



April 19, 2022

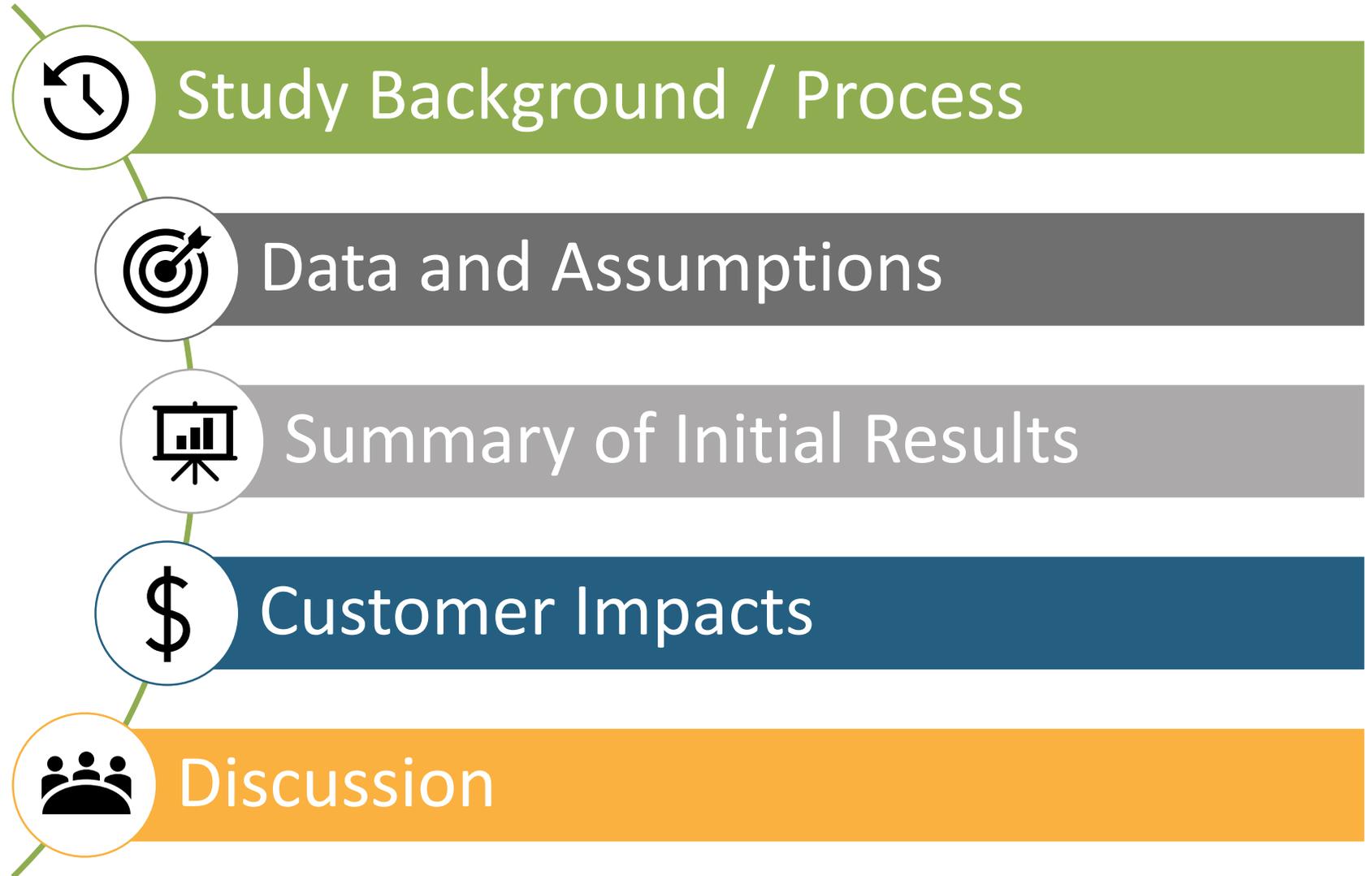
CITY OF BREA

WATER AND SEWER RATE STUDY

