

C l a r k C o u n t y N e v a d a



BIG BEND
Water District

Citizens Advisory Committee

Rate Scenarios
September 14, 2017

MEETING AGENDA



Approval of Minutes

Rate Scenarios

Recommendations

FUNDING RECOMMENDATIONS



Funding Capital

*Pay-Go vs. **Issue Bonds***



Timeline for Implementation

***4 Years + CPI** vs. 10 Year Equal Increases*



Supplemental Funding

Do not access the Fort Mohave Fund



Sharing the Cost

More impacts to Service Charge

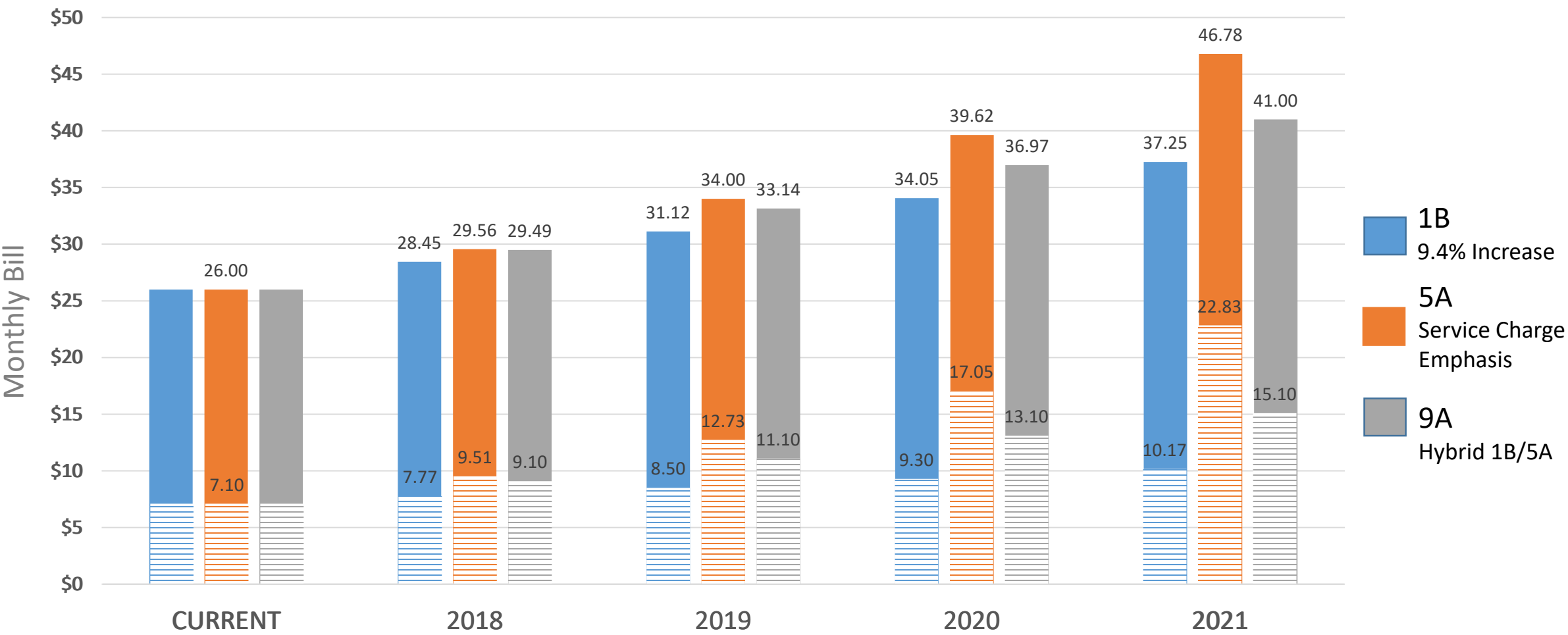
RATE SCENARIOS

Scenario	Financing	Implementation	Addl. Funding Sources	Rate Increase
1B	Issue Debt	4 Years + CPI	\$0.8 million	9.4%
5A	Issue Debt	4 Years + CPI	\$0.8 million	OVERALL: 9.4% Tier: 6.1% Svc. Chg: 33.9%
9A*	Issue Debt	4 Years + CPI	\$0.8 million	OVERALL: 9.4% Tier: 7.9% (2018) Svc. Chg: 28.2% (2018)

* This scenario assumes that that Service Charge for customers with a 5/8 and ¾-inch meter will increase by \$2 each year for four years. The Service Charge is increased proportionally for customers with larger meters.

