

*Rate Model Committee*  
Wednesday  
September 5, 2012  
Regular Meeting  
10:00 a.m.



City Hall Conference Room - Upstairs  
491 E. Pioneer Avenue  
Homer, Alaska 99603





**NOTICE OF MEETING  
REGULAR MEETING**

- 1. CALL TO ORDER**
  - 2. APPROVAL OF THE AGENDA**
  - 3. PUBLIC COMMENTS REGARDING ITEMS ON THE AGENDA**
  - 5. APPROVAL OF MINUTES** (*Minutes are approved during regular meetings only*)
  - 6. VISITORS**
  - 7. PENDING BUSINESS**
  - 8. NEW BUSINESS**
    - A. Establishing a Meeting Schedule Page 5
    - B. Creating a Rate Model – the Beginning Page 9
      1. 2000 Rate Model Page 9
      2. 2012 Rates Using the 2000 Rate Model
      3. Proposed Rate models by Ken Castner Page 31
  - 9. INFORMATIONAL ITEMS**
  - 10. COMMENTS OF THE AUDIENCE**
  - 11. COMMENTS OF THE CITY STAFF**
  - 12. COMMENTS OF THE CHAIR**
  - 13. COMMENTS OF THE TASK FORCE**
  - 14. ADJOURNMENT THE NEXT REGULAR MEETING IS SCHEDULED FOR \_\_\_\_\_**  
2012 in the Upstairs Conference Room at City Hall 491 E. Pioneer Avenue Homer, Alaska
-



## Office of the City Clerk

Jo Johnson, CMC, City Clerk

Melissa Jacobsen, CMC, Deputy City Clerk II  
Renee Krause, CMC, Deputy City Clerk I



491 E. Pioneer Avenue  
Homer, Alaska 99603-7624  
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# MEMORANDUM

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TO: RATE MODEL COMMITTEE

FROM: RENEE KRAUSE, CMC, DEPUTY CITY CLERK

DATE: AUGUST 30, 2012

SUBJECT: ESTABLISHING A MEETING SCHEDULE FOR THE SUB-COMMITTEE

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One action of this committee is to establish a regular meeting schedule.

I recommend meetings be scheduled during the mornings as that is the most consistent time available for this room or council chambers until the business of the committee is complete.

Thursdays between 10:00 a.m. and Noon are not available.

I also recommend scheduling the committee meetings at least 10 days out from a regular Task Force meeting so you are able to get the synopsis to me in a timely manner for the packet. Please refer to the meeting schedule approved at the August 21, 2012 Task Force meeting.

I have included this for your reference. The next meeting of the committee must not be any earlier than September 20, 2012 for proper advertising requirements. You can use this as a guide.

### **RECOMMENDATION**

Submit meetings dates to Staff as soon as possible.



SUN	MON	TUES	WED	THURS	FRI	SAT
19	20		22	23	24	25 AUGUST
26	27	28	29	30	31	
						1
2	3	4	5	6	7	8 SEPTEMBER
9	10		12	13	14	15
16	17			20	21	22
23	24	25	26	27	28	29
30						
	1	2	3	4	5	6 OCTOBER
7	8		10	11	12	13
14	15	16	17	18	19	20
21	22		24	25	26	27
28	29	30	31			
				1	2	3 NOVEMBER
4	5		7	8	9	10
11	12		14	15	16	17
18	19	20	21	22	23	24
25	26		28	29	30	
						1
2	3		5	6	7	8 DECEMBER
9	10	11	12	13	14	15
16	17		19	20	21	22
23	24	25	26	27	28	29
30	31					
		1	2	3	4	5
6	7		9	10	11	12 JANUARY
13	14	15	16	17	18	19
20	21		23	24	25	26
27	28	29	30	31		
					1	2
3	4		6	7	8	9 FEBRUARY
10	11	12	13	14	15	16
17	18		20	21	22	23
24	25	26	27	28		
					1	2
3	4	5	6	7	8	9 MARCH
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

LEGEND	
	COUNCIL MEETINGS
	WSTF MEETINGS
	KPB MEETING
	TENTATIVE MEETING DATES
	ROOM AVAILABLE
	HOLIDAY
	SCHEDULE CONFLICT
	ELECTION NIGHT
	NO COUNCIL MEETING
	Public Hearing First Draft
	Tentative Public Hearing Final Draft
	Committee Meetings
	Suggested Committee Meetings



City of Homer

2000 Budget

Water Rate Model

DEPRECIATION & FLEET ALLOCATION TO VARIABLE COST (\$148,000)

REVISION # 1 HYDRANT COST REIMBURSED FROM GENERAL FUND

INPUT DATA: ENTER THE CORRECT DATA IN THE HIGHLIGHTED BOXES.

