

Amador Water Agency

Board Workshop

April 29, 2021

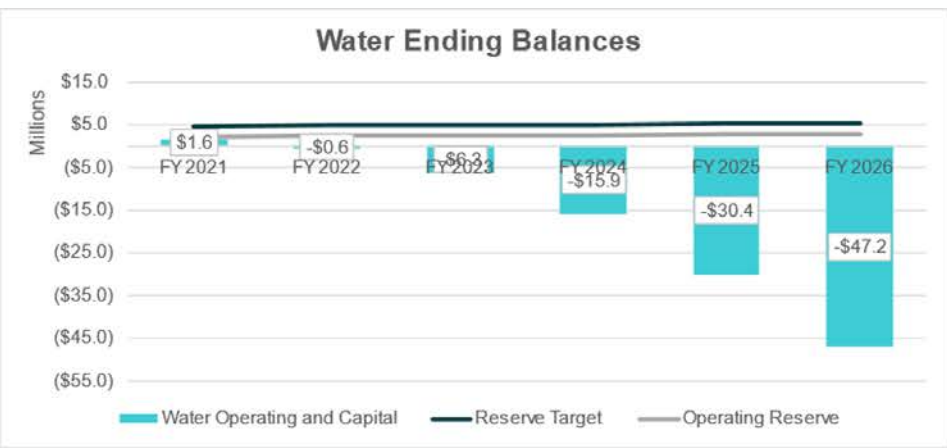
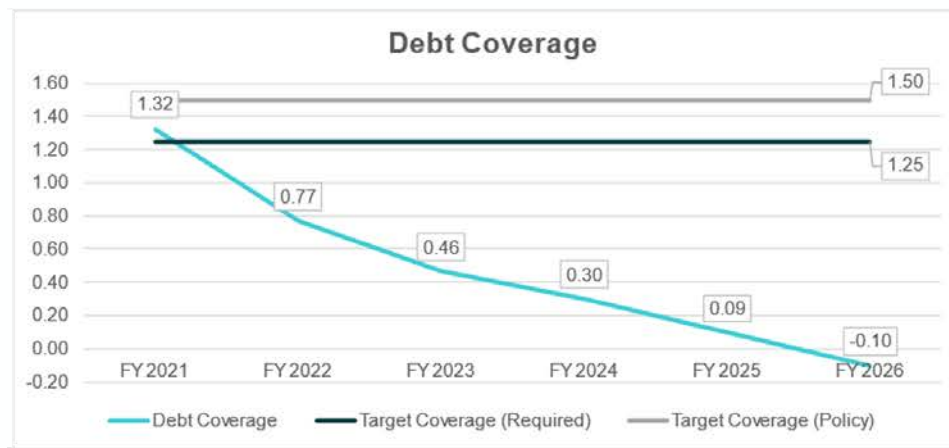


Agenda

- Financial Plan Review
- Water Cost of Service
- Debt Service Charge (Treated Retail)
- Rate Scenario Analysis (Treated Retail)
- Customer Impacts (Treated Retail)
- Policy Discussion
- Next Steps

Status Quo Scenario MP23 + Replace \$1M

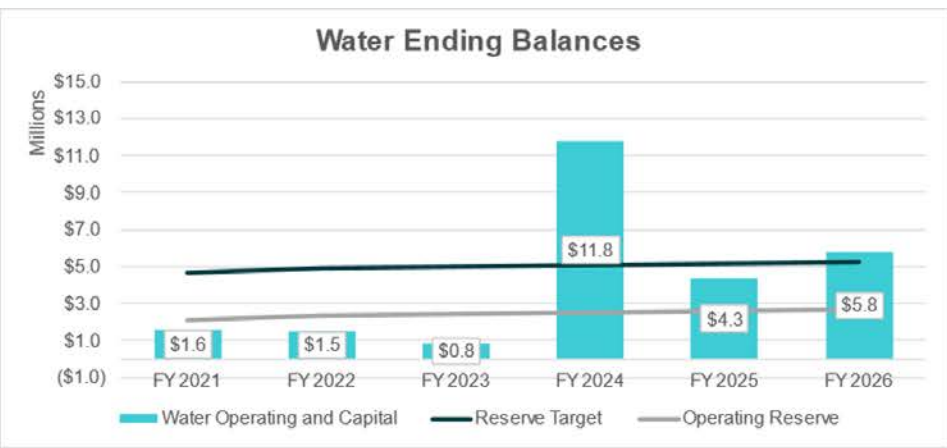
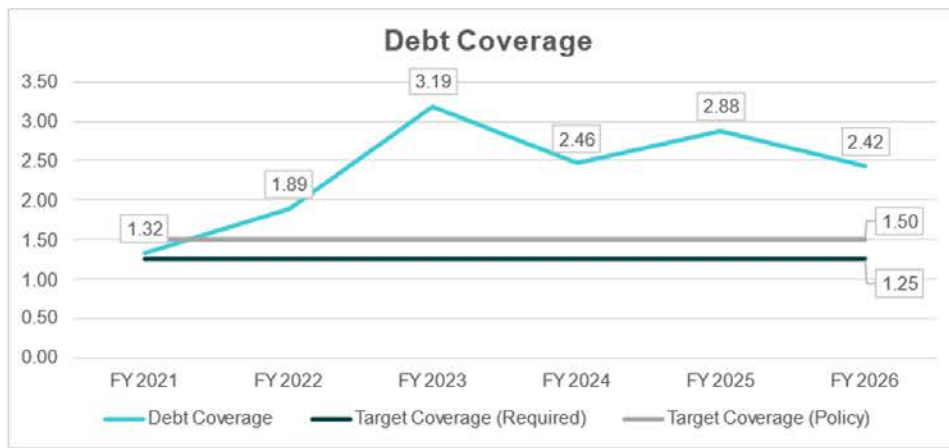
Fiscal Year	Revenue Adjustment	New Debt
FYE 2022	0%	\$0
FYE 2023	0%	\$0
FYE 2024	0%	\$0
FYE 2025	0%	\$0
FYE 2026	0%	\$0





Financial Plan Scenario MP23 + Replace \$1M (*Debt Funded*)

Fiscal Year	Revenue Adjustment	New Debt
FYE 2022	30%	\$0
FYE 2023	20%	\$0
FYE 2024	10%	\$15M
FYE 2025	10%	\$0
FYE 2026	5%	\$11M



Water Cost of Service



Water Service

- Amador WA provides water to three service types:
 - › Retail - Treated
 - › Retail - Untreated
 - › Wholesale - Treated
- Raftelis needs to develop a nexus between the level of service provided and revenue required for each service types
- Revenue requirement will be determined by examining:
 - › Operating costs (O&M budget)
 - › Debt service costs
 - › Capital costs (rate funded CIP)

Updated Cost of Service Analysis

Service Types	Current Revenue	Proposed COS	Difference
Retail - Treated	\$7,347,890	\$7,130,677	-3%
Wholesale - Treated	\$1,601,613	\$1,747,722	9%
Retail - Untreated	\$277,448	\$348,552	26%
Total	\$9,226,951	\$9,226,951	0%

Meter Capacity Ratio

- Current Meter Capacity

Current	
Meter Size	Ratio
5/8 inch	1.00
3/4 inch	1.50
1 inch	2.50
1-1/2 inch	5.00
2 inch	8.00
3 inch	16.00
4 inch	25.00
6 inch	50.01
8 inch	N/A
10 inch	N/A

- Proposed Meter Capacity
 - › Based on AWWA ratio

New - AWWA		
Meter Size	GPM	Ratio
5/8 inch	20	1.00
3/4 inch	30	1.50
1 inch	50	2.50
1-1/2 inch	100	5.00
2 inch	160	8.00
3 inch	350	17.50
4 inch	630	31.50
6 inch	1600	80.00
8 inch	2800	140.00
10 inch	4200	210.00

