TUCSON WATER

FY 2016

Summary Cost of Service/Revenue Targets
&
Proposed Rate Schedules

March 4, 2015
CWAC

THE WATER RATE STUDY PROCESS

Revenues and Revenue Requirements
Is a Revenue increase needed?

Revenues: What are projected revenues under existing rates?

Revenue Requirements: How much cash is needed to operate, maintain and expand the Utility's systems?

Cost of Service Analysis
Who should pay and how much?

Cost of Service: The Revenue Requirements as determined above LESS forecasted ***non-water sales revenues*** (system equity fee, meter installation fees, service charges, etc).

Allocation: The Cost of Service is allocated to Potable and Reclaimed Systems (direct and indirect allocations) and eventually to customer classes (number of service connections, volume of water used, and usage patterns).

Rate Design
How will rates be structured?

How do we balance goals: 1) achieving revenue stability; 2) sending signals to conserve water via pricing; 3) limiting 'pocket book shock' for ratepayers.

TUCSON WATER
FINANCIAL PLAN
FY2015-FY2020
Mayor and Council Adopted February 18, 2015
($1,000)

LINE #			Fiscal Years Ending June 30:					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
1	**Projected Beginning Operating Working Capital**		**$30,042**	**$35,019**	**$30,921**	**$31,507**	**$31,961**	**$32,658**
2	**Beginning Infrastructure Fund**		**$15,091**	**$15,091**	**$1,693**	**$4,216**	**$4,216**	**$9,763**
2a	***Carryover Bond Proceeds***		***$9,026***					
	PROJECTED REVENUES:							
3	Water Sales (existing rates)		$168,958	$166,505	$164,920	$164,122	$163,835	$163,601
4	Water Sales Increases from Rate Adjustments:							
	FY 2016	**7.30%**		***$12,155***	***$12,039***	***$11,981***	***$11,960***	***$11,943***
	FY 2017	**7.30%**			***$12,215***	***$12,156***	***$12,135***	***$12,117***
	FY 2018	**7.30%**				***$12,333***	***$12,312***	***$12,294***
	FY 2019	**7.30%**					***$12,492***	***$12,474***
	FY 2020	**7.30%**						***$12,656***
	Total from Rate Adjustments			**$12,155**	**$24,254**	**$36,470**	**$48,898**	**$61,484**
5	***Water Sales (including Rate Adjustments)***		***$168,958***	***$178,660***	***$189,174***	***$200,592***	***$212,733***	***$225,084***
6	Other Water Revenues/Sources		$17,432	$17,135	$18,368	$15,265	$15,344	$15,423
6A	***System Equity Fee***		***$2,277***	***$2,300***	***$2,300***	***$2,400***	***$2,450***	***$2,500***
6B	***CAP Water Resource Fee***		***$344***	***$350***	***$350***	***$375***	***$375***	***$375***
7	**Total Revenues/Sources**		**$189,012**	**$198,445**	**$210,192**	**$218,632**	**$230,902**	**$243,383**
	PROJECTED REQUIREMENTS:							
8	O & M Expense		*$94,041*	*$100,808*	*$102,876*	*$105,176*	*$106,949*	*$110,430*
9	Utility Tax Embedded in Water Sales Revenues		$4,055	$4,277	$4,518	$4,781	$5,060	$5,345
10	Debt Service		$50,843	$53,511	$56,249	$58,884	$62,595	$64,281
11	Other Requirements		$2,970	$2,464	$2,556	$2,536	$2,359	$2,491
12	In Lieu of Tax		$1,600	$1,600	$1,600	$1,600	$1,600	$1,600
13	Low Income Program		$525	$550	$540	$555	$571	$591
14	Transfer to Infrastructure Fund		$0	$1,602	$6,523	$0	$13,547	$7,537
15	Capital from Water Revenues		$20,250	$27,827	$24,762	$34,613	$27,440	$40,033
16	Administrative Service Charge(direct/indirect)		$9,750	$9,906	$9,983	$10,031	$10,083	$10,108
17	**Total Requirements**		**$184,035**	**$202,543**	**$209,607**	**$218,177**	**$230,205**	**$242,417**
18	**Projected Ending Operating Working Capital/Reserve**		**$35,019**	**$30,921**	**$31,507**	**$31,961**	**$32,658**	**$33,625**
19	***Estimated Reserves As % of Sales Revenue***		***20.7%***	***17.3%***	***16.7%***	***15.9%***	***15.4%***	***14.9%***
20	***Estimated Reserves as Days of O&M***		**121**	**100**	**100**	**99**	**100**	**100**
	OTHER SIGNIFICANT DATA/PROJECTIONS:							
21	**% Increases: Water Sales Rates/Revenue**		**N/A**	**7.3%**	**7.3%**	**7.3%**	**7.3%**	**7.3%**
22	**Debt Service Coverage (All Debt)**		**173.0%**	**169.0%**	**177.0%**	**179.0%**	**185.0%**	**193.0%**
22a	***Coverage: Senior Lien Debt***		***200.0%***	***194.0%***	***202.0%***	***201.0%***	***206.0%***	***215.0%***
23	**Capital Improvement Program (CIP)**		**$58,219**	**$76,705**	**$58,894**	**$76,786**	**$62,771**	**$57,144**
	Debt Sales:							
24	**Water System Revenue Obligations/Bonds**		**$22,723**	**$31,631**	**$37,357**	**$33,268**	**$21,199**	**$24,429**
25	**WIFA Loan**		**$3,735**	**$0**	**$0**	**$0**	**$0**	**$0**
26	**% of CIP from Current Revenue**				**53%**			