REVENUE REQUIREMENTS		
Dept.	Component	Requirement
403	Pump Station	\$ 52,723
405	Water Reservoir Maintenance	\$ 16,592
404	Water Distribution Operations	\$ 113,830
407	Water Hydrants Maintenance	\$
401	Treatment Plant Operations	\$ 188,750
402	Treatment Plant Testing	\$ 29,041
406	Meter Operations	\$ 46,171
400	Administrative and General	\$ 361,820
400	Debt Service	\$ 130,000
400	Capital Reserve	\$ 128,000
400	Fleet Allocation	\$ 20,000

METER AND BILLING FIGURE FROM THE OVERHEAD BUDGET		
		\$ 12,286
PERCENTAGE OF FIXED COSTS ALLOCATED TO THE HOMER SPIT		
Dept.	Expenditure Component	Percentage (%)
403	Pump Station	15
405	Water Reservoir Maintenance	25
404	Water Distribution Operations	15
407	Water Hydrants Maintenance	0

Laurie has spreadsheet

Leave Fixed for now  
Leave Fixed for now

ESTIMATED ANNUAL WATER SALES IN GALLONS	132,274,130
ESTIMATED ANNUAL BULK WATER SALES IN GALLONS	15,260,000

**INPUT DATA: ENTER THE CORRECT DATA IN THE HIGHLIGHTED BOXES.**

DEPRECIATION & FLEET ALLOCATION TO VARIABLE COST (\$148,000)

REVISION # 1 HYDRANT COST REIMBURSED FROM GENERAL FUND

**NUMBER OF WATER CUSTOMERS BY METER SIZE**

Meter Size	Total	Spit
5/8	1450	15
3/4	37	5
1	55	1
1 1/2	35	2
2	18	4
3	2	0
4	1	0
6	0	0
<b>TOTAL</b>	<b>1598</b>	<b>27</b>

City of Homer

2000 Budget

Water Rate Model

DEPRECIATION & FLEET ALLOCATION TO VARIABLE COST (\$148,000)

REVISION # 1 HYDRANT COST REIMBURSED FROM GENERAL FUNI water1

MONTHLY RATES FOR THE CITY OF HOMER WATER CUSTOMERS

CUSTOMER CHARGE \$3.05

COMMODITY CHARGE  
PER 1,000 GALLONS \$4.20

BULK RATE PER  
1,000 GALLONS \$12.01

SERVICE CHARGE

Meter Size	General Service Charge	Spit Service Charge
5/8	\$ 8.49	\$ 37.62
3/4	\$ 25.47	\$ 112.86
1	\$ 50.95	\$ 225.72
1 1/2	\$ 101.90	\$ 451.43
2	\$ 203.79	\$ 902.87
3	\$ 407.58	\$ 1,805.74
4	\$ 815.17	\$ 3,611.47
6	\$ 1,630.33	\$ 7,222.95

EXCESS USE SURCHARGE

Meter Size	Monthly Use Exceeds	General Service Charge	Spit Service Charge
5/8	20,000 gallons	\$ 25.47	\$ 112.86
5/8	70,000 gallons	\$ 50.95	\$ 225.72
3/4	70,000 gallons	\$ 50.95	\$ 225.72



City of Homer  
2000 Budget  
Water Rate Model

**DEPRECIATION & FLEET ALLOCATION TO VARIABLE COST (\$148,000)  
REVISION # 1 HYDRANT COST REIMBURSED FROM GENERAL FUND**

<u>Annual Revenue Requirement</u>			<u>Allocation</u>				
Dept.	Expenditure Component	2000 Revenue Requirement	Meter and Billing Costs	Variable Costs	Fixed Costs	Fixed Costs Spit	Spit (%)
	<b>O&amp;M Expenses:</b>						
403	Pump Station	\$ 52,723			\$ 44,815	\$ 7,908	15
405	Water Reservoir Maintenance	\$ 16,592			\$ 12,444	\$ 4,148	25
404	Water Distribution Operations	\$ 113,830			\$ 96,756	\$ 17,075	15
407	Water Hydrants Maintenance	\$ -			\$ -	\$ -	0
401	Treatment Plant Operations	\$ 188,750		\$ 188,750			
402	Treatment Plant Testing	\$ 29,041		\$ 29,041			
406	Meter Operations	\$ 46,171	\$ 46,171				
400	Administrative and General	\$ 361,820	\$ 12,286	\$ 189,869	\$ 134,269	\$ 25,396	
	<b>Capital Requirements:</b>						
400	Debt Service	\$ 130,000			\$ 130,000		
400	Capital Reserve	\$ 128,000		\$ 128,000	\$ -	\$ -	
400	Fleet Allocation	\$ 20,000		\$ 20,000	\$ -		Check:
	<b>Total</b>	<b>\$ 1,086,927</b>	<b>\$ 58,457</b>	<b>\$ 555,660</b>	<b>\$ 418,283</b>	<b>\$ 54,527</b>	<b>\$ 1,086,927</b>
	<b>Monthly Revenue Requirements</b>	<b>\$ 90,577</b>	<b>\$ 4,871</b>	<b>\$ 46,305</b>	<b>\$ 34,857</b>	<b>\$ 4,544</b>	<b>\$ 90,577</b>