Debt Service Charge



Methodology

- Debt service costs are divided up between three service types based on proportion of assets
- For Treated Retail, debt service costs are allocated between the four service areas based on prior commitment of the Board

Debt Service Charge - AWS

Meter Size	# of Meters	Current AWS	Proposed AWS	\$ Difference
5/8 inch	3,113	\$13.29	\$25.41	\$12.12
3/4 inch	162	\$19.94	\$38.11	\$18.17
1 inch	207	\$33.23	\$63.52	\$30.29
1-1/2 inch	32	\$66.45	\$127.03	\$60.58
2 inch	28	\$106.32	\$203.25	\$96.93
3 inch	3	\$212.64	\$444.61	\$231.97
4 inch	4	\$332.25	\$800.29	\$468.04
6 inch	1	\$664.50	\$2,032.49	\$1,367.99

Debt Service Charge - CAWP

Meter Size	# of Meters	Current CAWP	Proposed CAWP	\$ Difference
5/8 inch	2,569	\$13.29	\$16.39	\$3.10
3/4 inch	88	\$19.94	\$24.59	\$4.65
1 inch	13	\$33.23	\$40.98	\$7.75
1-1/2 inch	2	\$66.45	\$81.97	\$15.52
2 inch	5	\$106.32	\$131.15	\$24.83
3 inch	0	\$212.64	\$286.88	\$74.24
4 inch	0	\$332.25	\$516.39	\$184.14
6 inch	4	\$664.50	\$1,311.46	\$646.96

Debt Service Charge – La Mel

Meter Size	# of Meters	Current La Mel	Proposed La Mel	\$ Difference
5/8 inch	51	\$13.29	\$17.27	\$3.98
3/4 inch	1	\$19.94	\$25.90	\$5.96
1 inch	1	\$33.23	\$43.17	\$9.94
1-1/2 inch	0	\$66.45	\$86.35	\$19.90
2 inch	0	\$106.32	\$138.15	\$31.83
3 inch	0	\$212.64	\$302.21	\$89.57
4 inch	0	\$332.25	\$543.98	\$211.73
6 inch	0	\$664.50	\$1,381.53	\$717.03

Debt Service Charge – Lake Camanche

Meter Size	# of Meters	Current Lake Camanche	Proposed Lake Camanche	\$ Difference
5/8 inch	705	\$6.99	\$2.96	(\$4.03)
3/4 inch	9	\$10.48	\$4.43	(\$6.05)
1 inch	5	\$17.47	\$7.39	(\$10.08)
1-1/2 inch	0	\$34.93	\$14.78	(\$20.15)
2 inch	0	\$55.89	\$23.65	(\$32.24)

Rate Scenario Analysis



Rate Scenarios to Evaluate

- Current Fixed and Variable Revenue is 56% and 44%
- Develop Rates based on the following Fixed and Variable:
 - › S1: 60% Fixed and 40% Variable
 - › S2: 70% Fixed and 30% Variable
 - › S3: 80% Fixed and 20% Variable
- The following scenario does not take into account the required revenue adjustments
 - › Once we receive direction on the which scenario we will proceed with, Raftelis will show the final rates

Scenario 1

60/40



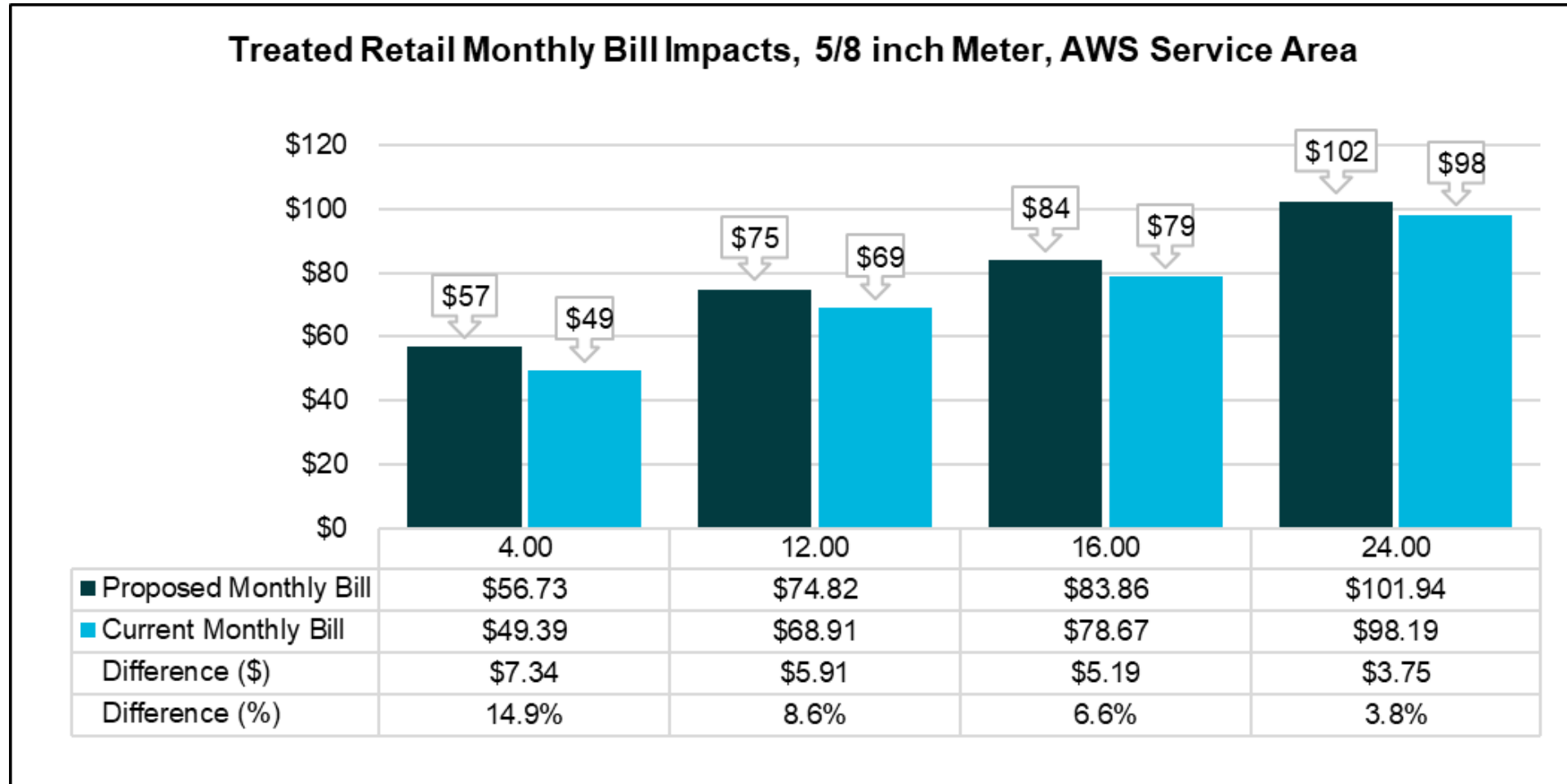
Rates Scenario (60 / 40)

With no Revenue Adjustments / Debt Service

Treated Retail Rates	Current	Proposed	Difference
Meter Charge			
5/8 inch	\$26.34	\$22.29	(\$4.05)
3/4 inch	\$36.34	\$30.02	(\$6.32)
1 inch	\$56.31	\$45.47	(\$10.84)
1-1/2 inch	\$106.29	\$84.11	(\$22.18)
2 inch	\$166.26	\$130.48	(\$35.78)
3 inch	\$326.17	\$277.32	(\$48.85)
4 inch	\$506.07	\$493.72	(\$12.35)
6 inch	\$1,005.82	\$1,243.37	\$237.55
Commodity Charge (\$/hcf)	\$2.44	\$2.26	(\$0.18)