CITY OF TUCSON - TUCSON WATER
ESTIMATED COST OF SERVICE
2016

DESCRIPTION	O&M EXPENSE	TAXES		CAPITAL COSTS	TOTAL
REVENUE REQUIREMENTS:					
O&M Expense	$111,263,128				$111,263,128
In-Lieu-of Property Tax		1,600,000			$1,600,000
Tax Payments		$4,276,622			$4,276,622
Bond Debt Service Payments				$53,390,664	$53,390,664
Lease-Purchase Agreements (Debt Service)					$0
Bond Issuance Costs				752,614	$752,614
Capital Improvements from Annual Revenues				29,320,605	$29,320,605
Capitalizable Equipment				$1,831,000	$1,831,000
Additions to Working Capital				($4,097,869)	($4,097,869)
Total Revenue Requirements	**$111,263,128**	**$5,876,622**	**$0**	**$81,197,014**	**$198,336,765**
CREDIT FROM OTHER REVENUE AND NON-REVENUE SOURCES:					
Miscellaneous Revenue	9,578,526				$9,578,526
Sewer & Environ Svcs Billing Services Fee	3,658,000				$3,658,000
Connection Fees				1,450,000	$1,450,000
Developer Projects: Plan Review/Inspection Fees				518,734	$518,734
Reimbursement TARP Plant Operations	923,870				$923,870
Grants	865,000				$865,000
Operating Fund Interest Income	32,531				$32,531
Starr Pass Agreement Principal & Interest					$0
49ers Agreement Principal & Interest					$0
Diamond Bell Area Development Fees					$0
Santa Rita Bel Air Area Development Fees					$0
Thornydale-Tangerine Development Agreement					$0
Other Area Development Fee (Peppertree Ranch)					$0
Speedway Extension Agreement Principal & Interest					$0
CAP Reserve Fund Interest Income					$0
Bond Fund Interest Income					$0
System Equity Fee				2,300,000	$2,300,000
CAP Water Resource Fee	350,000				$350,000
Use of Infrastructure Fund					$0
Total Credits	**$15,407,926**	**$0**	**$0**	**$4,268,734**	**$19,676,660**
NET REQUIREMENTS (COST OF SERVICE) TO BE RECOVERED FROM WATER SALES REVENUES/RATES	**$95,855,202**	**$5,876,622**	**$0**	**$76,928,280**	**$178,660,104**
	53.7%	***3.3%***	***0.0%***	***43.1%***	***100.0%***

Tucson Water
FY 2016 Customer Class Profile

Customer Class	Estimated Accounts/Services	Accounts/Services As % of Total Accounts/Services	Estimated Usage (Ccf *)	Usage as % Of Total Usage	Estimated Revenues: At 7/14 Rates ($1,000)	Revenue as % Of Total Revenue
Residential	206,447	89.4%	21,145,940	55.2%	92,860	59.5%
Single-family	*202,091*		*20,598,199*		*90,762*	
Duplex-triplex	*4,356*		*547,741*		*2,098*	
Multifamily	5,552	2.4%	7,489,528	19.6%	24,106	25.4%
Multi-family	*5,397*		*7,085,561*		*23,097*	
Sub-Metered MHP	*155*		*403,967*		*1,009*	
Commercial	14,411	6.3%	8,751,654	22.8%	33,725	21.6%
Industrial	300	0.1%	560,714	1.5%	1,943	1.2%
Construction Water	332	0.1%	359,429	0.9%	1,522	1.0%
Fire Sprinkler Service	3,987	1.7%	0	0.0%	1,945	1.2%
Total Potable	**231,029**	100.0%	**38,307,265**	100.0%	**156,101**	100.0%
Reclaimed	**1,087**	100.0%	**6,483,658**	100.0%	**10,404**	100.0%
Total	**232,116**		**44,790,923**		**166,505**	

***Ccf means 100 cubic feet; 100 cubic feet = 748 gallons**

FY 2016
Rate Schedule
CWAC
Finance Sub-Committee
Option A
Preferred Option
Rate Schedule
&
Bill Impacts
Residential Customers

TUCSON WATER

Tucson Water CWAC Finance Sub-Committee Preferred Option A
Summary 1A Existing Structure
Comparison of Existing Rates and Proposed Rates
FY2016

Customer Class	Existing	Proposed	Dollar Change	Existing	Proposed	Dollar Change	Existing	Proposed	Dollar Change
Service Charge		***Potable***			***Reclaimed***			***Fire Sprinkler***	
Meter Size									
5/8"	$11.00	$11.90	$0.90	$8.89	$9.57	$0.68	na	na	na
3/4"	$14.64	$15.93	$1.29	na	na	na	na	na	na
1"	$21.91	$24.00	$2.09	$16.64	$18.17	$1.53	na	na	na
1.5"	$40.10	$44.15	$4.05	$29.55	$32.50	$2.95	na	na	na
2"	$61.93	$68.34	$6.41	$45.05	$49.69	$4.64	$10.15	$11.22	$1.07
2.5"	$91.04	$100.59	$9.55	$65.72	$72.61	$6.89	na	na	na
3"	$120.15	$132.83	$12.68	$86.39	$95.54	$9.15	$16.58	$18.59	$2.01
4"	$203.83	$225.55	$21.72	$145.81	$161.44	$15.63	$25.58	$28.92	$3.34
6"	$413.40	$457.73	$44.33	$294.61	$326.49	$31.88	$48.72	$55.47	$6.75
8"	$622.25	$689.11	$66.86	$442.90	$490.97	$48.07	$71.86	$82.02	$10.16
10"	$949.70	$1,051.90	$102.20	$675.40	$748.86	$73.46	$108.50	$124.05	$15.55
12"	$1,568.23	$1,737.17	$168.94	$1,114.58	$1,235.99	$121.41	$176.65	$202.23	$25.58
Usage Charge (Per Ccf)									
Residential (Single Family) Block Rates									
1-7 Ccf	$1.38	$1.40	$ 0.02						
8 -15 Ccf	$3.00	$2.70	$ (0.30)						
16-30 Ccf	$7.00	$7.23	$ 0.23						
Over 30 Ccf	$11.25	$11.50	$ 0.25						
Residential (Duplex-Triplex) Block Rates									
1-10 Ccf	$1.38	$1.40	$ 0.02						
11-20 Ccf	$3.00	$2.70	$ (0.30)						
21-35 Ccf	$7.00	$7.23	$ 0.23						
Over 35 Ccf	$11.25	$11.50	$ 0.25						
Other Classes: Base Rates									
Multifamily *	$2.38	$2.55	$ 0.17						
Mobile Home Parks w/sub-meters *	$1.80	$1.92	$ 0.12						
Commercial	$2.35	$2.46	$ 0.11						
Industrial	$2.09	$2.33	$ 0.24						
Construction *	$2.70	$2.80	$ 0.10						
Tier Rates (Summer Only: May - Oct)**									
Tier 1	$1.00	$1.00	$ -						
Tier 2	$0.27	$0.27	$ -						
Reclaimed Std Usage Rate *				$1.87	$1.87	$ -			
Per Acre-Foot				$815	$815	$ -			
Reclaimed Contract Usage Rate *				$1.75	$1.81	$ 0.06			
CAP Charge ***	$0.56	$0.60	$ 0.04						
Conservation Charge	$0.07	$0.08	$ 0.01						