City of Homer  
2000 Budget  
Water Rate Model

**DEPRECIATION & FLEET ALLOCATION TO VARIABLE COST (\$148,000)  
REVISION # 1 HYDRANT COST REIMBURSED FROM GENERAL FUND  
DETERMINATION OF CUSTOMER RATE**

Monthly Meter and Billing Costs:	\$4,871
Average Number of Water Customers	1598
Monthly Customer Rate	<input type="text" value="\$3.05"/>

**DETERMINATION OF COMMODITY RATE**

Annual Variable Cost	\$555,660
Annual Water Sales in Gallons	132,274,130
Commodity Rate Per 1000 Gallons	<input type="text" value="\$4.20"/>

**DETERMINATION OF BULK RATE**

# of Customers (connected)	1,154
# of Customers (bulk water)	460
Bulk % of Total (based on # of connectic	28.50
Annual Fixed Cost	\$418,283
Fixed Cost to be paid by Bulk Users:	\$119,213
Annual Bulk Water Usage	15,260,000
Surcharge	<input type="text" value="\$7.81"/>
Commodity Rate Per 1000 Gallons	\$4.20
Total Bulk Rate Per 1000 Gallons	<input type="text" value="\$12.01"/>



City of Homer  
2000 Budget  
Water Rate Model

**DEPRECIATION & FLEET ALLOCATION TO VARIABLE COST (\$148,000)  
REVISION # 1 HYDRANT COST REIMBURSED FROM GENERAL FUND  
DETERMINATION OF FIXED RATES**

Total annual revenue requirement to be covered by fixed	\$ 418,283
Less amount charged to Bulk Users:	\$ 119,213
Monthly revenue requirement:	\$ 24,922

Meter Size	No. of Cust.	Equiv. Meters	Index Number	Fixed Rate	Monthly Revenue
5/8	1450	1	1.00	\$ 8.49	\$ 12,312.40
3/4	37	1.5	3.00	\$ 25.47	\$ 942.54
1	55	2.5	6.00	\$ 50.95	\$ 2,802.13
1 1/2	35	5	12.00	\$ 101.90	\$ 3,566.35
2	18	8	24.00	\$ 203.79	\$ 3,668.25
3	2	17.5	48.00	\$ 407.58	\$ 815.17
4	1	31.5	96.00	\$ 815.17	\$ 815.17
6	0	70	192.00	\$ 1,630.33	\$ -
<b>Totals</b>	<b>1598</b>				<b>\$ 24,922.00</b>

**SPIT SURCHARGE**

Total annual revenue requirement to be covered by fixed	\$ 54,527
Monthly revenue requirement:	\$ 4,544

Meter Size	No. of Cust.	Equiv. Meters	Index Number	Surcharge	Monthly Revenue
5/8	15	1	1.00	\$ 29.13	\$ 436.92
3/4	5	1.5	3.00	\$ 87.38	\$ 436.92
1	1	2.5	6.00	\$ 174.77	\$ 174.77
1 1/2	2	5	12.00	\$ 349.54	\$ 699.08
2	4	8	24.00	\$ 699.08	\$ 2,796.31
3	0	17.5	48.00	\$ 1,398.15	\$ -
4	0	31.5	96.00	\$ 2,796.31	\$ -
6	0	70	192.00	\$ 5,592.62	\$ -
<b>Totals</b>	<b>27</b>				<b>\$ 4,544.00</b>

**TOTAL SPIT FIXED RATES**

Meter Size	Fixed Rate
5/8	\$ 37.62
3/4	\$ 112.86
1	\$ 225.72
1 1/2	\$ 451.43
2	\$ 902.87
3	\$ 1,805.74
4	\$ 3,611.47
6	\$ 7,222.95

**EXCESS USE SURCHARGE**

Meter Size	Monthly Use Exceeds	General Service Charge	Spit Service Charge
5/8	20,000 gallons	\$ 25.47	\$ 112.86
5/8	70,000 gallons	\$ 50.95	\$ 225.72
3/4	70,000 gallons	\$ 50.95	\$ 225.72



City of Homer  
2000 Budget

Water Rate Model

DEPRECIATION & FLEET ALLOCATION TO VARIABLE COST (\$148,000)

REVISION # 1 HYDRANT COST REIMBURSED FROM GENERAL FUND

INPUT DATA: ENTER THE CORRECT DATA IN THE HIGHLIGHTED BOXES.