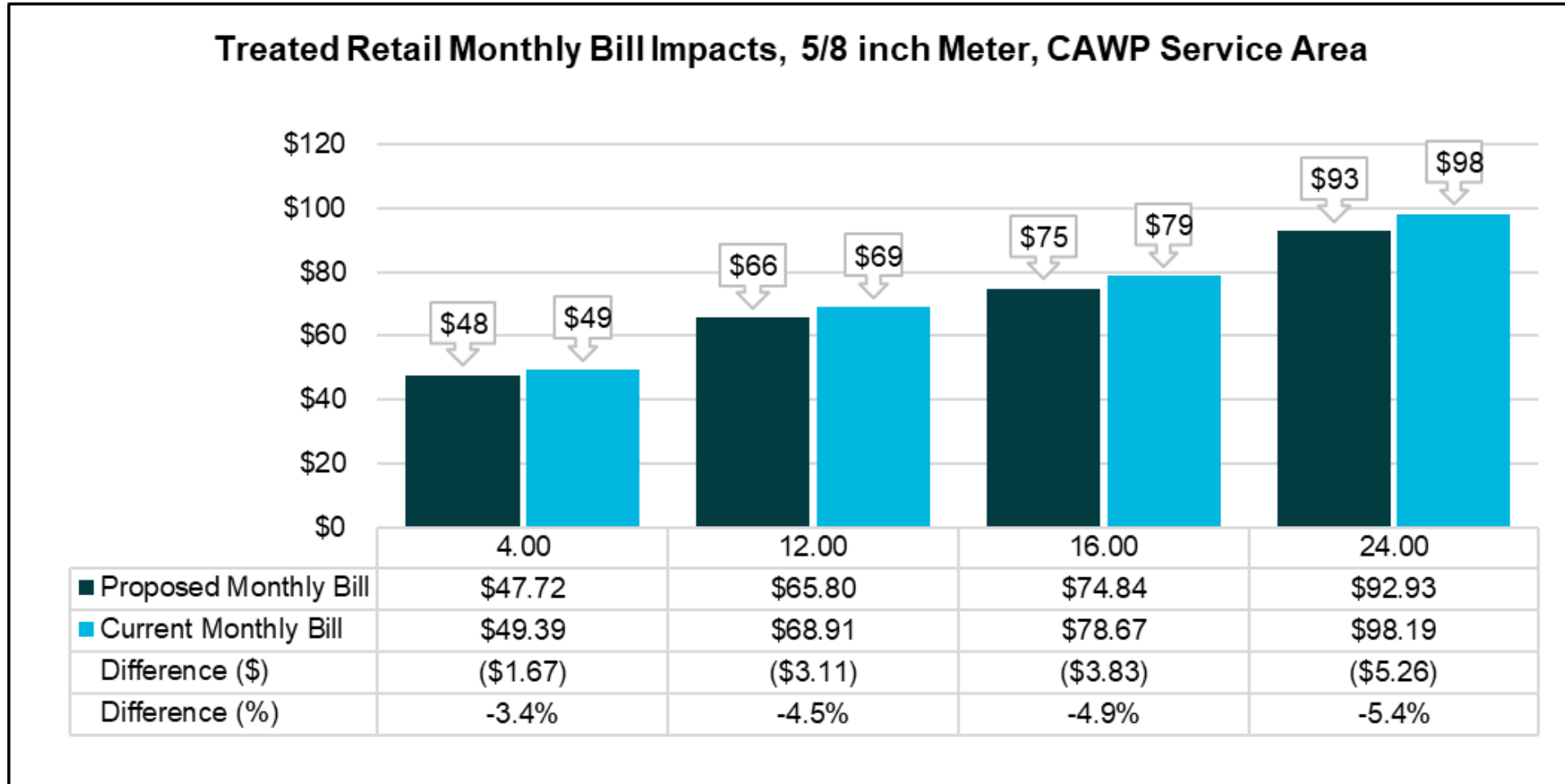
Customer Impacts (60 / 40)

AWS – With no Revenue Adjustments



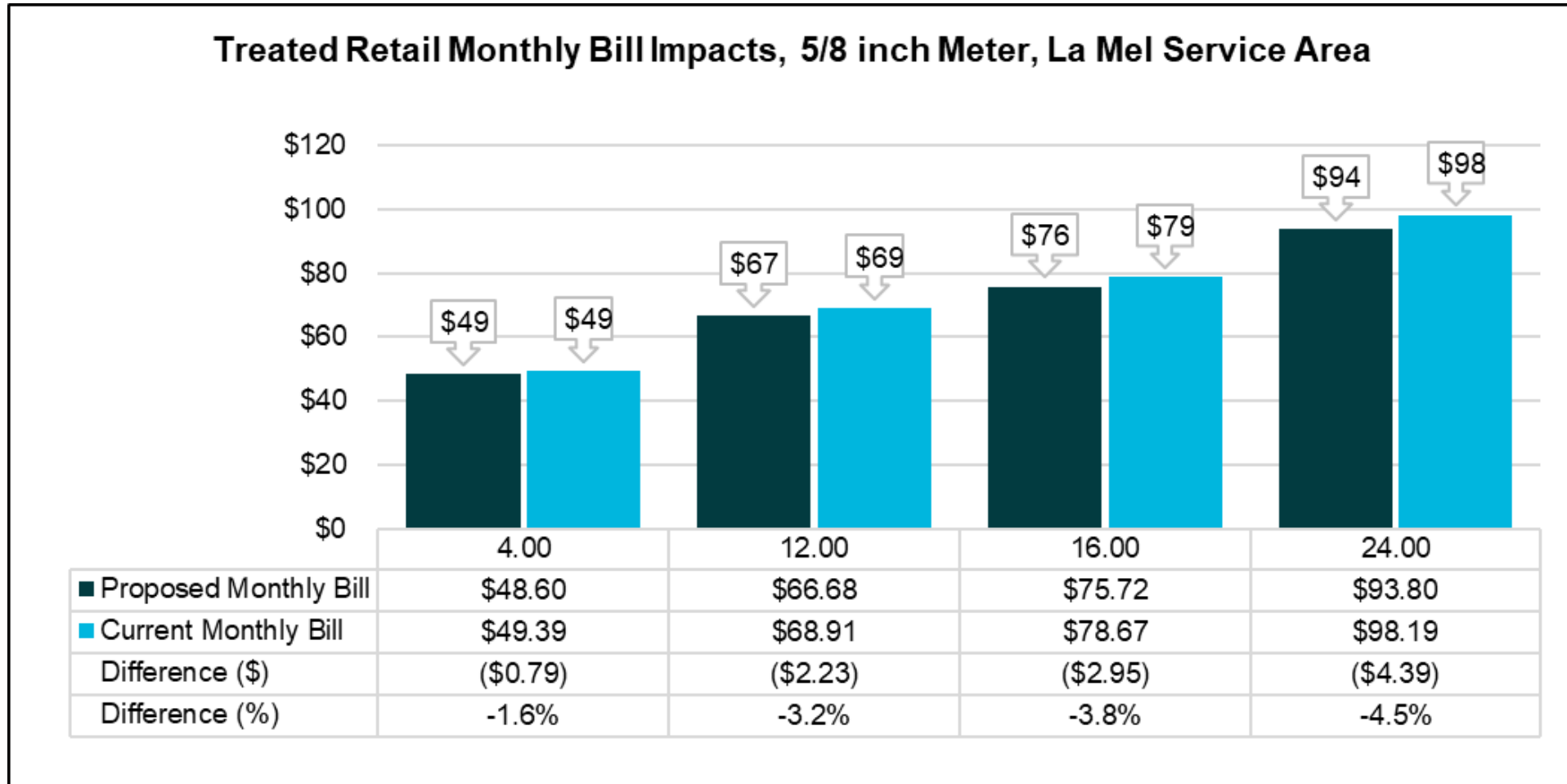
Customer Impacts (60 / 40)