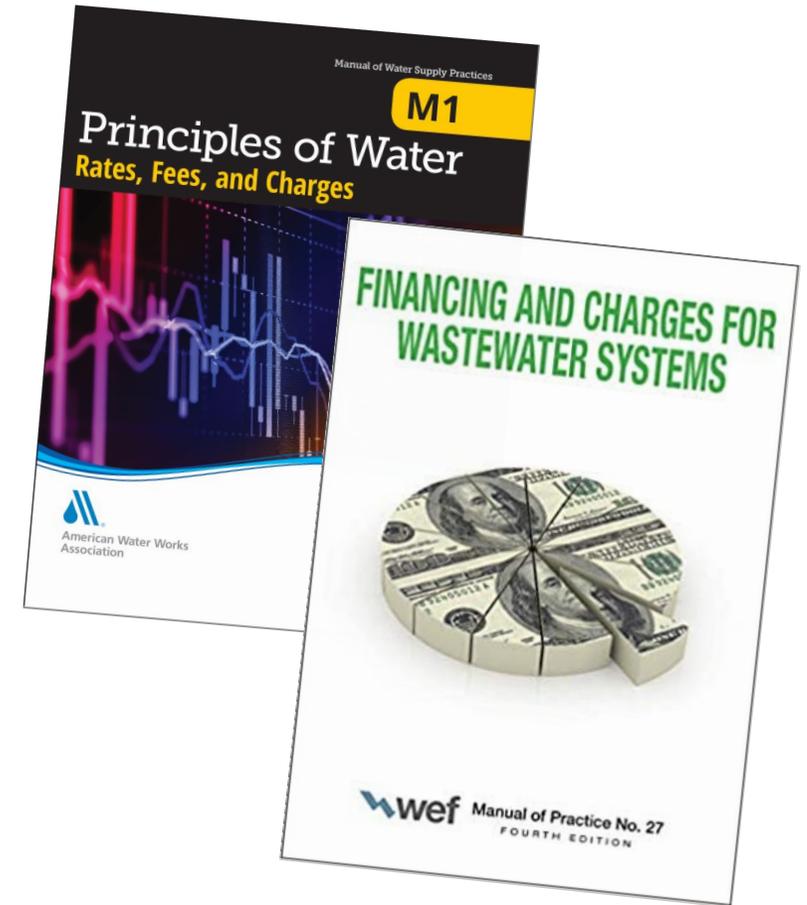
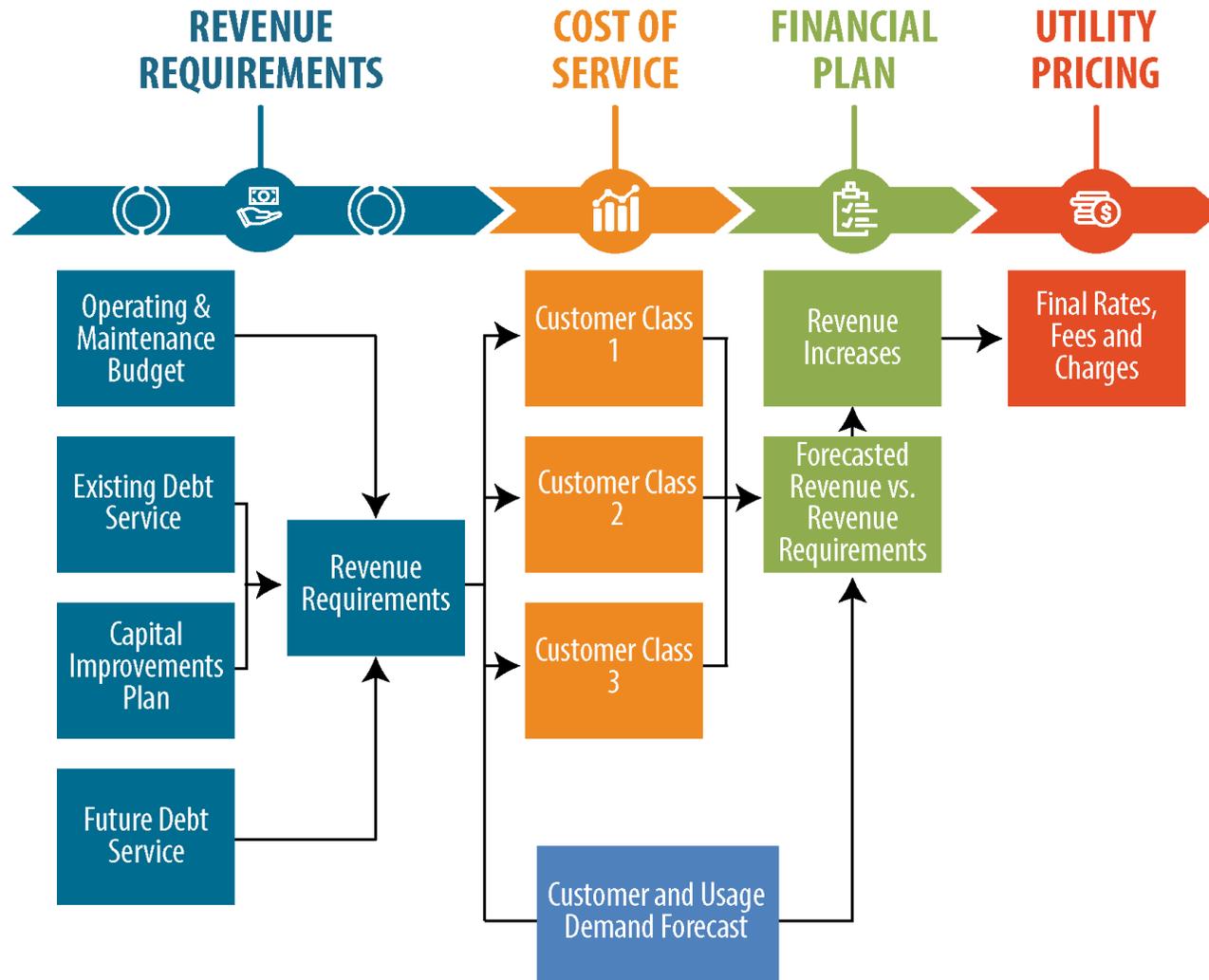
INITIAL RESULTS PRESENTATION