*** Uniform rate year-round; not subject to summer tier rates**

****Applicable for Commercial and Industrial classes only.**

***** Assessed to potable customers only.**

Sample Bills -- Single-Family Scenario 2c Option A -CWAC Finance Sub-Committee Preferred Option								
Consumption (Ccf)		Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current Conservation Charge	Proposed Conservation Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
0		$11.00	$11.90	$0.90	$0.00	$0.00	$11.90	$0.90
1		$12.94	$13.90	$0.96	$0.07	$0.08	$13.98	$0.97
2		$14.88	$15.90	$1.02	$0.14	$0.16	$16.06	$1.04
3		$16.82	$17.90	$1.08	$0.21	$0.24	$18.14	$1.11
4		$18.76	$19.90	$1.14	$0.28	$0.32	$20.22	$1.18
5		$20.70	$21.90	$1.20	$0.35	$0.40	$22.30	$1.25
6		$22.64	$23.90	$1.26	$0.42	$0.48	$24.38	$1.32
7		$24.58	$25.90	$1.32	$0.49	$0.56	$26.46	$1.39
8		$26.52	$29.20	$2.68	$0.56	$0.64	$29.84	$2.76
9		**$28.46**	**$32.50**	**$4.04**	**$0.63**	**$0.72**	**$33.22**	**$4.13**
10		**$30.40**	**$35.80**	**$5.40**	**$0.70**	**$0.80**	**$36.60**	**$5.50**
11		**$33.96**	**$39.10**	**$5.14**	**$0.77**	**$0.88**	**$39.98**	**$5.25**
12		$37.52	$42.40	$4.88	$0.84	$0.96	$43.36	$5.00
13		$41.08	$45.70	$4.62	$0.91	$1.04	$46.74	$4.75
14		$44.64	$49.00	$4.36	$0.98	$1.12	$50.12	$4.50
15		$48.20	$52.30	$4.10	$1.05	$1.20	$53.50	$4.25
16		$55.76	$60.13	$4.37	$1.12	$1.28	$61.41	$4.53
17		$63.32	$67.96	$4.64	$1.19	$1.36	$69.32	$4.81
18		$70.88	$75.79	$4.91	$1.26	$1.44	$77.23	$5.09
19		$78.44	$83.62	$5.18	$1.33	$1.52	$85.14	$5.37
20		$86.00	$91.45	$5.45	$1.40	$1.60	$93.05	$5.65
21		$93.56	$99.28	$5.72	$1.47	$1.68	$100.96	$5.93
22		$101.12	$107.11	$5.99	$1.54	$1.76	$108.87	$6.21
23		$108.68	$114.94	$6.26	$1.61	$1.84	$116.78	$6.49
24		$116.24	$122.77	$6.53	$1.68	$1.92	$124.69	$6.77
25		$123.80	$130.60	$6.80	$1.75	$2.00	$132.60	$7.05
26		$131.36	$138.43	$7.07	$1.82	$2.08	$140.51	$7.33
27		$138.92	$146.26	$7.34	$1.89	$2.16	$148.42	$7.61
28		$146.48	$154.09	$7.61	$1.96	$2.24	$156.33	$7.89
29		$154.04	$161.92	$7.88	$2.03	$2.32	$164.24	$8.17
30		$161.60	$169.75	$8.15	$2.10	$2.40	$172.15	$8.45
31		$173.41	$181.85	$8.44	$2.17	$2.48	$184.33	$8.75
32		$185.22	$193.95	$8.73	$2.24	$2.56	$196.51	$9.05
33		$197.03	$206.05	$9.02	$2.31	$2.64	$208.69	$9.35
34		$208.84	$218.15	$9.31	$2.38	$2.72	$220.87	$9.65
35		$220.65	$230.25	$9.60	$2.45	$2.80	$233.05	$9.95
36		$232.46	$242.35	$9.89	$2.52	$2.88	$245.23	$10.25
37		$244.27	$254.45	$10.18	$2.59	$2.96	$257.41	$10.55
38		$256.08	$266.55	$10.47	$2.66	$3.04	$269.59	$10.85
39		$267.89	$278.65	$10.76	$2.73	$3.12	$281.77	$11.15
40		$279.70	$290.75	$11.05	$2.80	$3.20	$293.95	$11.45
41		$291.51	$302.85	$11.34	$2.87	$3.28	$306.13	$11.75
42		$303.32	$314.95	$11.63	$2.94	$3.36	$318.31	$12.05
43		$315.13	$327.05	$11.92	$3.01	$3.44	$330.49	$12.35
44		$326.94	$339.15	$12.21	$3.08	$3.52	$342.67	$12.65

Sample Bills -- Single-Family Scenario 2c Option A -CWAC Finance Sub-Committee Preferred Option								
Consumption (Ccf)		Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current Conservation Charge	Proposed Conservation Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
45		$338.75	$351.25	$12.50	$3.15	$3.60	$354.85	$12.95
46		$350.56	$363.35	$12.79	$3.22	$3.68	$367.03	$13.25
47		$362.37	$375.45	$13.08	$3.29	$3.76	$379.21	$13.55
48		$374.18	$387.55	$13.37	$3.36	$3.84	$391.39	$13.85
49		$385.99	$399.65	$13.66	$3.43	$3.92	$403.57	$14.15
50		$397.80	$411.75	$13.95	$3.50	$4.00	$415.75	$14.45
51		$409.61	$423.85	$14.24	$3.57	$4.08	$427.93	$14.75
52		$421.42	$435.95	$14.53	$3.64	$4.16	$440.11	$15.05
53		$433.23	$448.05	$14.82	$3.71	$4.24	$452.29	$15.35
54		$445.04	$460.15	$15.11	$3.78	$4.32	$464.47	$15.65
55		$456.85	$472.25	$15.40	$3.85	$4.40	$476.65	$15.95
56		$468.66	$484.35	$15.69	$3.92	$4.48	$488.83	$16.25
57		$480.47	$496.45	$15.98	$3.99	$4.56	$501.01	$16.55
58		$492.28	$508.55	$16.27	$4.06	$4.64	$513.19	$16.85
59		$504.09	$520.65	$16.56	$4.13	$4.72	$525.37	$17.15
60		$515.90	$532.75	$16.85	$4.20	$4.80	$537.55	$17.45
61		$527.71	$544.85	$17.14	$4.27	$4.88	$549.73	$17.75
62		$539.52	$556.95	$17.43	$4.34	$4.96	$561.91	$18.05
63		$551.33	$569.05	$17.72	$4.41	$5.04	$574.09	$18.35
64		$563.14	$581.15	$18.01	$4.48	$5.12	$586.27	$18.65
65		$574.95	$593.25	$18.30	$4.55	$5.20	$598.45	$18.95
66		$586.76	$605.35	$18.59	$4.62	$5.28	$610.63	$19.25
67		$598.57	$617.45	$18.88	$4.69	$5.36	$622.81	$19.55
68		$610.38	$629.55	$19.17	$4.76	$5.44	$634.99	$19.85
69		$622.19	$641.65	$19.46	$4.83	$5.52	$647.17	$20.15
70		$634.00	$653.75	$19.75	$4.90	$5.60	$659.35	$20.45