CAWP – With no Revenue Adjustments



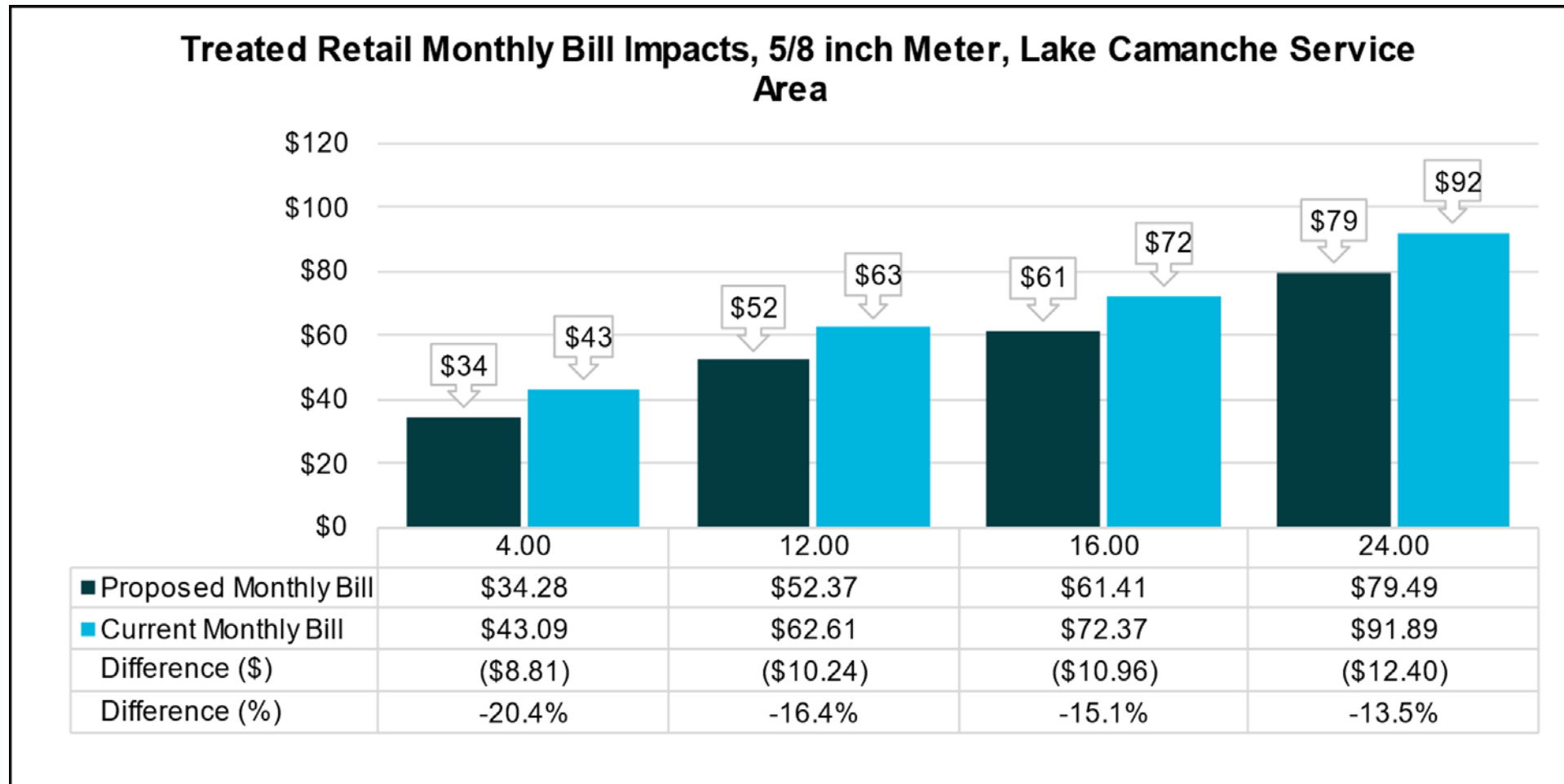
Customer Impacts (60 / 40)

La Mel – With no Revenue Adjustments



Customer Impacts (60 / 40)

Lake Camanche – With no Revenue Adjustments



Scenario 2



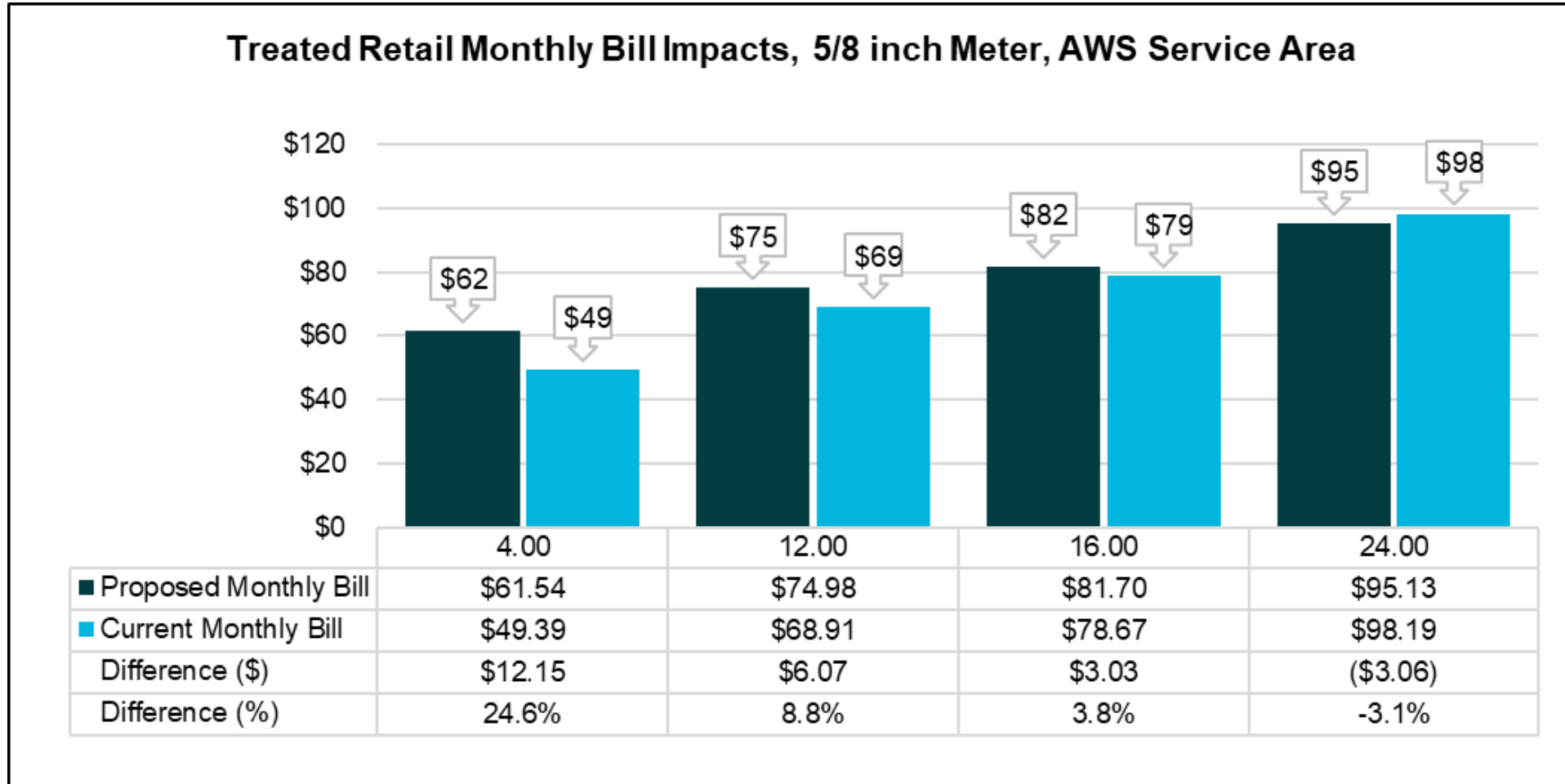
Rates Scenario (70 / 30)