AGENDA



COST OF SERVICE / RATE STUDY PROCESS



SUMMARY OF DATA AND ASSUMPTIONS

Basis for Study Forecasts:

- FY 2021-22 water and sewer operating and maintenance budgets
- Water and Sewer Capital Plans consistent with recently completed Master Plans (no new debt service)
- Customer growth consistent with development projects under construction, in plan, and upcoming through FY 2025
 - Average of 2.8% growth in customer per year (FY 2023 – FY 2027)
- Wholesale water purchases from California Domestic Water and Metropolitan Water District of Orange County escalated at 3.0% per year

City Cost / Demand assumptions:

- The City pays for water and sewer service
 - Water revenue = \$900,000 per year
 - Sewer Revenue = \$11,000 per year
- The Water and Sewer Funds make transfers to the General Fund for City services including office space, use of City land, and use of City rights-of-way for buried infrastructure.
 - Water transfer = \$700,000 per year
 - Sewer Transfer = \$140,000 per year

RECOMMENDED RATES – INSIDE CITY

Water Rates

	Current Rates FY 2022	FY 2023 – FY 2027
Fixed Charge (\$/Month)		
5/8"	\$15.93	\$20.00
3/4"	\$15.93	\$20.00
1"	\$15.93	\$20.00
1 1/2"	\$59.28	\$74.43
2"	\$91.78	\$115.23
3"	\$194.72	\$244.47
Consumption (\$/CCF)		
0 – 10 CCF	\$3.59	\$3.34
11 – 20 CCF	\$4.69	\$4.36
21 – 30 CCF	\$6.18	\$5.75
31+ CCF	\$7.24	\$6.73

