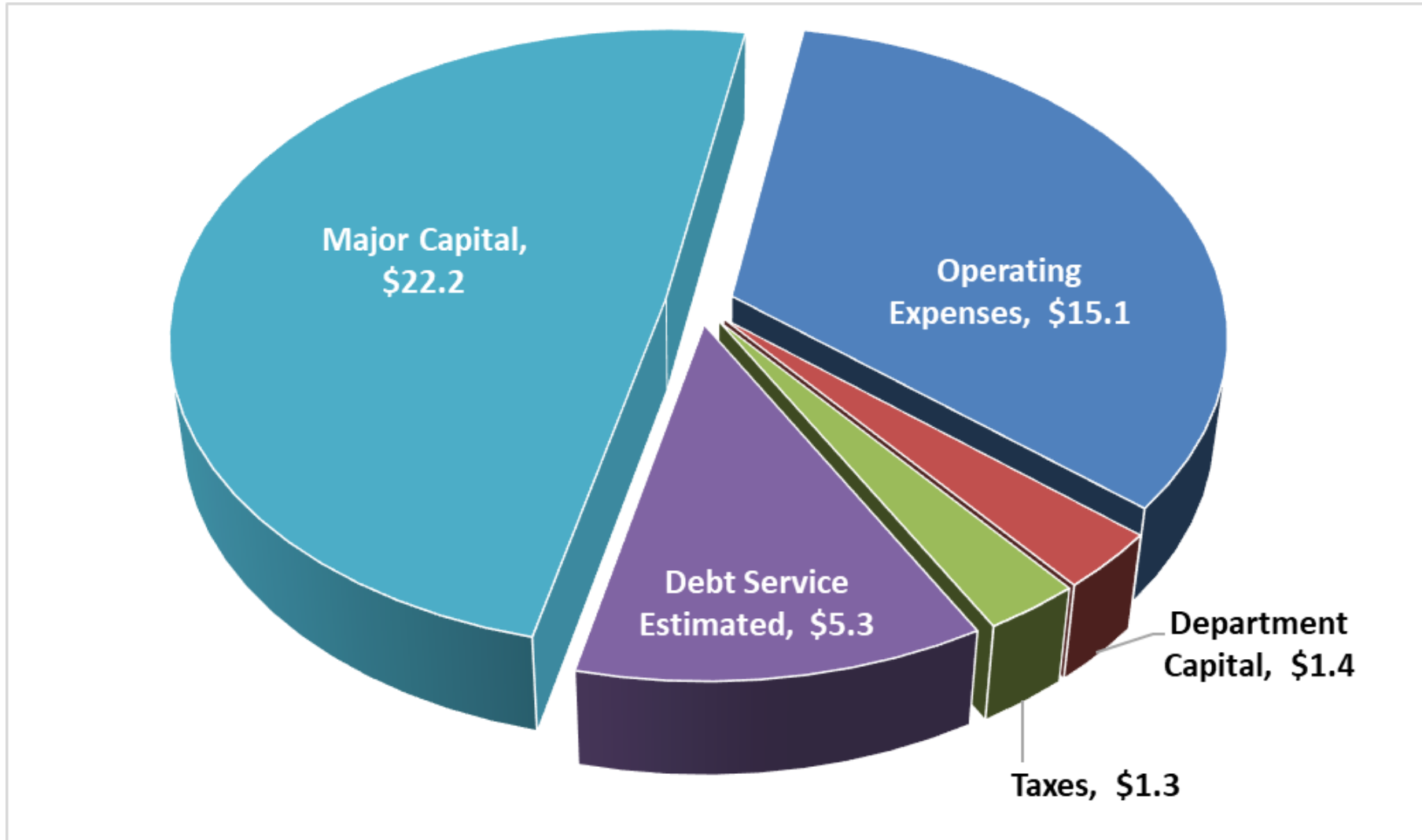
Capital Improvement Plan



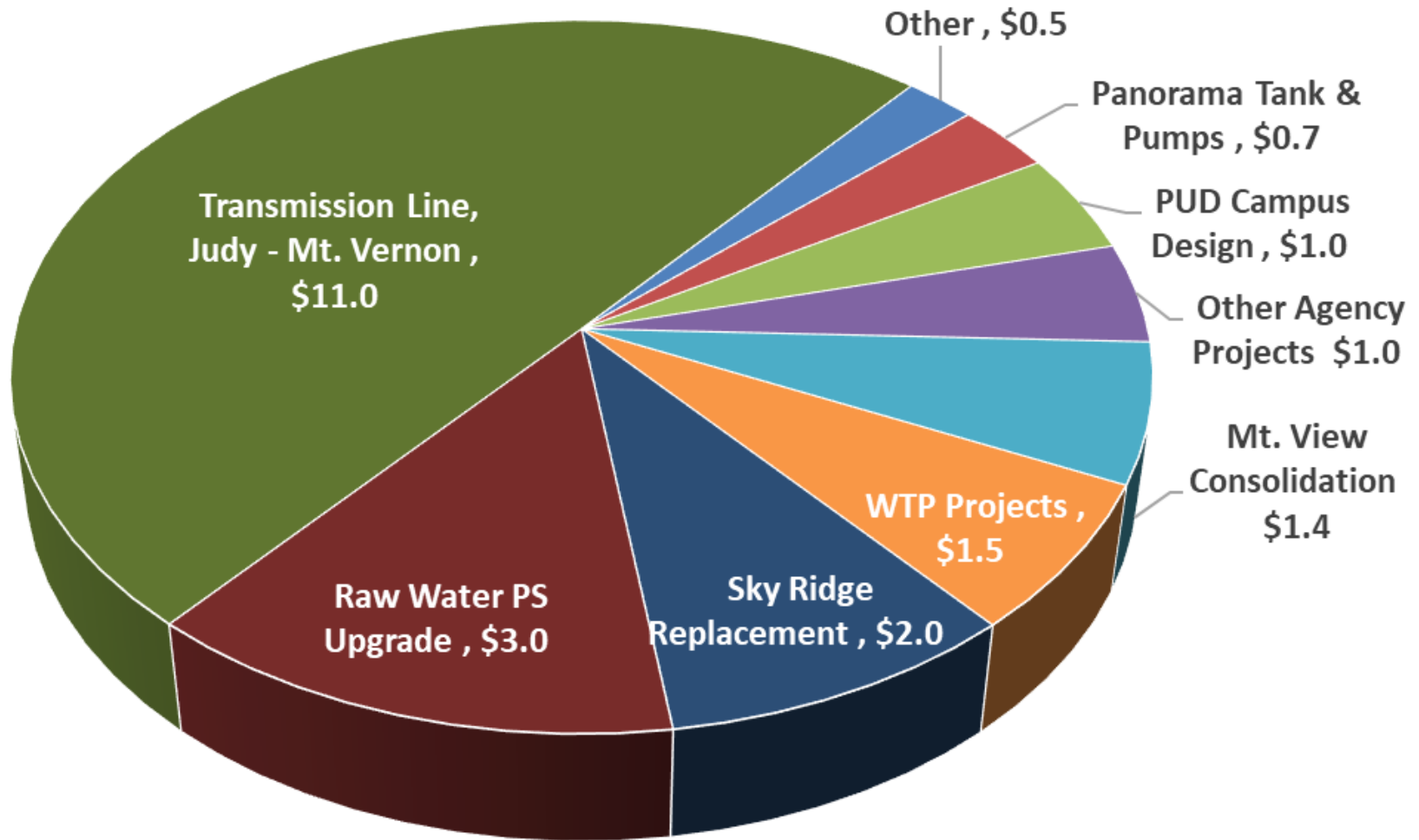
Budget Inflows \$71.7 M



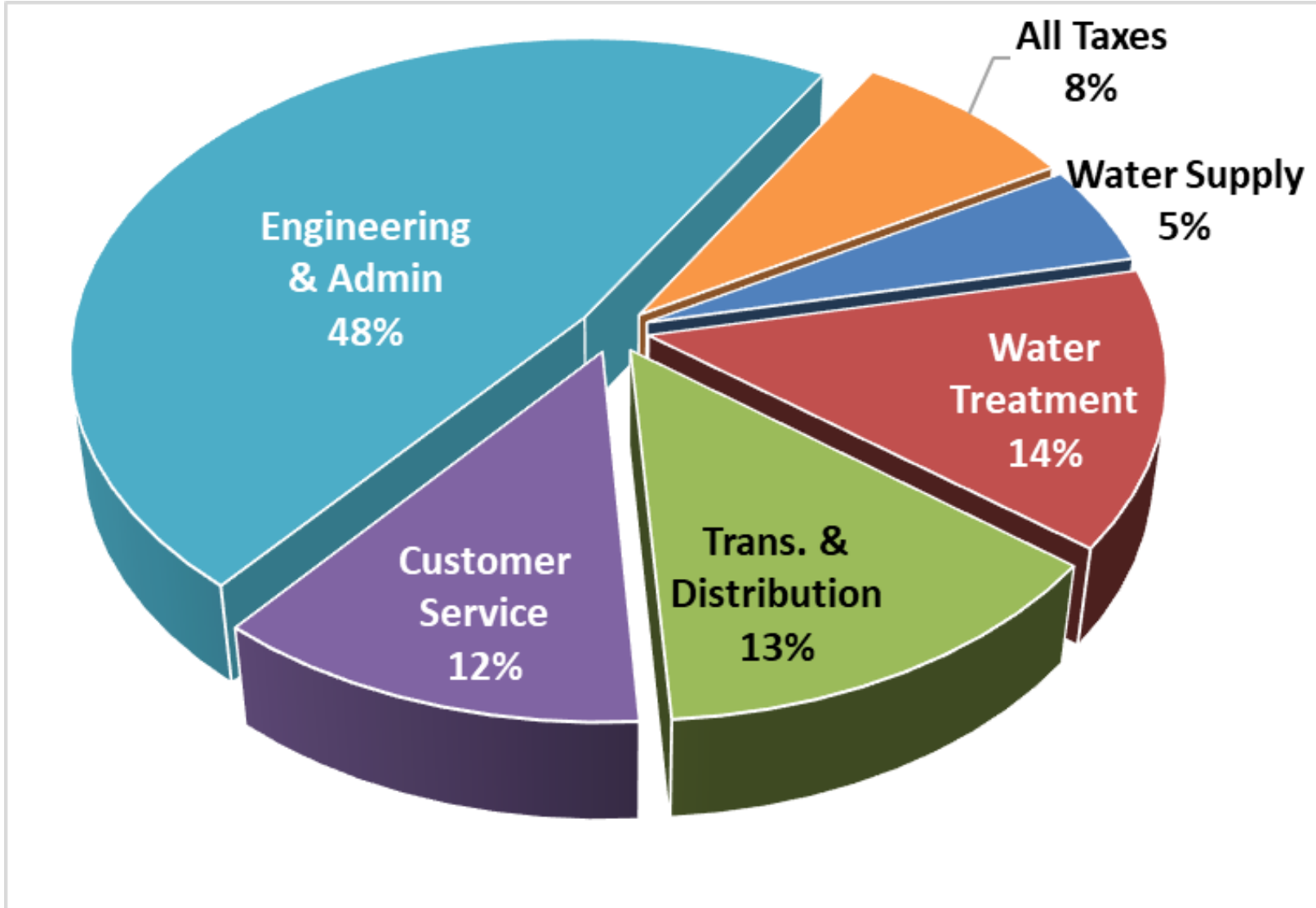
Budgeted Outflows \$45.3 M



Major Capital Projects \$22 M



O&M Expenses \$16.4 M



Maintenance Budget

Description	S&B	Equipment	Inventory	Services & Materials	Totals
Meters	68,574	2,630	684	18,782	90,670
Hydrants	93,087	18,806	22,472	25,496	159,861
Valves	55,472	7,834	9,796	15,193	88,295
Services & Repairs	78,717	70,064	19,092	21,560	189,434
Leak Repairs	689,067	63,608	20,274	188,731	961,681
Water Loss	95,887			26,263	122,150
Facilities	336,635	31,075	9,905	92,202	469,817
Totals	1,417,440	194,017	82,223	388,228	2,081,908

Budget Schedule

- October 8th - Budget Hearing
- October 15th - Work Session #1
 - Admin, HR, CS/CR, Safety & IT
- October 22 – Regular Meeting
- October 29th – Work Session #2
 - Engineering, Finance, & Operations
- November 5th – Work Session #3 (if needed)
- November 26th – Regular Meeting
 - Adopt Rate & Budget

Public Hearing October 8, 2019