With no Revenue Adjustments / Debt Service

Treated Retail Rates	Current	Proposed	Difference
Meter Charge			
5/8 inch	\$26.34	\$29.42	\$3.08
3/4 inch	\$36.34	\$40.71	\$4.37
1 inch	\$56.31	\$63.30	\$6.99
1-1/2 inch	\$106.29	\$119.77	\$13.48
2 inch	\$166.26	\$187.53	\$21.27
3 inch	\$326.17	\$402.11	\$75.94
4 inch	\$506.07	\$718.34	\$212.27
6 inch	\$1,005.82	\$1,813.83	\$808.01
Commodity Charge (\$/hcf)	\$2.44	\$1.68	(\$0.76)

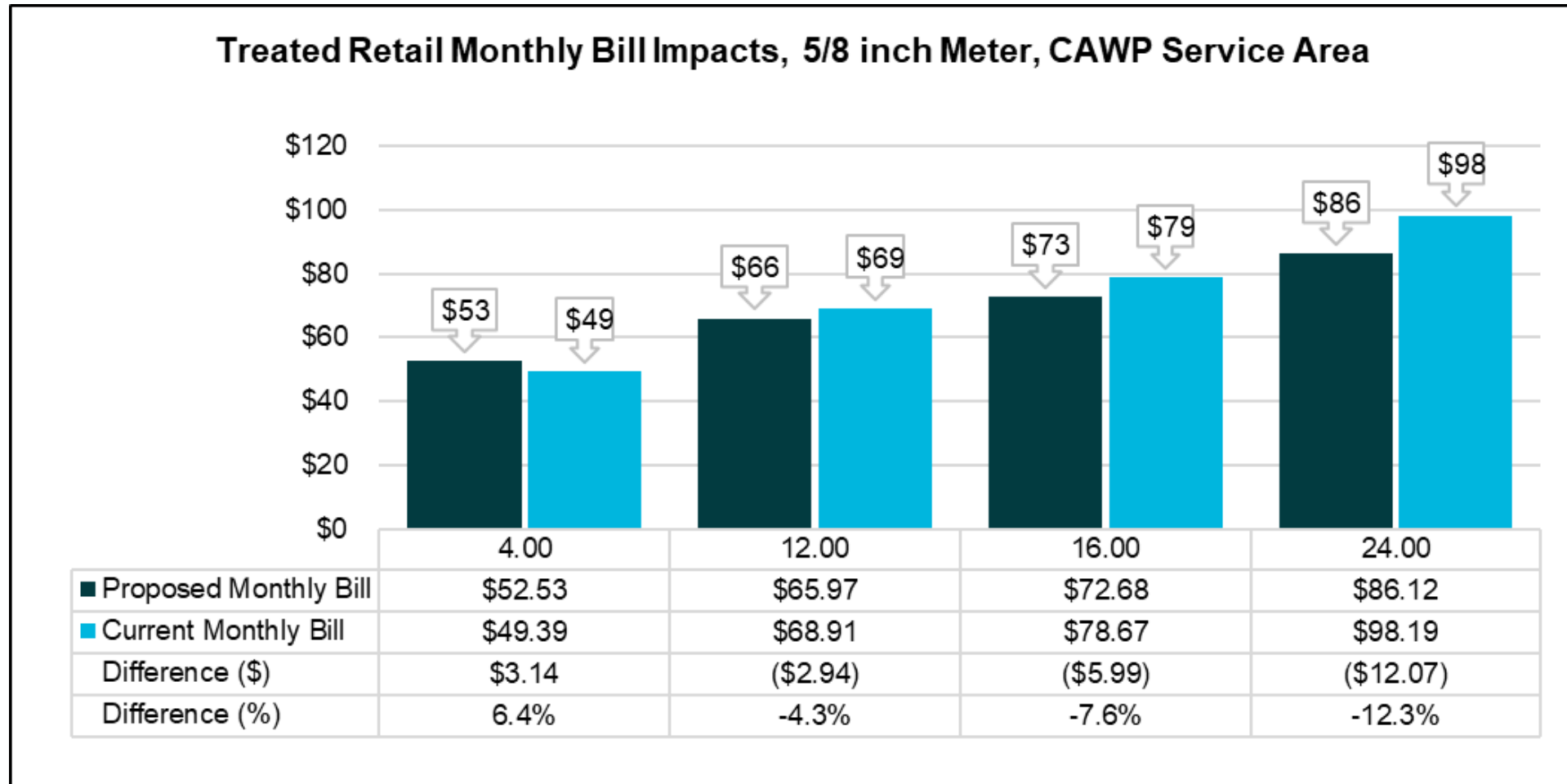
Customer Impacts (70 / 30)

AWS – With no Revenue Adjustments



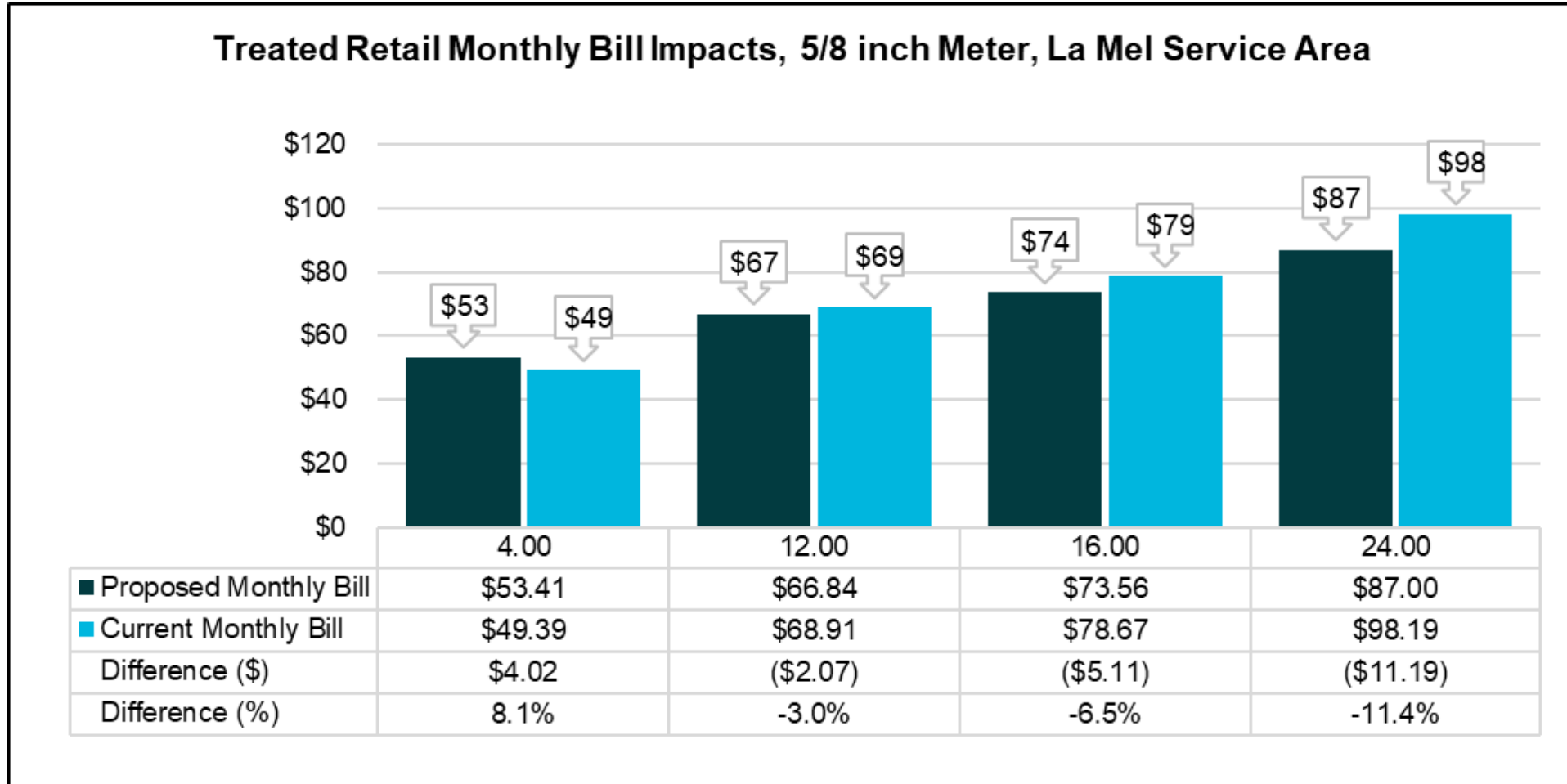
Customer Impacts (70 / 30)