Sample Bills -- Duplex/Triplex Scenario 2c Option A					CWAC Finance Sub-Committee Preferred Option			
Consumption (Ccf)		Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current Conservation Charge	Conservation Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
1		$12.94	$13.90	$0.96	$0.07	$0.08	$13.98	$0.97
2		$14.88	$15.90	$1.02	$0.14	$0.16	$16.06	$1.04
3		$16.82	$17.90	$1.08	$0.21	$0.24	$18.14	$1.11
4		$18.76	$19.90	$1.14	$0.28	$0.32	$20.22	$1.18
5		$20.70	$21.90	$1.20	$0.35	$0.40	$22.30	$1.25
6		$22.64	$23.90	$1.26	$0.42	$0.48	$24.38	$1.32
7		$24.58	$25.90	$1.32	$0.49	$0.56	$26.46	$1.39
8		$26.52	$27.90	$1.38	$0.56	$0.64	$28.54	$1.46
9		$28.46	$29.90	$1.44	$0.63	$0.72	$30.62	$1.53
10		$30.40	$31.90	$1.50	$0.70	$0.80	$32.70	$1.60
11		$32.34	$35.20	$2.86	$0.77	$0.88	$36.08	$2.97
12		$34.28	$38.50	$4.22	$0.84	$0.96	$39.46	$4.34
13		$36.22	$41.80	$5.58	$0.91	$1.04	$42.84	$5.71
14		$38.16	$45.10	$6.94	$0.98	$1.12	$46.22	$7.08
15		$40.10	$48.40	$8.30	$1.05	$1.20	$49.60	$8.45
16		$43.66	$51.70	$8.04	$1.12	$1.28	$52.98	$8.20
17		$47.22	$55.00	$7.78	$1.19	$1.36	$56.36	$7.95
18		$50.78	$58.30	$7.52	$1.26	$1.44	$59.74	$7.70
19		$54.34	$61.60	$7.26	$1.33	$1.52	$63.12	$7.45
20		$57.90	$64.90	$7.00	$1.40	$1.60	$66.50	$7.20
21		$65.46	$72.73	$7.27	$1.47	$1.68	$74.41	$7.48
22		$73.02	$80.56	$7.54	$1.54	$1.76	$82.32	$7.76
23		$80.58	$88.39	$7.81	$1.61	$1.84	$90.23	$8.04
24		$88.14	$96.22	$8.08	$1.68	$1.92	$98.14	$8.32
25		$95.70	$104.05	$8.35	$1.75	$2.00	$106.05	$8.60
26		$103.26	$111.88	$8.62	$1.82	$2.08	$113.96	$8.88
27		$110.82	$119.71	$8.89	$1.89	$2.16	$121.87	$9.16
28		$118.38	$127.54	$9.16	$1.96	$2.24	$129.78	$9.44
29		$125.94	$135.37	$9.43	$2.03	$2.32	$137.69	$9.72
30		$133.50	$143.20	$9.70	$2.10	$2.40	$145.60	$10.00
31		$141.06	$151.03	$9.97	$2.17	$2.48	$153.51	$10.28
32		$148.62	$158.86	$10.24	$2.24	$2.56	$161.42	$10.56
33		$156.18	$166.69	$10.51	$2.31	$2.64	$169.33	$10.84
34		$163.74	$174.52	$10.78	$2.38	$2.72	$177.24	$11.12
35		$171.30	$182.35	$11.05	$2.45	$2.80	$185.15	$11.40
36		$183.11	$194.45	$11.34	$2.52	$2.88	$197.33	$11.70
37		$194.92	$206.55	$11.63	$2.59	$2.96	$209.51	$12.00
38		$206.73	$218.65	$11.92	$2.66	$3.04	$221.69	$12.30
39		$218.54	$230.75	$12.21	$2.73	$3.12	$233.87	$12.60
40		$230.35	$242.85	$12.50	$2.80	$3.20	$246.05	$12.90
41		$242.16	$254.95	$12.79	$2.87	$3.28	$258.23	$13.20
42		$253.97	$267.05	$13.08	$2.94	$3.36	$270.41	$13.50
43		$265.78	$279.15	$13.37	$3.01	$3.44	$282.59	$13.80
44		$277.59	$291.25	$13.66	$3.08	$3.52	$294.77	$14.10

Sample Bills -- Duplex/Triplex Scenario 2c Option A					CWAC Finance Sub-Committee Preferred Option			
Consumption (Ccf)		Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current Conservation Charge	Conservation Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
45		$289.40	$303.35	$13.95	$3.15	$3.60	$306.95	$14.40
46		$301.21	$315.45	$14.24	$3.22	$3.68	$319.13	$14.70
47		$313.02	$327.55	$14.53	$3.29	$3.76	$331.31	$15.00
48		$324.83	$339.65	$14.82	$3.36	$3.84	$343.49	$15.30
49		$336.64	$351.75	$15.11	$3.43	$3.92	$355.67	$15.60
50		$348.45	$363.85	$15.40	$3.50	$4.00	$367.85	$15.90
51		$360.26	$375.95	$15.69	$3.57	$4.08	$380.03	$16.20
52		$372.07	$388.05	$15.98	$3.64	$4.16	$392.21	$16.50
53		$383.88	$400.15	$16.27	$3.71	$4.24	$404.39	$16.80
54		$395.69	$412.25	$16.56	$3.78	$4.32	$416.57	$17.10
55		$407.50	$424.35	$16.85	$3.85	$4.40	$428.75	$17.40
56		$419.31	$436.45	$17.14	$3.92	$4.48	$440.93	$17.70
57		$431.12	$448.55	$17.43	$3.99	$4.56	$453.11	$18.00
58		$442.93	$460.65	$17.72	$4.06	$4.64	$465.29	$18.30
59		$454.74	$472.75	$18.01	$4.13	$4.72	$477.47	$18.60
60		$466.55	$484.85	$18.30	$4.20	$4.80	$489.65	$18.90
61		$478.36	$496.95	$18.59	$4.27	$4.88	$501.83	$19.20
62		$490.17	$509.05	$18.88	$4.34	$4.96	$514.01	$19.50
63		$501.98	$521.15	$19.17	$4.41	$5.04	$526.19	$19.80
64		$513.79	$533.25	$19.46	$4.48	$5.12	$538.37	$20.10
65		$525.60	$545.35	$19.75	$4.55	$5.20	$550.55	$20.40
66		$537.41	$557.45	$20.04	$4.62	$5.28	$562.73	$20.70
67		$549.22	$569.55	$20.33	$4.69	$5.36	$574.91	$21.00
68		$561.03	$581.65	$20.62	$4.76	$5.44	$587.09	$21.30
69		$572.84	$593.75	$20.91	$4.83	$5.52	$599.27	$21.60
70		$584.65	$605.85	$21.20	$4.90	$5.60	$611.45	$21.90

FY 2016
Rate Schedule
CWAC
Finance Sub-Committee
Option B
Rate Schedule
&
Bill Impacts
Residential Customers

TUCSON WATER

Tucson Water CWAC Finance Sub-Committee Option B
Summary 1A Existing Structure
Comparison of Existing Rates and Proposed Rates
FY2016