REVENUE REQUIREMENTS		
Dept.	Component	Requirement
403	Pump Station	\$ 52,723
405	Water Reservoir Maintenance	\$ 16,592
404	Water Distribution Operations	\$ 113,830
407	Water Hydrants Maintenance	\$
401	Treatment Plant Operations	\$ 188,750
402	Treatment Plant Testing	\$ 29,041
406	Meter Operations	\$ 46,171
400	Administrative and General	\$ 361,820
400	Debt Service	\$ 130,000
400	Capital Reserve	\$ 128,000
400	Fleet Allocation	\$ 20,000

METER AND BILLING FIGURE FROM THE OVERHEAD BUDGET		
		\$ 12,286
PERCENTAGE OF FIXED COSTS ALLOCATED TO THE HOMER SPIT		
Dept.	Expenditure Component	Percentage (%)
403	Pump Station	15
405	Water Reservoir Maintenance	25
404	Water Distribution Operations	15
407	Water Hydrants Maintenance	0

Laurie has spreadshee

Leave Fixed for now  
Leave Fixed for now  
Leave Fixed for now  
Leave Fixed for now

ESTIMATED ANNUAL WATER SALES IN GALLONS	132,274,130
ESTIMATED ANNUAL BULK WATER SALES IN GALLONS	15,260,000

**INPUT DATA: ENTER THE CORRECT DATA IN THE HIGHLIGHTED BOXES.**

DEPRECIATION & FLEET ALLOCATION TO VARIABLE COST (\$148,000)

REVISION # 1 HRYDART COST REIMBURSED FROM GENERAL FUND

**NUMBER OF WATER CUSTOMERS BY METER SIZE**

Meter Size	Total	Spit
5/8	1006	15
3/4	37	5
1	55	1
1 1/2	35	2
2	18	4
3	2	0
4	1	0
6	0	0
<b>TOTAL</b>	<b>1154</b>	<b>27</b>

City of Homer  
2000 Budget  
Water Rate Model

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City of Homer  
2000 Budget

Water Rate Model

DEPRECIATION & FLEET ALLOCATION TO VARIABLE COST (\$148,000)

REVISION # 1 HYDRANT COST REIMBURSED FROM GENERAL FUNI water1

MONTHLY RATES FOR THE CITY OF HOMER WATER CUSTOMERS

CUSTOMER CHARGE \$4.22

COMMODITY CHARGE  
PER 1,000 GALLONS \$4.20

BULK RATE PER  
1,000 GALLONS \$7.36

SERVICE CHARGE

Meter Size	General Service Charge	Spit Service Charge
5/8	\$ 19.46	\$ 87.28
3/4	\$ 29.19	\$ 130.92
1	\$ 48.65	\$ 218.20
1 1/2	\$ 97.31	\$ 436.41
2	\$ 155.69	\$ 698.26
3	\$ 340.57	\$ 1,527.43
4	\$ 613.02	\$ 2,749.38
6	\$ 1,362.27	\$ 6,109.73

EXCESS USE SURCHARGE

Meter Size	Monthly Use Exceeds	General Service Charge	Spit Service Charge
5/8	20,000 gallons	\$ 29.19	\$ 130.92
5/8	70,000 gallons	\$ 48.65	\$ 218.20
3/4	70,000 gallons	\$ 48.65	\$ 218.20



City of Homer  
2000 Budget  
Water Rate Model

**DEPRECIATION & FLEET ALLOCATION TO VARIABLE COST (\$148,000)  
REVISION # 1 HYDRANT COST REIMBURSED FROM GENERAL FUND**

<u>Annual Revenue Requirement</u>			<u>Allocation</u>				
<u>Dept.</u>	<u>Expenditure Component</u>	<u>2000 Revenue Requirement</u>	<u>Meter and Billing Costs</u>	<u>Variable Costs</u>	<u>Fixed Costs</u>	<u>Fixed Costs Spit</u>	<u>Spit (%)</u>
	O&M Expenses:						
403	Pump Station	\$ 52,723			\$ 44,815	\$ 7,908	15
405	Water Reservoir Maintenance	\$ 16,592			\$ 12,444	\$ 4,148	25
404	Water Distribution Operations	\$ 113,830			\$ 96,756	\$ 17,075	15
407	Water Hydrants Maintenance	\$ -			\$ -	\$ -	0
401	Treatment Plant Operations	\$ 188,750		\$ 188,750			
402	Treatment Plant Testing	\$ 29,041		\$ 29,041			
406	Meter Operations	\$ 46,171	\$ 46,171				
400	Administrative and General	\$ 361,820	\$ 12,286	\$ 189,869	\$ 134,269	\$ 25,396	
	Capital Requirements:						
400	Debt Service	\$ 130,000			\$ 130,000		
400	Capital Reserve	\$ 128,000		\$ 128,000	\$ -	\$ -	
400	Fleet Allocation	\$ 20,000		\$ 20,000	\$ -		
	<b>Total</b>	<b>\$ 1,086,927</b>	<b>\$ 58,457</b>	<b>\$ 555,660</b>	<b>\$ 418,283</b>	<b>\$ 54,527</b>	<b>\$ 1,086,927</b>
	<b>Monthly Revenue Requirements</b>	<b>\$ 90,577</b>	<b>\$ 4,871</b>	<b>\$ 46,305</b>	<b>\$ 34,857</b>	<b>\$ 4,544</b>	<b>\$ 90,577</b>
							Check:



City of Homer  
2000 Budget  
Water Rate Model

**DEPRECIATION & FLEET ALLOCATION TO VARIABLE COST (\$148,000)**  
**REVISION # 1 HYDRANT COST REIMBURSED FROM GENERAL FUND**  
**DETERMINATION OF CUSTOMER RATE**

Monthly Meter and Billing Costs:	\$4,871
Average Number of Water Customers	1154
Monthly Customer Rate	<input type="text" value="\$4.22"/>

**DETERMINATION OF COMMODITY RATE**

Annual Variable Cost	\$555,660
Annual Water Sales in Gallons	132,274,130
Commodity Rate Per 1000 Gallons	<input type="text" value="\$4.20"/>

**DETERMINATION OF BULK RATE**

Annual Bulk sales in Gallons	15,260,000
Total Sales in Gallons	132,274,130
Bulk % of Total:	11.54
Annual Fixed Cost	\$418,283
Fixed Cost to be paid by Bulk Users:	\$48,256
Surcharge Per 1000 Gallons	\$3.16
Commodity Rate Per 1000 Gallons	\$4.20
Total Bulk Rate Per 1000 Gallons	<input type="text" value="\$7.36"/>



City of Homer  
2000 Budget  
Water Rate Model

**DEPRECIATION & FLEET ALLOCATION TO VARIABLE COST (\$148,000)  
REVISION # 1 HYDRANT COST REIMBURSED FROM GENERAL FUND  
DETERMINATION OF FIXED RATES**

Total annual revenue requirement to be covered by fixed	\$ 418,283
Less amount charged to Bulk Users:	\$ 48,256
Monthly revenue requirement:	\$ 30,836

Meter Size	No. of Cust.	Equiv. Meters	Index Number	Fixed Rate	Monthly Revenue
5/8	1006	1	1.00	\$ 19.46	\$ 19,577.79
3/4	37	1.5	1.50	\$ 29.19	\$ 1,080.09
1	55	2.5	2.50	\$ 48.65	\$ 2,675.89
1 1/2	35	5	5.00	\$ 97.31	\$ 3,405.68
2	18	8	8.00	\$ 155.69	\$ 2,802.39
3	2	17.5	17.50	\$ 340.57	\$ 681.14
4	1	31.5	31.50	\$ 613.02	\$ 613.02
6	0	70	70.00	\$ 1,362.27	\$ -
<b>Totals</b>	<b>1154</b>				<b>\$ 30,836.00</b>

**SPIT SURCHARGE**

Total annual revenue requirement to be covered by fixed	\$ 54,527
Monthly revenue requirement:	\$ 4,544

Meter Size	No. of Cust.	Equiv. Meters	Index Number	Surcharge	Monthly Revenue
5/8	15	1	1.00	\$ 67.82	\$ 1,017.31
3/4	5	1.5	1.50	\$ 101.73	\$ 508.66
1	1	2.5	2.50	\$ 169.55	\$ 169.55
1 1/2	2	5	5.00	\$ 339.10	\$ 678.21
2	4	8	8.00	\$ 542.57	\$ 2,170.27
3	0	17.5	17.50	\$ 1,186.87	\$ -
4	0	31.5	31.50	\$ 2,136.36	\$ -
6	0	70	70.00	\$ 4,747.46	\$ -
<b>Totals</b>	<b>27</b>				<b>\$ 4,544.00</b>

**TOTAL SPIT FIXED RATES**

Meter Size	Fixed Rate
5/8	\$ 87.28
3/4	\$ 130.92
1	\$ 218.20
1 1/2	\$ 436.41
2	\$ 698.26
3	\$ 1,527.43
4	\$ 2,749.38
6	\$ 6,109.73

**EXCESS USE SURCHARGE**

Meter Size	Monthly Use Exceeds	General Service Charge	Spit Service Charge
5/8	20,000 gallons	\$ 29.19	\$ 130.92
5/8	70,000 gallons	\$ 48.65	\$ 218.20
3/4	70,000 gallons	\$ 48.65	\$ 218.20

Revised

September 1999

File: Water Rate model 2000 budget.xls

Tab: Fixed Rt.