CAWP – With no Revenue Adjustments



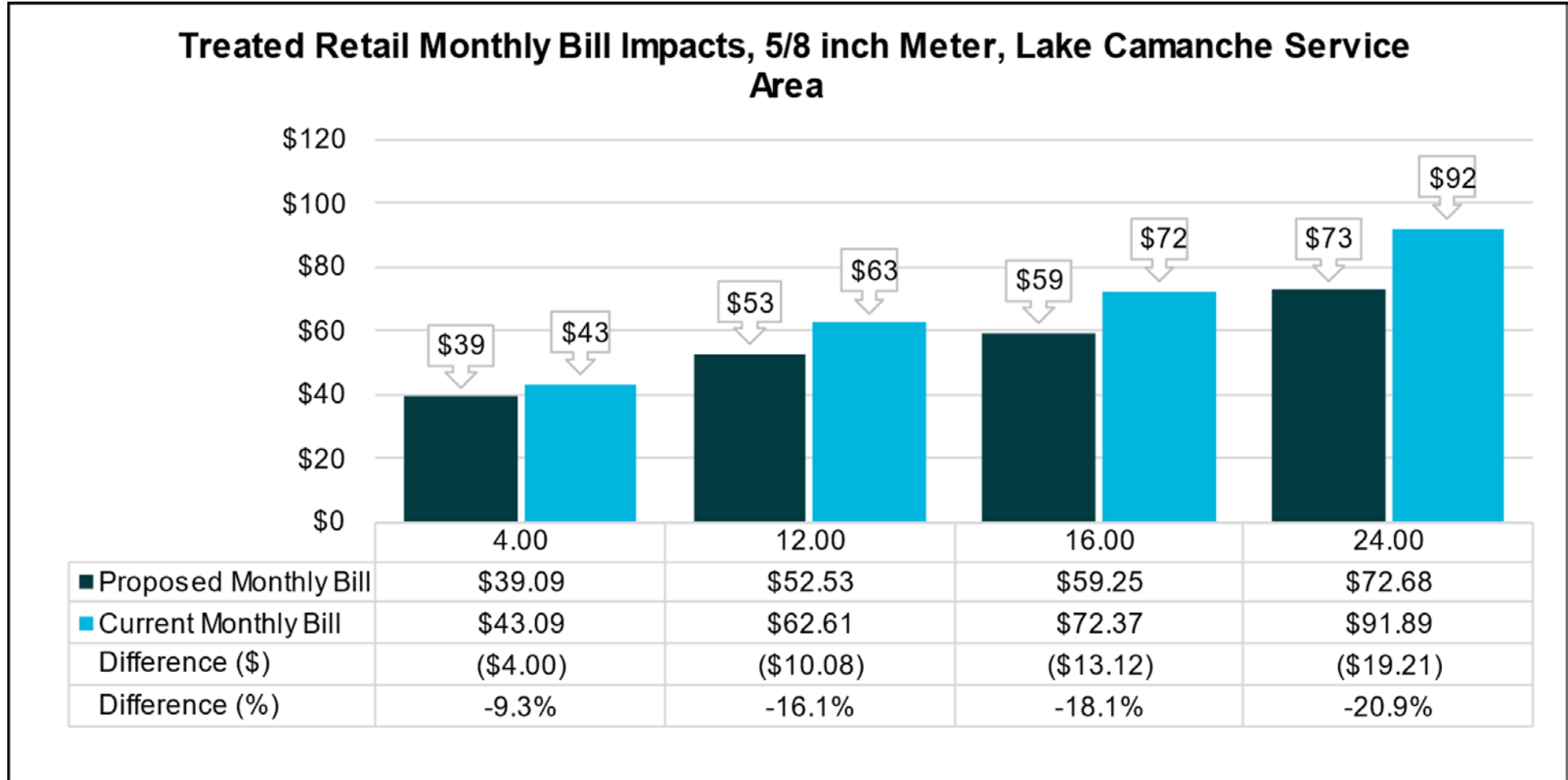
Customer Impacts (70 / 30)

La Mel – With no Revenue Adjustments



Customer Impacts (70 / 30)