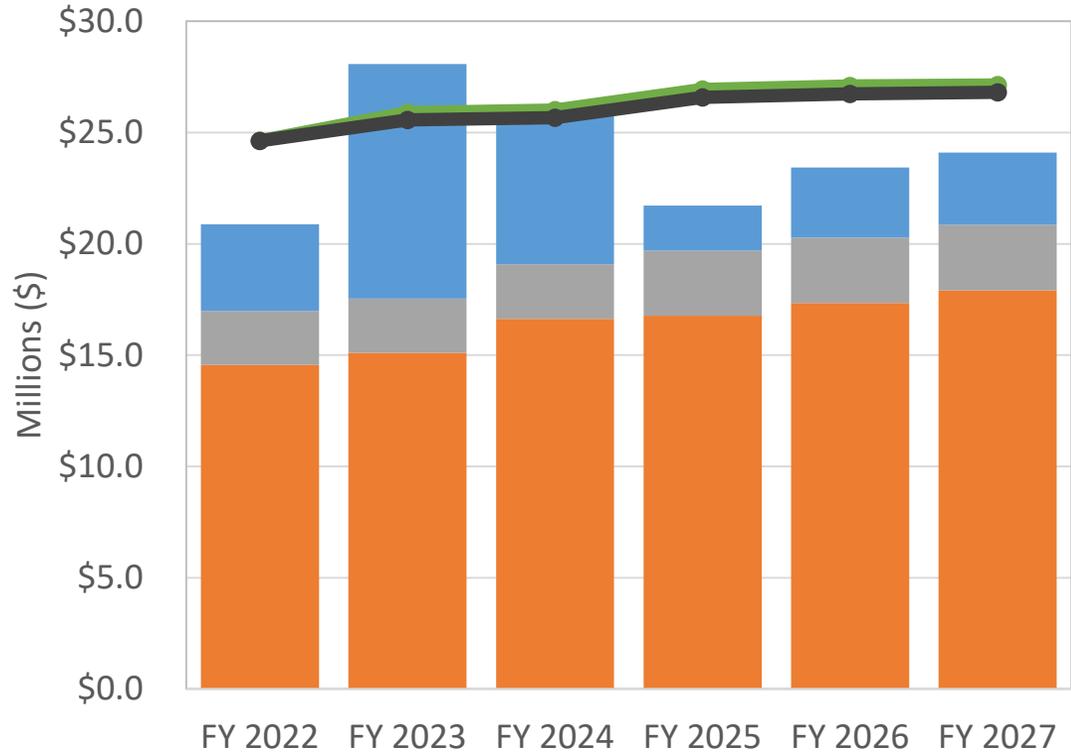
Sewer Rates

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Fixed Charge (\$/Month)						
5/8"	\$9.43	\$14.62	\$14.91	\$15.21	\$15.51	\$15.82
3/4"	\$9.43	\$14.62	\$14.91	\$15.21	\$15.51	\$15.82
1"	\$9.43	\$14.62	\$14.91	\$15.21	\$15.51	\$15.82
1 1/2"	\$9.43	\$14.62	\$14.91	\$15.21	\$15.51	\$15.82
2"	\$20.18	\$31.28	\$31.90	\$32.54	\$33.19	\$33.86
3"	\$20.18	\$31.28	\$31.90	\$32.54	\$33.19	\$33.86

Water and Sewer rates for all customer classes will adjust accordingly to satisfy revenue needs and cost of service allocations.