8/30/2012 4:07 PM



**Renee Krause**

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**From:** Ken Castner <KCastner@tonsina.biz>  
**Sent:** Sunday, August 26, 2012 2:22 PM  
**To:** Renee Krause  
**Cc:** Mary Wythe; bobhoward@gci.net  
**Subject:** Draft Rate Models.xlsx  
**Attachments:** Draft Rate Models.xlsx

Renee:

I used FY2014 projected costs that I took from a worksheet given to us. The spreadsheets will take any changes in costs or gallons. I've started with Sloan and have stuck to classless service in this iteration. New classes will be self-defined through differentials.

Would you please send me the W&S budget that is currently being worked on by the Council?

Thanks.

Ken Castner



Sub-committee for Draft Models

City of Homer Water and Sewer Rate Study Draft Rate Model				
Version 1 (Sloan Approach: Equal Commodity Charge plus Small Service Fee)				
	Assumptions:			
1	Hydrant Rents =			
2	Commodity Reduction due to Conservation =			
3	Historic Metered Sales Projection (gallons) =		136,000,000	
4	Adjusted Sales Projection (gallons) =			
5	Total Revenue Requirements for Commodity =		1,624,471	
6	Total Revenue Requirements for Disposal =		1,473,602	
7	Total Services (meters) =		1,500	
8	Total Customers (billings) =			
9	Total Revenue Requirements for Service =		324,000	
10	Spit Differential =			
11	Sprinkler Differential =			
12	Commercial Differential =			
	Monthly Demand Fee =			
	Sloan = Line 5/Line 3 = Commodity Rate (\$/gal)			
	Sloan = Line 8/Line 6/12 = Monthly Service Fee			
	Sloan= Line 6/Line 3			
	All Customers	Water Rate	Service Fee	Sewer Rate
		0.01194	18	0.0108



Sub-committee for Draft Models

<b>Water</b>	<b>Total Revenue:</b>						
	<b>Commodity</b>			1,624,471			
	<b>Service</b>			324,000			
	<b>Total:</b>			1,948,471			
	<b>Average mo. Gal.</b>	<b>New Rate/mo.</b>	<b>Service Fee</b>	<b>Monthly Bill</b>			
1 to 150	323	3.86	18	21.86			
151 to 300	1,033	12.34	18	30.34			
301 to 450	1,636	19.54	18	37.54			
451 to 600	2,127	25.41	18	43.41			
601 to 750	2,593	30.97	18	48.97			
751 to 900	3,133	37.42	18	55.42			
901 to 1050	3,709	44.30	18	62.30			
1051 to 1200	4,627	55.27	18	73.27			
1201 to 1350	6,649	79.42	18	97.42			
Top 10%	42,470	507.29	18	525.29			



Sub-committee for Draft Models

<b>Sewer</b>							
	Average mo. Gal.	New Rate/mo.	Service Fee	Monthly Bill			
1 to 150	323	3.50	0	3.50			
151 to 300	1,033	11.19	0	11.19			
301 to 450	1,636	17.73	0	17.73			
451 to 600	2,127	23.05	0	23.05			
601 to 750	2,593	28.10	0	28.10			
751 to 900	3,133	33.95	0	33.95			
901 to 1050	3,709	40.19	0	40.19			
1051 to 1200	4,627	50.13	0	50.13			
1201 to 1350	6,649	72.04	0	72.04			
Top 10%	42,470	460.18	0	460.18			



Sub-committee for Draft Models

Total Water and Sewer		Monthly Bill					
1 to 150		25.36					
151 to 300		41.53					
301 to 450		55.27					
451 to 600		66.45					
601 to 750		77.07					
751 to 900		89.37					
901 to 1050		102.49					
1051 to 1200		123.40					
1201 to 1350		169.46					
Top 10%		985.46					
Points in Favor:							
A)	Simple						
B)	Removes multi-tenant charges						
C)	Encourages conservation						
Points Against:							
Case 1	No Hydrant Rents						
Case 2	Reduced Sales through conservation						
Case 3	Cost-causers subsidized by others (Spit water)						
Case 4	Cost-causers subsidized by others (Sprinkler water)						
Case 5	Cost-causers subsidized by others (Spit sewer)						
Case 6	Cost-causers subsidized by others (Heavy Commercial sewer)						



City of Homer Water and Sewer Rate Study Draft Rate Model  
 Version 1.1 (Case 1 using Sloan Approach with Hydrant Rents paid by Gen. Fund)

Assumptions:

1	Hydrant Rents =	178,647
2	Commodity Reduction due to Conservation =	
3	Historic Metered Sales Projection (gallons) =	136,000,000
4	Adjusted Sales Projection (gallons) =	
5	Total Revenue Requirements for Commodity =	1,445,824
6	Total Revenue Requirements for Disposal =	1,473,602
7	Total Services (meters) =	1,500
8	Total Customers (billings) =	
9	Total Revenue Requirements for Service =	324,000
10	Spit Differential =	
11	Sprinkler Differential =	
12	Commercial Differential =	
	Monthly Demand Fee =	