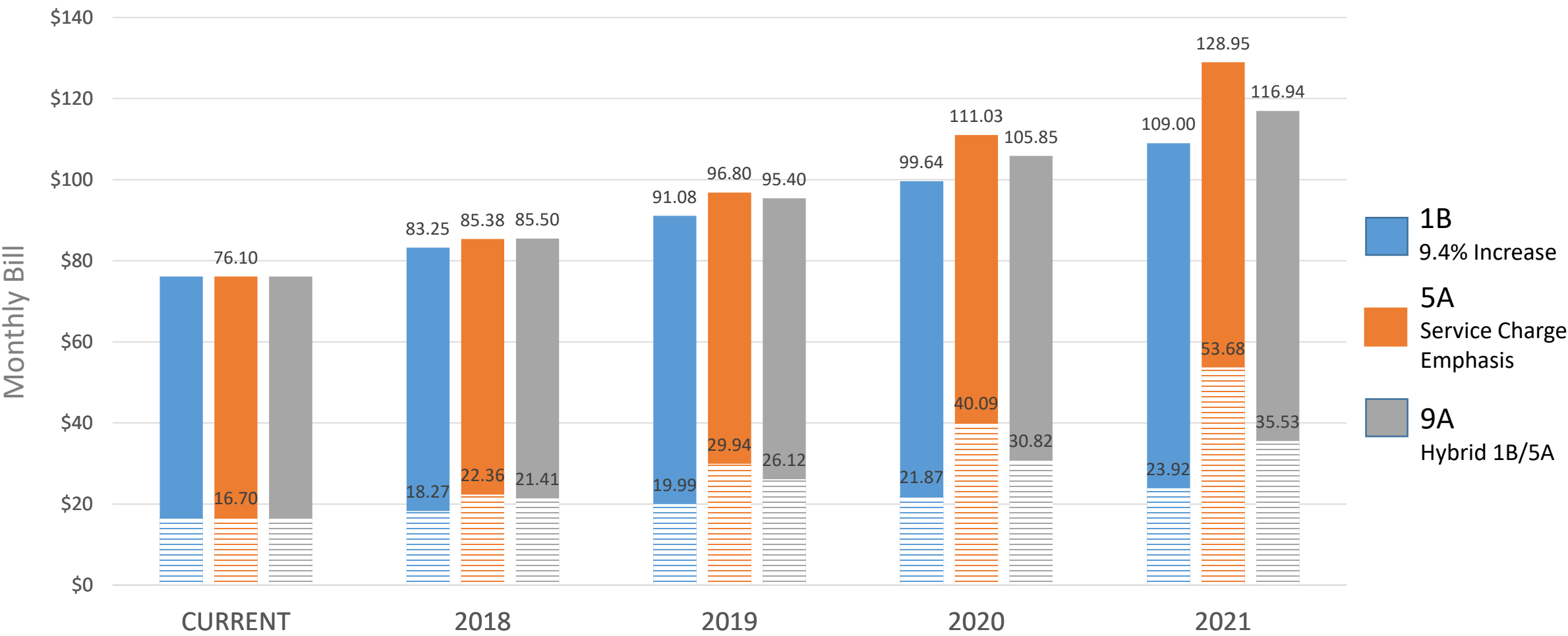
CUSTOMER IMPACTS – SINGLE FAMILY RESIDENTIAL