Customer Class	Existing	Proposed	Dollar Change	Existing	Proposed	Dollar Change	Existing	Proposed	Dollar Change
Service Charge		***Potable***			***Reclaimed***			***Fire Sprinkler***	
Meter Size									
5/8"	$11.00	$11.90	$0.90	$8.89	$9.57	$0.68	na	na	na
3/4"	$14.64	$15.93	$1.29	na	na	na	na	na	na
1"	$21.91	$24.00	$2.09	$16.64	$18.17	$1.53	na	na	na
1.5"	$40.10	$44.15	$4.05	$29.55	$32.50	$2.95	na	na	na
2"	$61.93	$68.34	$6.41	$45.05	$49.69	$4.64	$10.15	$11.22	$1.07
2.5"	$91.04	$100.59	$9.55	$65.72	$72.61	$6.89	na	na	na
3"	$120.15	$132.83	$12.68	$86.39	$95.54	$9.15	$16.58	$18.59	$2.01
4"	$203.83	$225.55	$21.72	$145.81	$161.44	$15.63	$25.58	$28.92	$3.34
6"	$413.40	$457.73	$44.33	$294.61	$326.49	$31.88	$48.72	$55.47	$6.75
8"	$622.25	$689.11	$66.86	$442.90	$490.97	$48.07	$71.86	$82.02	$10.16
10"	$949.70	$1,051.90	$102.20	$675.40	$748.86	$73.46	$108.50	$124.05	$15.55
12"	$1,568.23	$1,737.17	$168.94	$1,114.58	$1,235.99	$121.41	$176.65	$202.23	$25.58
Usage Charge (Per Ccf)									
Residential (Single Family) Block Rates									
1-10 Ccf	$1.38	$1.52	$0.14						
11-15 Ccf	$3.00	$3.40	$0.40						
16-30 Ccf	$7.00	$7.50	$0.50						
Over 30 Ccf	$11.25	$11.75	$0.50						
Residential (Duplex-Triplex) Block Rates									
1-15 Ccf	$1.38	$1.52	$0.14						
16-20 Ccf	$3.00	$3.40	$0.40						
21-35 Ccf	$7.00	$7.50	$0.50						
Over 35 Ccf	$11.25	$11.75	$0.50						
Other Classes: Base Rates									
Multifamily *	$2.38	$2.55	$ 0.17						
Mobile Home Parks w/sub-meters *	$1.80	$1.92	$ 0.12						
Commercial	$2.35	$2.46	$ 0.11						
Industrial	$2.09	$2.33	$ 0.24						
Construction *	$2.70	$2.80	$ 0.10						
Tier Rates (Summer Only: May - Oct)**									
Tier 1	$1.00	$1.00	$ -						
Tier 2	$0.27	$0.27	$ -						
Reclaimed Std Usage Rate *				$1.87	$1.87	$ -			
Per Acre-Foot				$815	$815	$ -			
Reclaimed Contract Usage Rate *				$1.75	$1.81	$ 0.06			
CAP Charge ***	$0.56	$0.60	$ 0.04						
Conservation Charge	$0.07	$0.08	$ 0.01						

*** Uniform rate year-round; not subject to summer tier rates**

****Applicable for Commercial and Industrial classes only.**

***** Assessed to potable customers only.**

Sample Bills -- Single-Family Scenario 1a Option B								
Consumption (Ccf)		Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current Conservation Charge	Proposed Conservation Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
0		$11.00	$11.90	$0.90	$0.00	$0.00	$11.90	$0.90
1		$12.94	$14.02	$1.08	$0.07	$0.08	$14.10	$1.09
2		$14.88	$16.14	$1.26	$0.14	$0.16	$16.30	$1.28
3		$16.82	$18.26	$1.44	$0.21	$0.24	$18.50	$1.47
4		$18.76	$20.38	$1.62	$0.28	$0.32	$20.70	$1.66
5		$20.70	$22.50	$1.80	$0.35	$0.40	$22.90	$1.85
6		$22.64	$24.62	$1.98	$0.42	$0.48	$25.10	$2.04
7		$24.58	$26.74	$2.16	$0.49	$0.56	$27.30	$2.23
8		$26.52	$28.86	$2.34	$0.56	$0.64	$29.50	$2.42
9		$28.46	$30.98	$2.52	$0.63	$0.72	$31.70	$2.61
10		$30.40	$33.10	$2.70	$0.70	$0.80	$33.90	$2.80
11		$33.96	$37.10	$3.14	$0.77	$0.88	$37.98	$3.25
12		$37.52	$41.10	$3.58	$0.84	$0.96	$42.06	$3.70
13		$41.08	$45.10	$4.02	$0.91	$1.04	$46.14	$4.15
14		$44.64	$49.10	$4.46	$0.98	$1.12	$50.22	$4.60
15		$48.20	$53.10	$4.90	$1.05	$1.20	$54.30	$5.05
16		$55.76	$61.20	$5.44	$1.12	$1.28	$62.48	$5.60
17		$63.32	$69.30	$5.98	$1.19	$1.36	$70.66	$6.15
18		$70.88	$77.40	$6.52	$1.26	$1.44	$78.84	$6.70
19		$78.44	$85.50	$7.06	$1.33	$1.52	$87.02	$7.25
20		$86.00	$93.60	$7.60	$1.40	$1.60	$95.20	$7.80
21		$93.56	$101.70	$8.14	$1.47	$1.68	$103.38	$8.35
22		$101.12	$109.80	$8.68	$1.54	$1.76	$111.56	$8.90
23		$108.68	$117.90	$9.22	$1.61	$1.84	$119.74	$9.45
24		$116.24	$126.00	$9.76	$1.68	$1.92	$127.92	$10.00
25		$123.80	$134.10	$10.30	$1.75	$2.00	$136.10	$10.55
26		$131.36	$142.20	$10.84	$1.82	$2.08	$144.28	$11.10
27		$138.92	$150.30	$11.38	$1.89	$2.16	$152.46	$11.65
28		$146.48	$158.40	$11.92	$1.96	$2.24	$160.64	$12.20
29		$154.04	$166.50	$12.46	$2.03	$2.32	$168.82	$12.75
30		$161.60	$174.60	$13.00	$2.10	$2.40	$177.00	$13.30
31		$173.41	$186.95	$13.54	$2.17	$2.48	$189.43	$13.85
32		$185.22	$199.30	$14.08	$2.24	$2.56	$201.86	$14.40
33		$197.03	$211.65	$14.62	$2.31	$2.64	$214.29	$14.95
34		$208.84	$224.00	$15.16	$2.38	$2.72	$226.72	$15.50
35		$220.65	$236.35	$15.70	$2.45	$2.80	$239.15	$16.05
36		$232.46	$248.70	$16.24	$2.52	$2.88	$251.58	$16.60
37		$244.27	$261.05	$16.78	$2.59	$2.96	$264.01	$17.15
38		$256.08	$273.40	$17.32	$2.66	$3.04	$276.44	$17.70
39		$267.89	$285.75	$17.86	$2.73	$3.12	$288.87	$18.25
40		$279.70	$298.10	$18.40	$2.80	$3.20	$301.30	$18.80
41		$291.51	$310.45	$18.94	$2.87	$3.28	$313.73	$19.35
42		$303.32	$322.80	$19.48	$2.94	$3.36	$326.16	$19.90
43		$315.13	$335.15	$20.02	$3.01	$3.44	$338.59	$20.45
44		$326.94	$347.50	$20.56	$3.08	$3.52	$351.02	$21.00