Sloan = Line 5/Line 3 = Commodity Rate (\$/gal)

Sloan = Line 8/Line 6/12 = Monthly Service Fee

Sloan = Line 6/Line 3

All Customers	Water Rate	Service Fee	Sewer Rate
	0.01063	18	0.0108

<b>Water</b>	Total Revenue:	
	Commodity	1,445,824
	Service	324,000
	Total:	1,769,824

	Average mo. Gal.	New Rate/mo.	Service Fee	Monthly Bill
1 to 150	323	3.43	18	21.43
151 to 300	1,033	10.98	18	28.98
301 to 450	1,636	17.39	18	35.39
451 to 600	2,127	22.61	18	40.61
601 to 750	2,593	27.57	18	45.57
751 to 900	3,133	33.31	18	51.31
901 to 1050	3,709	39.43	18	57.43
1051 to 1200	4,627	49.19	18	67.19
1201 to 1350	6,649	70.69	18	88.69
Top 10%	42,470	451.50	18	469.50

<b>Sewer</b>	Average mo. Gal.	New Rate/mo.	Service Fee	Monthly Bill
1 to 150	323	3.50	0	3.50
151 to 300	1,033	11.19	0	11.19
301 to 450	1,636	17.73	0	17.73
451 to 600	2,127	23.05	0	23.05
601 to 750	2,593	28.10	0	28.10

751 to 900	3,133	33.95	0	33.95
901 to 1050	3,709	40.19	0	40.19
1051 to 1200	4,627	50.13	0	50.13
1201 to 1350	6,649	72.04	0	72.04
Top 10%	42,470	460.18	0	460.18

Total Water and Sewer	Monthly Bill
1 to 150	24.93
151 to 300	40.17
301 to 450	53.12
451 to 600	63.66
601 to 750	73.66
751 to 900	85.25
901 to 1050	97.62
1051 to 1200	117.32
1201 to 1350	160.73
Top 10%	929.68

Points in Favor:

- A) Simple
- B) Removes multi-tenant charges
- C) Encourages conservation

Points Against:

Case 2 Reduced Sales through conservation

Case 3 Cost-causers subsidized by others (Spit water)

Case 4 Cost-causers subsidized by others (Sprinkler water)

Case 5 Cost-causers subsidized by others (Spit sewer)

Case 6 Cost-causers subsidized by others (Heavy Commercial sewer)

City of Homer Water and Sewer Rate Study Draft Rate Model  
 Version 1.1 (Case 1 using Sloan Approach with Hydrant Rents paid by Gen. Fund)

Assumptions:

1	Hydrant Rents =	178,647
2	Commodity Reduction due to Conservation =	13%
3	Historic Metered Sales Projection (gallons) =	136,000,000
4	Adjusted Sales Projection (gallons) =	
5	Total Revenue Requirements for Commodity =	1,633,781
6	Total Revenue Requirements for Disposal =	1,665,170
7	Total Services (meters) =	1,500
8	Total Customers (billings) =	
9	Total Revenue Requirements for Service =	324,000
10	Spit Differential =	
11	Sprinkler Differential =	
12	Commercial Differential =	
13	Monthly Demand Fee =	

Sloan = Line 5/Line 3 = Commodity Rate (\$/gal)

Sloan = Line 8/Line 6/12 = Monthly Service Fee

Sloan= Line 6/Line 3

All Customers	Water Rate	Service Fee	Sewer Rate
	0.01201	18	0.0122

**Water**

Total Revenue:

Commodity

1,633,781

Service

324,000

Total:

1,957,781

	Average mo. Gal.	New Rate/mo.	Service Fee	Monthly Bill
1 to 150	323	3.88	18	21.88
151 to 300	1,033	12.41	18	30.41
301 to 450	1,636	19.65	18	37.65
451 to 600	2,127	25.55	18	43.55
601 to 750	2,593	31.15	18	49.15
751 to 900**	2,726	32.74	18	50.74
901 to 1050**	3,227	38.76	18	56.76
1051 to 1200**	4,025	48.36	18	66.36
1201 to 1350**	5,785	69.49	18	87.49
Top 10%**	36,949	443.87	18	461.87

\*\* conservation reduction applied

**Sewer**

	Average mo. Gal.	New Rate/mo.	Service Fee	Monthly Bill
1 to 150	323	3.95	0	3.95
151 to 300	1,033	12.65	0	12.65
301 to 450	1,636	20.03	0	20.03
451 to 600	2,127	26.04	0	26.04
601 to 750	2,593	31.75	0	31.75
751 to 900**	2,726	33.37	0	33.37

901 to 1050**	3,227	39.51	0	39.51
1051 to 1200**	4,025	49.29	0	49.29
1201 to 1350**	5,785	70.83	0	70.83
Top 10%**	36,949	452.40	0	452.40