Lake Camanche – With no Revenue Adjustments



Scenario 3



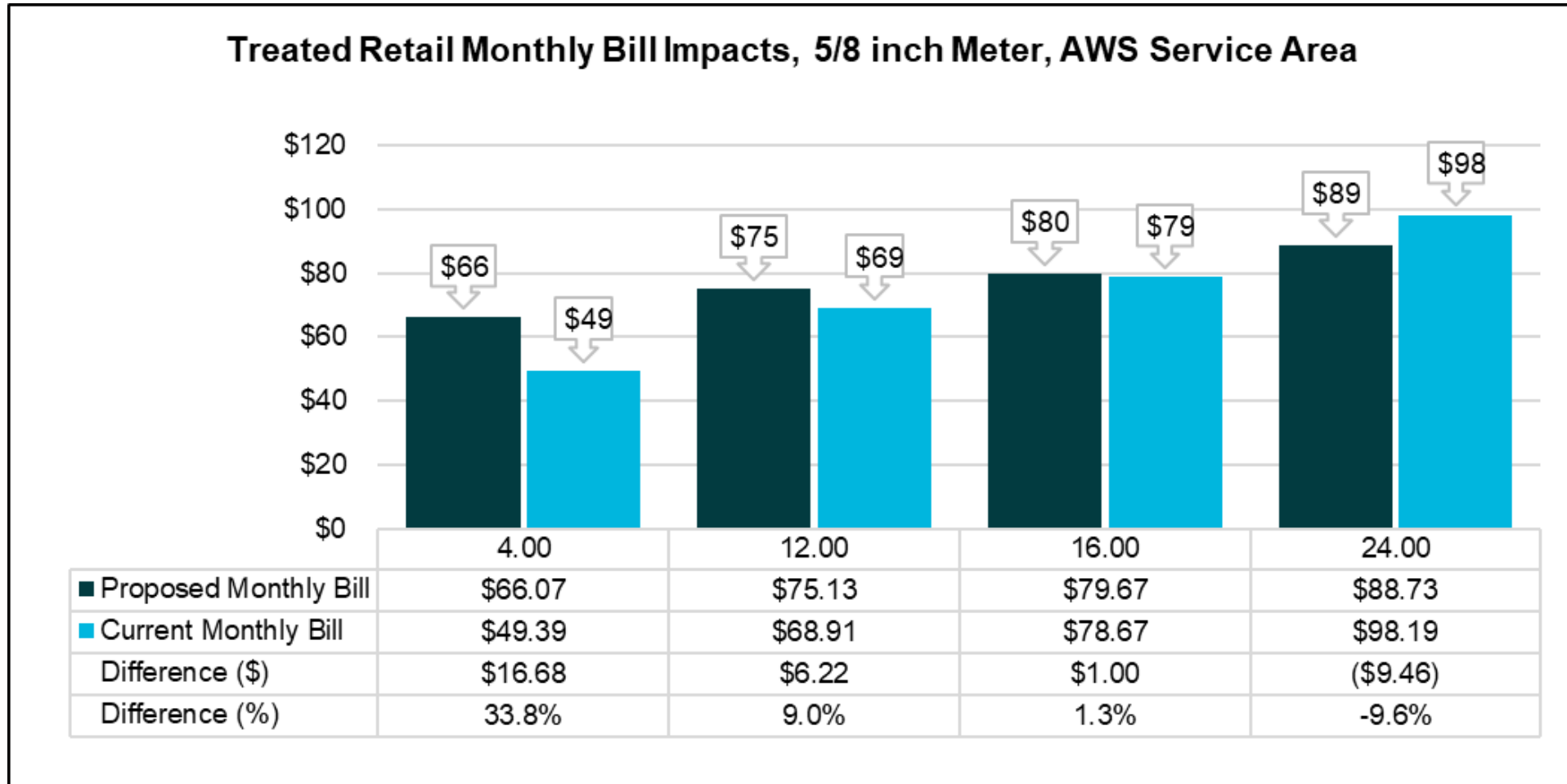
Rates Scenario (80 / 20)

With no Revenue Adjustments / Debt Service

Treated Retail Rates	Current	Proposed	Difference
Meter Charge			
5/8 inch	\$26.34	\$36.13	\$9.79
3/4 inch	\$36.34	\$50.78	\$14.44
1 inch	\$56.31	\$80.08	\$23.77
1-1/2 inch	\$106.29	\$153.32	\$47.03
2 inch	\$166.26	\$241.22	\$74.96
3 inch	\$326.17	\$519.56	\$193.39
4 inch	\$506.07	\$929.74	\$423.67
6 inch	\$1,005.82	\$2,350.73	\$1,344.91
Commodity Charge (\$/hcf)	\$2.44	\$1.13	(\$1.31)

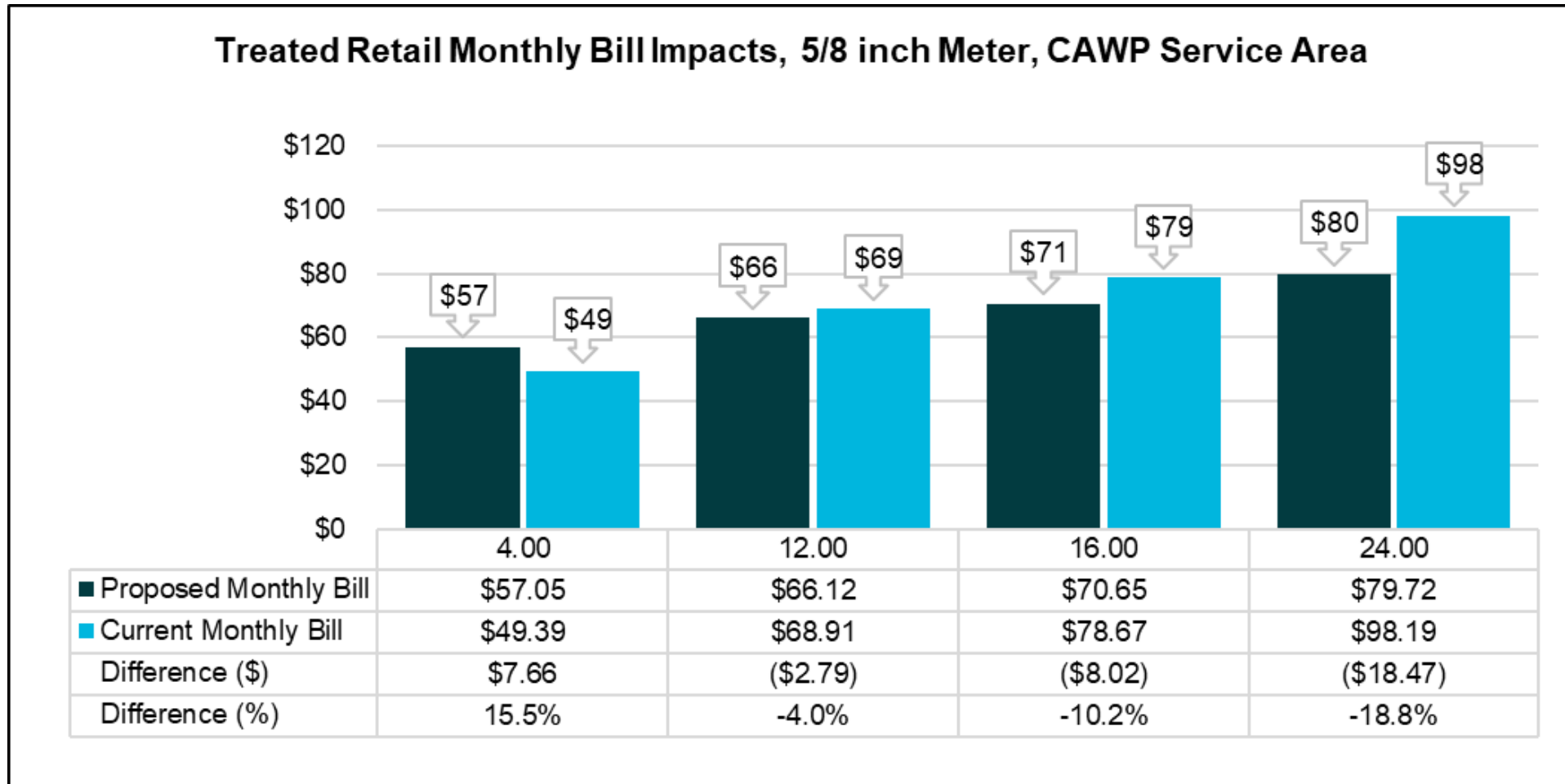
Customer Impacts (80 / 20)