Sample Bills -- Single-Family Scenario 1a Option B								
Consumption (Ccf)		Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current Conservation Charge	Proposed Conservation Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
45		$338.75	$359.85	$21.10	$3.15	$3.60	$363.45	$21.55
46		$350.56	$372.20	$21.64	$3.22	$3.68	$375.88	$22.10
47		$362.37	$384.55	$22.18	$3.29	$3.76	$388.31	$22.65
48		$374.18	$396.90	$22.72	$3.36	$3.84	$400.74	$23.20
49		$385.99	$409.25	$23.26	$3.43	$3.92	$413.17	$23.75
50		$397.80	$421.60	$23.80	$3.50	$4.00	$425.60	$24.30
51		$409.61	$433.95	$24.34	$3.57	$4.08	$438.03	$24.85
52		$421.42	$446.30	$24.88	$3.64	$4.16	$450.46	$25.40
53		$433.23	$458.65	$25.42	$3.71	$4.24	$462.89	$25.95
54		$445.04	$471.00	$25.96	$3.78	$4.32	$475.32	$26.50
55		$456.85	$483.35	$26.50	$3.85	$4.40	$487.75	$27.05
56		$468.66	$495.70	$27.04	$3.92	$4.48	$500.18	$27.60
57		$480.47	$508.05	$27.58	$3.99	$4.56	$512.61	$28.15
58		$492.28	$520.40	$28.12	$4.06	$4.64	$525.04	$28.70
59		$504.09	$532.75	$28.66	$4.13	$4.72	$537.47	$29.25
60		$515.90	$545.10	$29.20	$4.20	$4.80	$549.90	$29.80
61		$527.71	$557.45	$29.74	$4.27	$4.88	$562.33	$30.35
62		$539.52	$569.80	$30.28	$4.34	$4.96	$574.76	$30.90
63		$551.33	$582.15	$30.82	$4.41	$5.04	$587.19	$31.45
64		$563.14	$594.50	$31.36	$4.48	$5.12	$599.62	$32.00
65		$574.95	$606.85	$31.90	$4.55	$5.20	$612.05	$32.55
66		$586.76	$619.20	$32.44	$4.62	$5.28	$624.48	$33.10
67		$598.57	$631.55	$32.98	$4.69	$5.36	$636.91	$33.65
68		$610.38	$643.90	$33.52	$4.76	$5.44	$649.34	$34.20
69		$622.19	$656.25	$34.06	$4.83	$5.52	$661.77	$34.75
70		$634.00	$668.60	$34.60	$4.90	$5.60	$674.20	$35.30

Sample Bills -- Duplex/Triplex Scenario 1a Option B								
Consumption (Ccf)		Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current Conservation Charge	Conservation Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
1		$12.94	$14.02	$1.08	$0.07	$0.08	$14.10	$1.09
2		$14.88	$16.14	$1.26	$0.14	$0.16	$16.30	$1.28
3		$16.82	$18.26	$1.44	$0.21	$0.24	$18.50	$1.47
4		$18.76	$20.38	$1.62	$0.28	$0.32	$20.70	$1.66
5		$20.70	$22.50	$1.80	$0.35	$0.40	$22.90	$1.85
6		$22.64	$24.62	$1.98	$0.42	$0.48	$25.10	$2.04
7		$24.58	$26.74	$2.16	$0.49	$0.56	$27.30	$2.23
8		$26.52	$28.86	$2.34	$0.56	$0.64	$29.50	$2.42
9		$28.46	$30.98	$2.52	$0.63	$0.72	$31.70	$2.61
10		$30.40	$33.10	$2.70	$0.70	$0.80	$33.90	$2.80
11		$32.34	$35.22	$2.88	$0.77	$0.88	$36.10	$2.99
12		$34.28	$37.34	$3.06	$0.84	$0.96	$38.30	$3.18
13		$36.22	$39.46	$3.24	$0.91	$1.04	$40.50	$3.37
14		$38.16	$41.58	$3.42	$0.98	$1.12	$42.70	$3.56
15		$40.10	$43.70	$3.60	$1.05	$1.20	$44.90	$3.75
16		$43.66	$47.70	$4.04	$1.12	$1.28	$48.98	$4.20
17		$47.22	$51.70	$4.48	$1.19	$1.36	$53.06	$4.65
18		$50.78	$55.70	$4.92	$1.26	$1.44	$57.14	$5.10
19		$54.34	$59.70	$5.36	$1.33	$1.52	$61.22	$5.55
20		$57.90	$63.70	$5.80	$1.40	$1.60	$65.30	$6.00
21		$65.46	$71.80	$6.34	$1.47	$1.68	$73.48	$6.55
22		$73.02	$79.90	$6.88	$1.54	$1.76	$81.66	$7.10
23		$80.58	$88.00	$7.42	$1.61	$1.84	$89.84	$7.65
24		$88.14	$96.10	$7.96	$1.68	$1.92	$98.02	$8.20
25		$95.70	$104.20	$8.50	$1.75	$2.00	$106.20	$8.75
26		$103.26	$112.30	$9.04	$1.82	$2.08	$114.38	$9.30
27		$110.82	$120.40	$9.58	$1.89	$2.16	$122.56	$9.85
28		$118.38	$128.50	$10.12	$1.96	$2.24	$130.74	$10.40
29		$125.94	$136.60	$10.66	$2.03	$2.32	$138.92	$10.95
30		$133.50	$144.70	$11.20	$2.10	$2.40	$147.10	$11.50
31		$141.06	$152.80	$11.74	$2.17	$2.48	$155.28	$12.05
32		$148.62	$160.90	$12.28	$2.24	$2.56	$163.46	$12.60
33		$156.18	$169.00	$12.82	$2.31	$2.64	$171.64	$13.15
34		$163.74	$177.10	$13.36	$2.38	$2.72	$179.82	$13.70
35		$171.30	$185.20	$13.90	$2.45	$2.80	$188.00	$14.25
36		$183.11	$197.55	$14.44	$2.52	$2.88	$200.43	$14.80
37		$194.92	$209.90	$14.98	$2.59	$2.96	$212.86	$15.35
38		$206.73	$222.25	$15.52	$2.66	$3.04	$225.29	$15.90
39		$218.54	$234.60	$16.06	$2.73	$3.12	$237.72	$16.45
40		$230.35	$246.95	$16.60	$2.80	$3.20	$250.15	$17.00
41		$242.16	$259.30	$17.14	$2.87	$3.28	$262.58	$17.55
42		$253.97	$271.65	$17.68	$2.94	$3.36	$275.01	$18.10
43		$265.78	$284.00	$18.22	$3.01	$3.44	$287.44	$18.65
44		$277.59	$296.35	$18.76	$3.08	$3.52	$299.87	$19.20