\*\* conservation reduction applied

Total Water and Sewer	Monthly Bill
1 to 150	25.84
151 to 300	43.06
301 to 450	57.68
451 to 600	69.59
601 to 750	80.90
751 to 900	84.12
901 to 1050	96.27
1051 to 1200	115.65
1201 to 1350	158.32
Top 10%	914.27

Points in Favor:

- A) Simple
- B) Removes multi-tenant charges
- C) Encourages conservation

Points Against:

- Case 3 Cost-causers subsidized by others (Spit water)
- Case 4 Cost-causers subsidized by others (Sprinkler water)

Case 5 Cost-causers subsidized by others (Spit sewer)

Case 6 Cost-causers subsidized by others (Heavy Commercial sewer)

City of Homer Water and Sewer Rate Study Draft Rate Model  
 Version 1.1 (Case 1 using Sloan Approach with Hydrant Rents paid by Gen. Fund)

Assumptions:

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2	Commodity Reduction due to Conservation =	13%
3	Historic Metered Sales Projection (gallons) =	136,000,000
4	Adjusted Sales Projection (gallons) =	
5	Total Revenue Requirements for Commodity =	1,633,781
6	Total Revenue Requirements for Disposal =	1,665,170
7	Total Services (meters) =	1,500
8	Total Customers (billings) =	
9	Total Revenue Requirements for Service =	324,000
10	Spit Differential =	
11	Sprinkler Differential =	
12	Commercial Differential =	
13	Monthly Demand Fee =	

Sloan = Line 5/Line 3 = Commodity Rate (\$/gal)

Sloan = Line 8/Line 6/12 = Monthly Service Fee

Sloan = Line 6/Line 3

All Customers	Water Rate	Service Fee	Sewer Rate
	0.01201	18	0.0122

**Water**

Total Revenue:

Commodity

1,633,781

Service

324,000

Total:

1,957,781

	Average mo. Gal.	New Rate/mo.	Service Fee	Monthly Bill
1 to 150	323	3.88	18	21.88
151 to 300	1,033	12.41	18	30.41
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601 to 750	2,593	31.15	18	49.15
751 to 900**	2,726	32.74	18	50.74
901 to 1050**	3,227	38.76	18	56.76
1051 to 1200**	4,025	48.36	18	66.36
1201 to 1350**	5,785	69.49	18	87.49
Top 10%**	36,949	443.87	18	461.87

\*\* conservation reduction applied

**Sewer**

	Average mo. Gal.	New Rate/mo.	Service Fee	Monthly Bill
1 to 150	323	3.95	0	3.95
151 to 300	1,033	12.65	0	12.65
301 to 450	1,636	20.03	0	20.03
451 to 600	2,127	26.04	0	26.04
601 to 750	2,593	31.75	0	31.75
751 to 900**	2,726	33.37	0	33.37

901 to 1050**	3,227	39.51	0	39.51
1051 to 1200**	4,025	49.29	0	49.29
1201 to 1350**	5,785	70.83	0	70.83
Top 10%**	36,949	452.40	0	452.40

\*\* conservation reduction applied

Total Water and Sewer	Monthly Bill
1 to 150	25.84
151 to 300	43.06
301 to 450	57.68
451 to 600	69.59
601 to 750	80.90
751 to 900	84.12
901 to 1050	96.27
1051 to 1200	115.65
1201 to 1350	158.32
Top 10%	914.27

Points in Favor:

- A) Simple
- B) Removes multi-tenant charges
- C) Encourages conservation

Points Against:

- Case 3 Cost-causers subsidized by others (Spit water)
- Case 4 Cost-causers subsidized by others (Sprinkler water)

Case 5 Cost-causers subsidized by others (Spit sewer)

Case 6 Cost-causers subsidized by others (Heavy Commercial sewer)

City of Homer Water and Sewer Rate Study Draft Rate Model  
 Version 1.1 (Case 1 using Sloan Approach with Hydrant Rents paid by Gen. Fund)

Assumptions:

1	Hydrant Rents =	178,647
2	Commodity Reduction due to Conservation =	
3	Historic Metered Sales Projection (gallons) =	
4	Adjusted Sales Projection (gallons) =	
5	Total Revenue Requirements for Commodity =	1,607,824
6	Total Revenue Requirements for Disposal =	1,635,602
7	Total Services (meters) =	1,500
8	Total Customers (billings) =	
9	Total Revenue Requirements for Service =	
10	Spit Differential =	
11	Sprinkler Differential =	
12	Commercial Differential =	
13	Monthly Demand Fee =	

Flat Rate = (Sum Line 5 + Line 6)/Line 7/12 months

All Customers One Bill for Water and Sewer  
 180.19

Points in Favor:

A) Simple

Points Against:

Cost-causers subsidized by others

Discourages conservation

Multi-fold increase to residential users