AWS – With no Revenue Adjustments



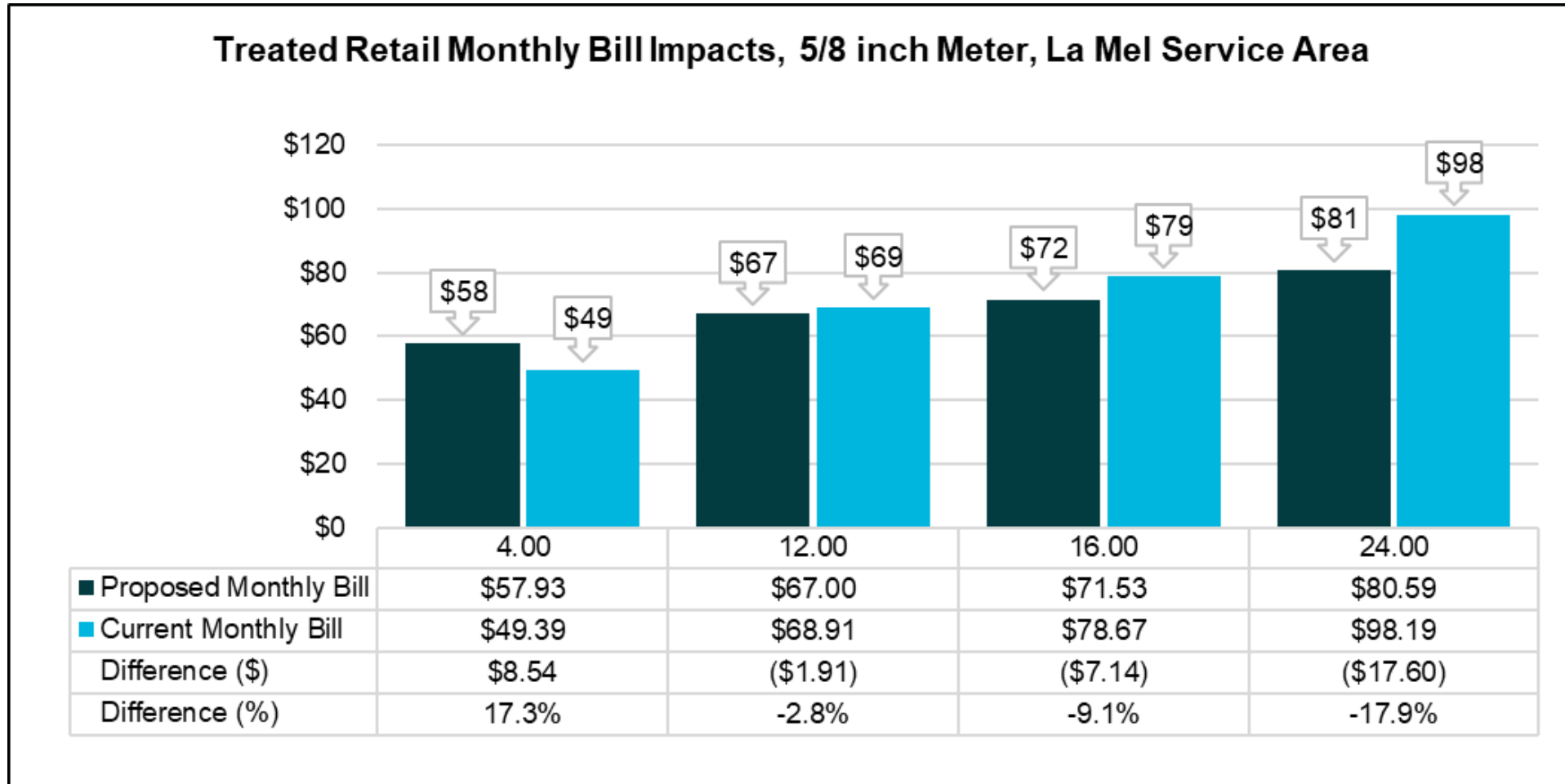
Customer Impacts (80 / 20)

CAWP – With no Revenue Adjustments



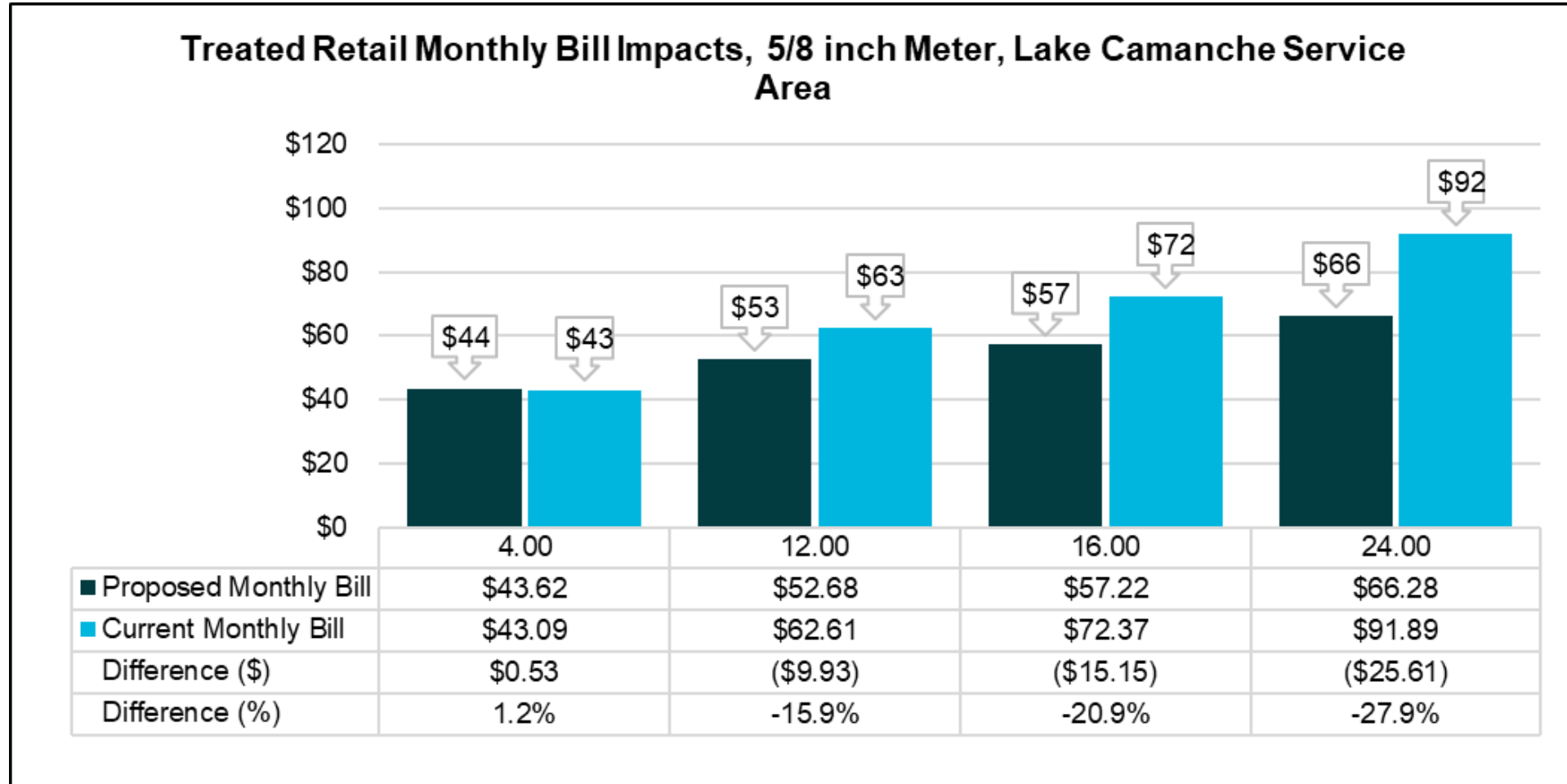
Customer Impacts (80 / 20)

La Mel – With no Revenue Adjustments



Customer Impacts (80 / 20)

Lake Camanche – With no Revenue Adjustments



Policy Discussion



Affordability vs Stability

- Rates Scenario (60 / 40)
 - › Most Affordable for customers with low usage
 - › Less Revenue Stability for Agency
- Rates Scenario (70 / 30)
 - › Modestly Affordable for customers
 - › Modest Revenue Stability for Agency
- Rates Scenario (80 / 20)
 - › Least Affordable for customers with low usage
 - › Most Revenue Stability for Agency

Next Steps

- Receive input from the Board on which Rate Scenario to proceed with
- Develop the cost of service rates for untreated retail and treated wholesale
- Layer the financial plan requirements onto the cost of service analysis
- Develop the rates that the Board will consider for the Prop 218 Notice



Thank you!

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