Sample Bills -- Duplex/Triplex Scenario 1a Option B								
Consumption (Ccf)		Current Monthly Bill	Proposed Monthly Water Bill	Dollar Difference	Current Conservation Charge	Conservation Charge	Proposed Total Utility Monthly Bill	Total Bill Dollar Difference
45		$289.40	$308.70	$19.30	$3.15	$3.60	$312.30	$19.75
46		$301.21	$321.05	$19.84	$3.22	$3.68	$324.73	$20.30
47		$313.02	$333.40	$20.38	$3.29	$3.76	$337.16	$20.85
48		$324.83	$345.75	$20.92	$3.36	$3.84	$349.59	$21.40
49		$336.64	$358.10	$21.46	$3.43	$3.92	$362.02	$21.95
50		$348.45	$370.45	$22.00	$3.50	$4.00	$374.45	$22.50
51		$360.26	$382.80	$22.54	$3.57	$4.08	$386.88	$23.05
52		$372.07	$395.15	$23.08	$3.64	$4.16	$399.31	$23.60
53		$383.88	$407.50	$23.62	$3.71	$4.24	$411.74	$24.15
54		$395.69	$419.85	$24.16	$3.78	$4.32	$424.17	$24.70
55		$407.50	$432.20	$24.70	$3.85	$4.40	$436.60	$25.25
56		$419.31	$444.55	$25.24	$3.92	$4.48	$449.03	$25.80
57		$431.12	$456.90	$25.78	$3.99	$4.56	$461.46	$26.35
58		$442.93	$469.25	$26.32	$4.06	$4.64	$473.89	$26.90
59		$454.74	$481.60	$26.86	$4.13	$4.72	$486.32	$27.45
60		$466.55	$493.95	$27.40	$4.20	$4.80	$498.75	$28.00
61		$478.36	$506.30	$27.94	$4.27	$4.88	$511.18	$28.55
62		$490.17	$518.65	$28.48	$4.34	$4.96	$523.61	$29.10
63		$501.98	$531.00	$29.02	$4.41	$5.04	$536.04	$29.65
64		$513.79	$543.35	$29.56	$4.48	$5.12	$548.47	$30.20
65		$525.60	$555.70	$30.10	$4.55	$5.20	$560.90	$30.75
66		$537.41	$568.05	$30.64	$4.62	$5.28	$573.33	$31.30
67		$549.22	$580.40	$31.18	$4.69	$5.36	$585.76	$31.85
68		$561.03	$592.75	$31.72	$4.76	$5.44	$598.19	$32.40
69		$572.84	$605.10	$32.26	$4.83	$5.52	$610.62	$32.95
70		$584.65	$617.45	$32.80	$4.90	$5.60	$623.05	$33.50

FY 2016
Rate Schedule
CWAC
Finance Sub-Committee
Sample Monthly Bills
Other Classes
Options: A & B

TUCSON WATER

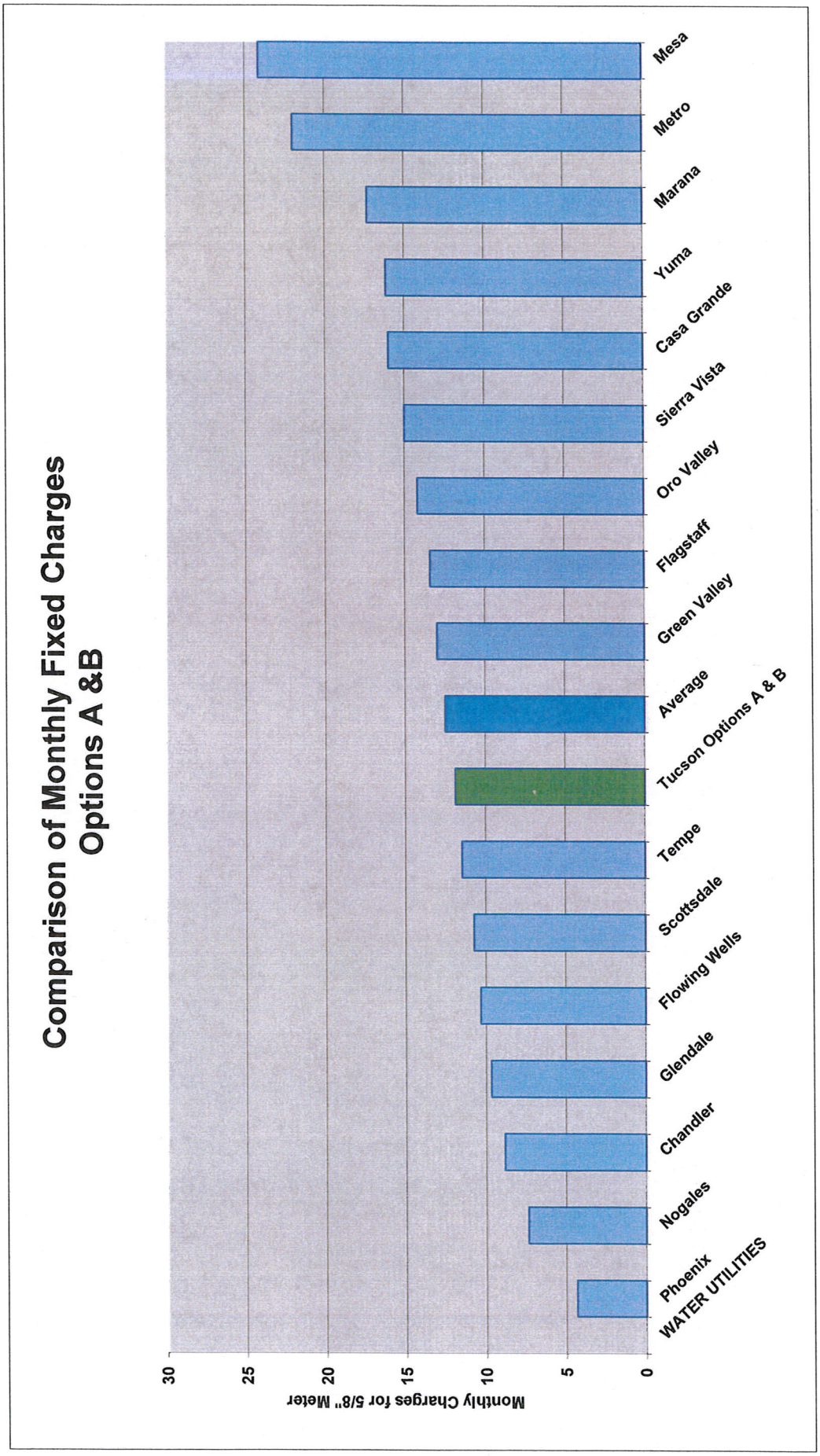
FY 2016 Sample Monthly Bills: Other Customer Classes
(Usage in Ccf based on actual FY 2014 average use per service)