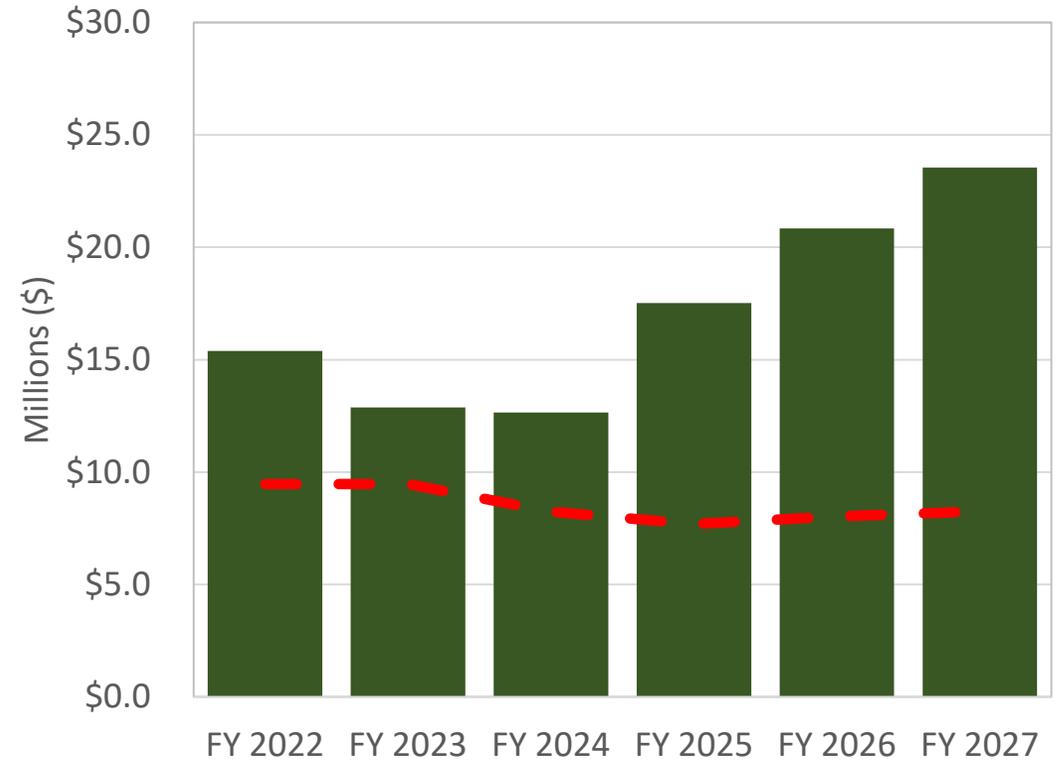
INITIAL STUDY RESULTS – WATER FUND

Water System Expenses vs. Revenues



- Cash Funded Capital Projects
- Existing Debt Service
- Total Revenues (FY 2022 Rates)
- New Debt Service
- Operating Expenses
- Total Revenues (Projected Rates)