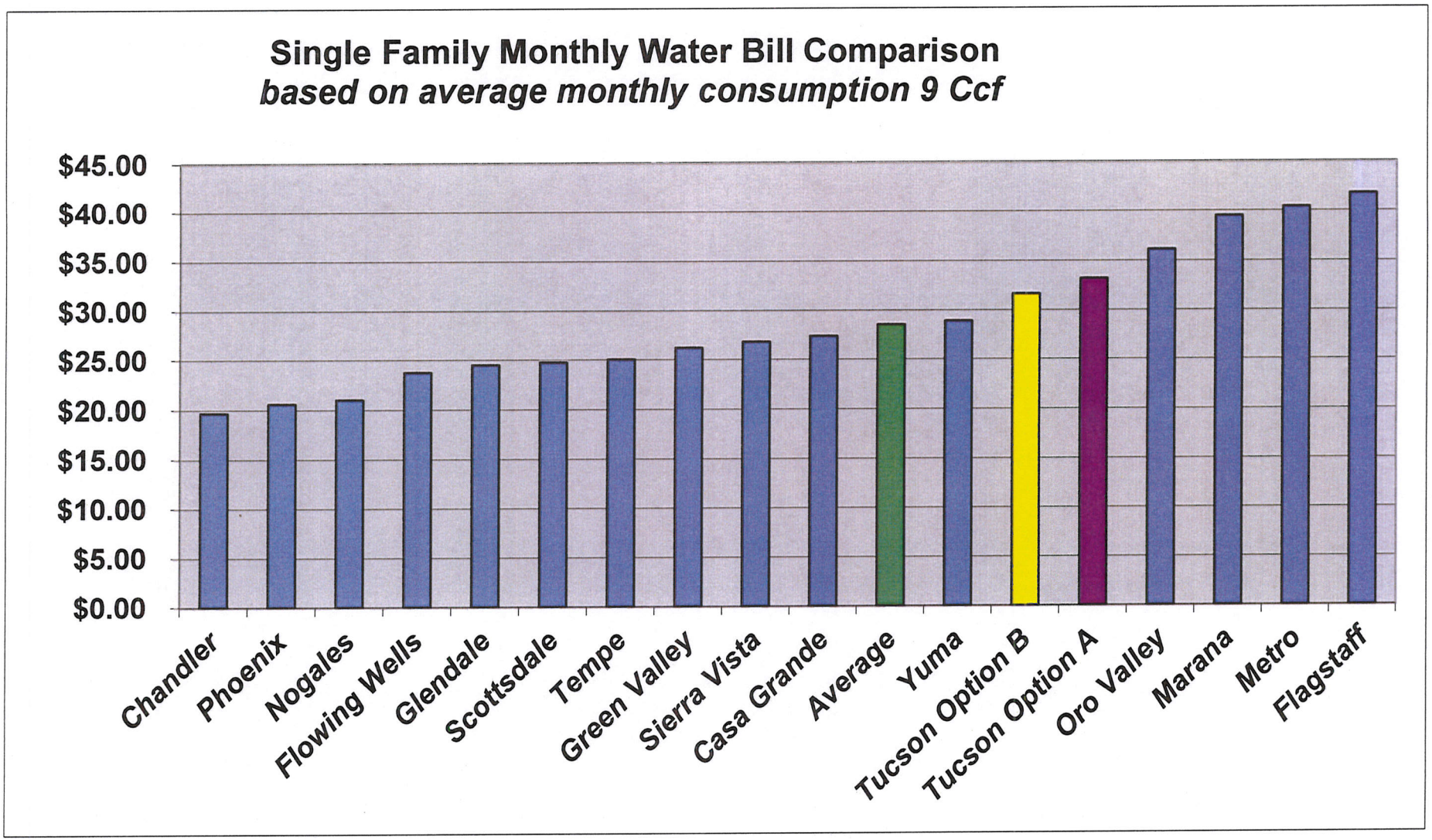
Options A & B

Class	Typical Meter Size	Annual Average	Winter Usage	MONTHLY AVERAGE BILLS						
				Existing Rates			Proposed - Existing Blocks			
				Water Bill	CAP Charge	Total Utility Bill	Water Bill	CAP Charge	Total Utility Bill	Difference
Potable										
Multifamily	2"	112		$ 335.60	$ 62.55	$ 398.15	$ 362.12	$ 67.02	$ 429.14	$ 30.99
Mobile Home Parks w/sub-meters	2"	239		$ 509.05	$ 133.90	$ 642.95	$ 546.54	$ 143.46	$ 690.00	$ 47.05
Commercial	2"	52		$ 188.50	$ 29.29	$ 217.79	$ 201.18	$ 31.38	$ 232.56	$ 14.77
Industrial	2"	168		$ 423.94	$ 93.86	$ 517.80	$ 472.26	$ 100.56	$ 572.82	$ 55.02
Construction Water	2.5"	93		$ 315.38	$ 51.91	$ 367.29	$ 336.05	$ 55.62	$ 391.67	$ 24.38
Fire Sprinkler Service (unmetered - 4" conn	na	na	na	$ 25.58	na	$ 25.58	$ 28.92	na	$ 28.92	$ 3.34

FY 2016
Rate Schedule
CWAC
Comparative Data

TUCSON WATER


Comparison of Monthly Fixed Charges
Options A &B
Monthly Charges for 5/8" Meter
0
5
10
15
20
25
30
Mesa
Metro
Marana
Yuma
Casa Grande
Sierra Vista
Oro Valley
Flagstaff
Green Valley
Average
Tucson Options A & B
Tempe
Scottsdale
Flowing Wells
Glendale
Chandler
Nogales
Phoenix
WATER UTILITIES


Single Family Monthly Water Bill Comparison
based on average monthly consumption 9 Ccf
$45.00
$40.00
$35.00
$30.00
$25.00
$20.00
$15.00
$10.00
$5.00
$0.00
Chandler
Phoenix
Nogales
Flowing Wells
Glendale
Scottsdale
Tempe
Green Valley
Sierra Vista
Casa Grande
Average
Yuma
Tucson Option B
Tucson Option A
Oro Valley
Marana
Metro
Flagstaff