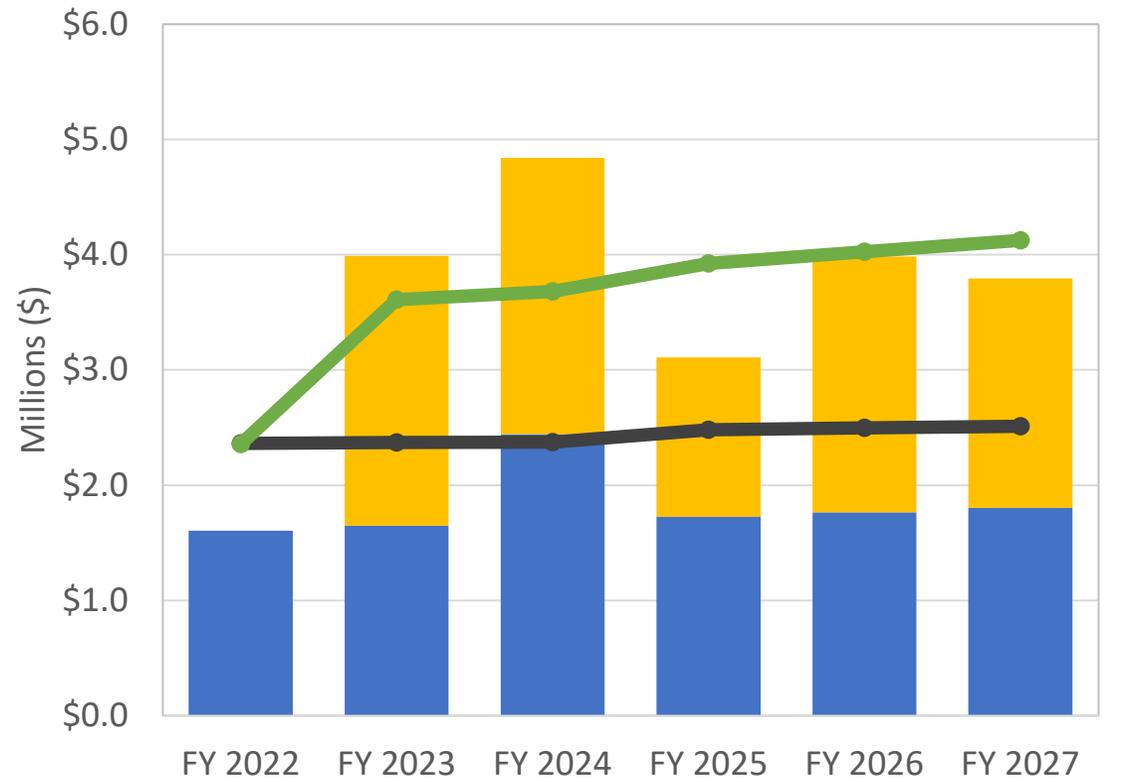
Water Operating Fund Balance



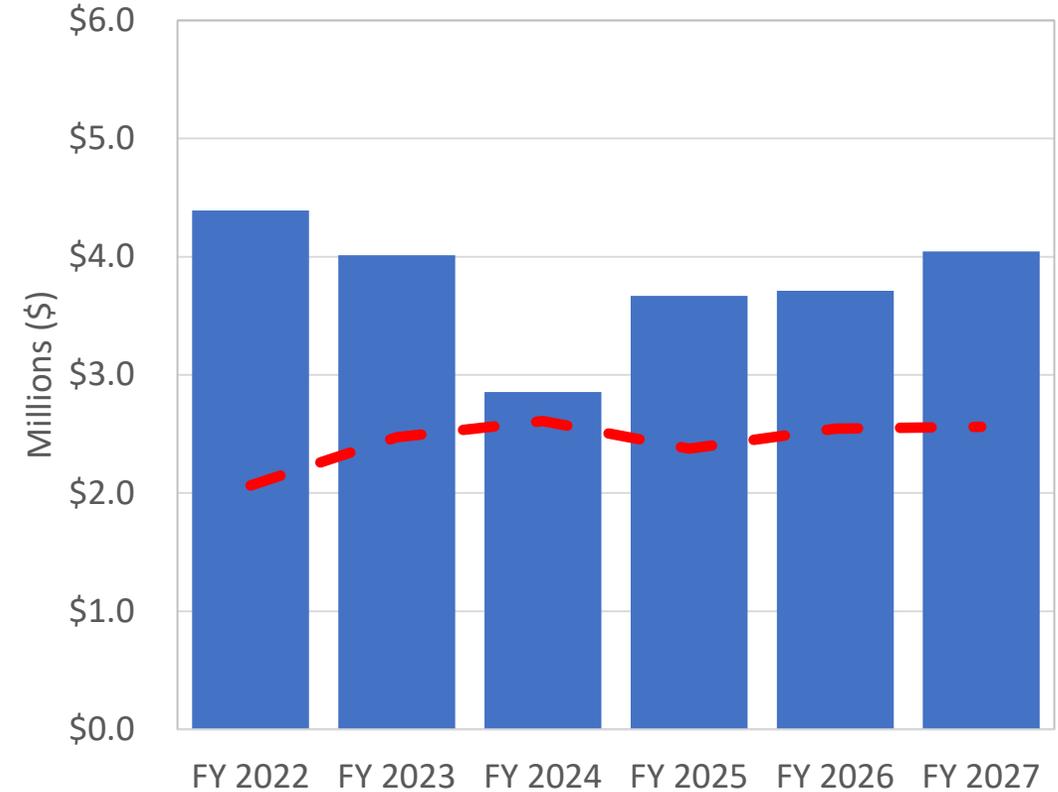
- Ending Fund Balance
- - - Minimum Reserve Policy

INITIAL STUDY RESULTS – SEWER FUND

Sewer System Expenses vs. Revenues



Sewer Operating Fund Balance



- Cash Funded Capital Projects
- Existing Debt Service
- New Debt Service
- Operating Expenses
- Total Revenues (FY 2022 Rates)
- Total Revenues (Projected Rates)

- Ending Fund Balance
- - - Minimum Reserve Policy

CUSTOMER BILL IMPACTS

Monthly Combined
Water and Sewer Bill

Inside City	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Median Residential	\$75.33	\$81.09	\$81.38	\$81.68	\$81.98	\$82.29
5/8" Meter	<i>\$ Change</i>	\$5.76	\$0.29	\$0.30	\$0.30	\$0.31
13 CCF	<i>% Change</i>	7.6%	0.4%	0.4%	0.4%	0.4%
Lifeline [1]	\$59.31	\$65.15	\$65.44	\$65.74	\$66.05	\$66.36
5/8" Meter	<i>\$ Change</i>	\$5.84	\$0.29	\$0.30	\$0.30	\$0.31
12 CCF	<i>% Change</i>	9.8%	0.4%	0.5%	0.5%	0.5%
Commercial	\$542.16	\$580.66	\$582.99	\$585.37	\$587.79	\$590.26
2" Meter	<i>\$ Change</i>	\$38.50	\$2.33	\$2.38	\$2.42	\$2.47
79 CCF	<i>% Change</i>	7.1%	0.4%	0.4%	0.4%	0.4%

[1] Lifeline rates only apply to water service.



THANK YOU!

**NEWGEN STRATEGIES AND SOLUTIONS
911-A COMMERCE RD
ANNAPOLIS, MD 21401**

**ERIC CALLOCCHIA
ECALLOCCHIA@NEWGENSTRATEGIES.NET
443-951-4207**