Average Monthly Use: 7,000 gallons



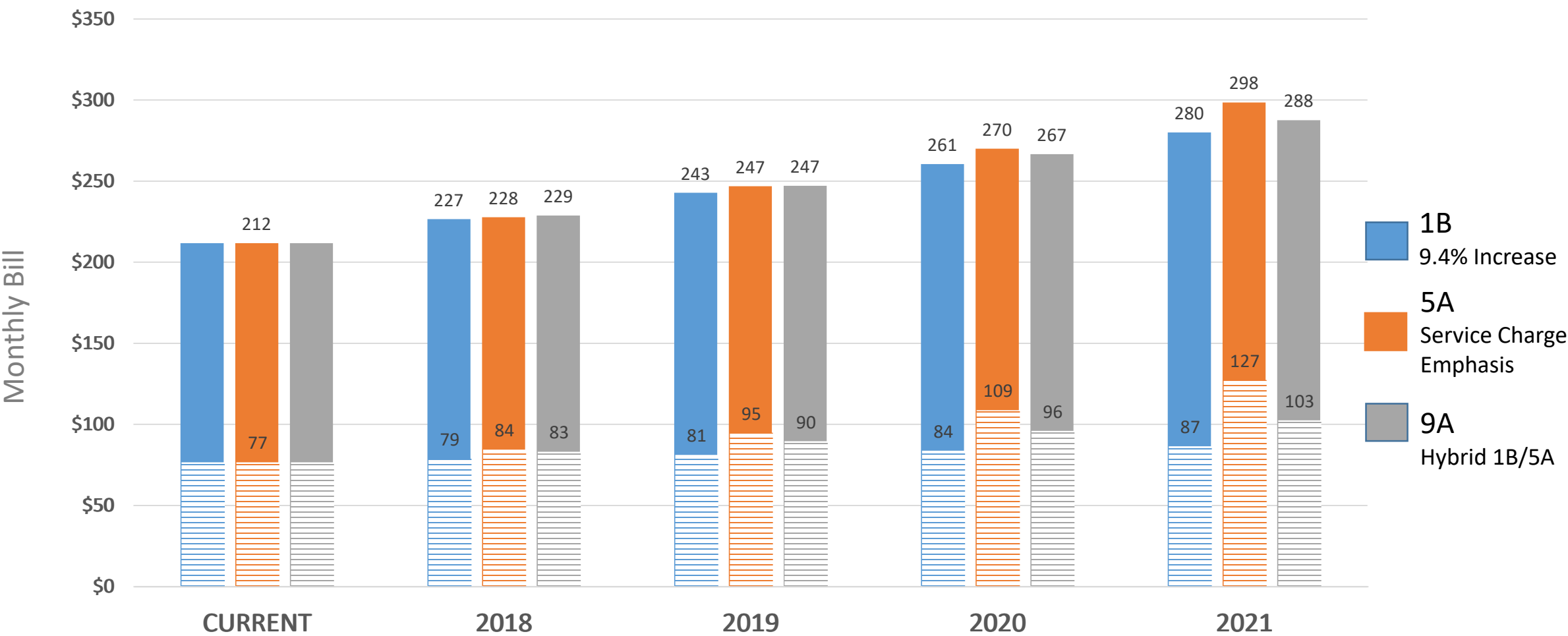
CUSTOMER IMPACTS – NON PROFIT

Average Monthly Use: 22,000 gallons



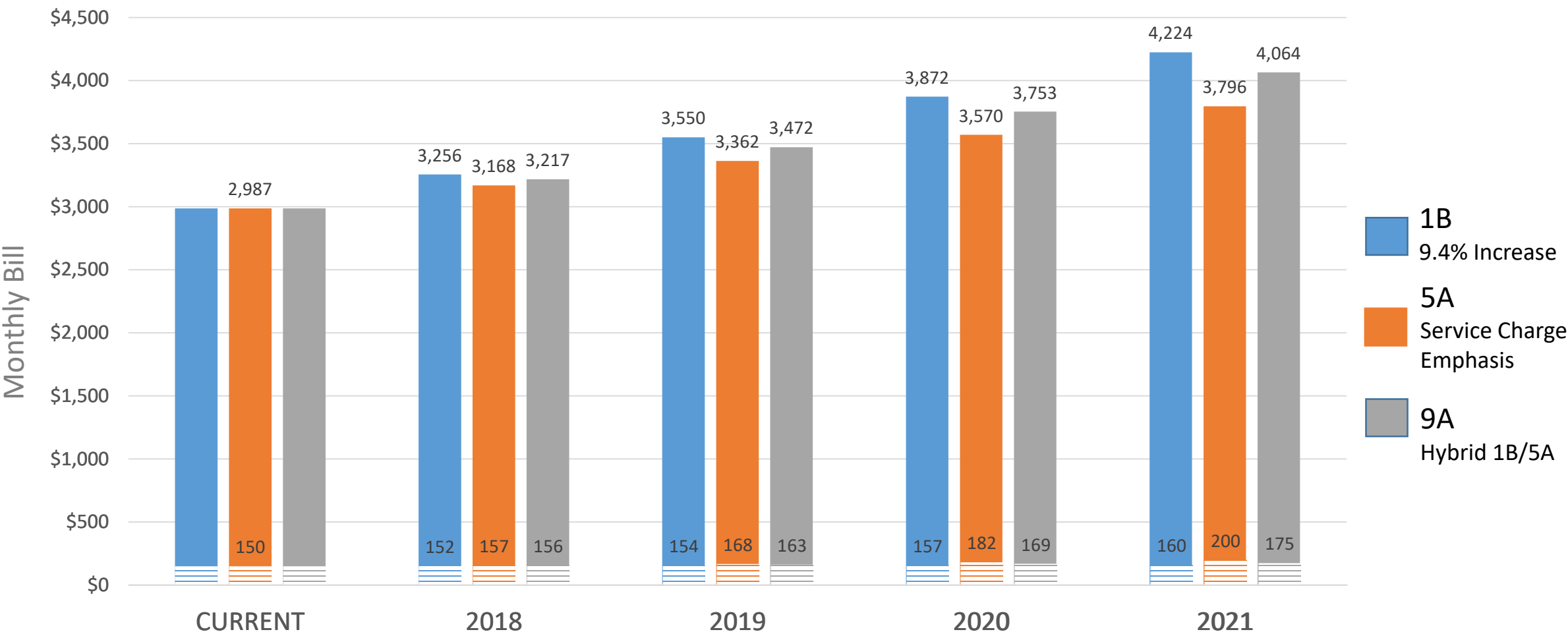
CUSTOMER IMPACTS – SMALL BUSINESS

Average Monthly Use: 50,000 gallons



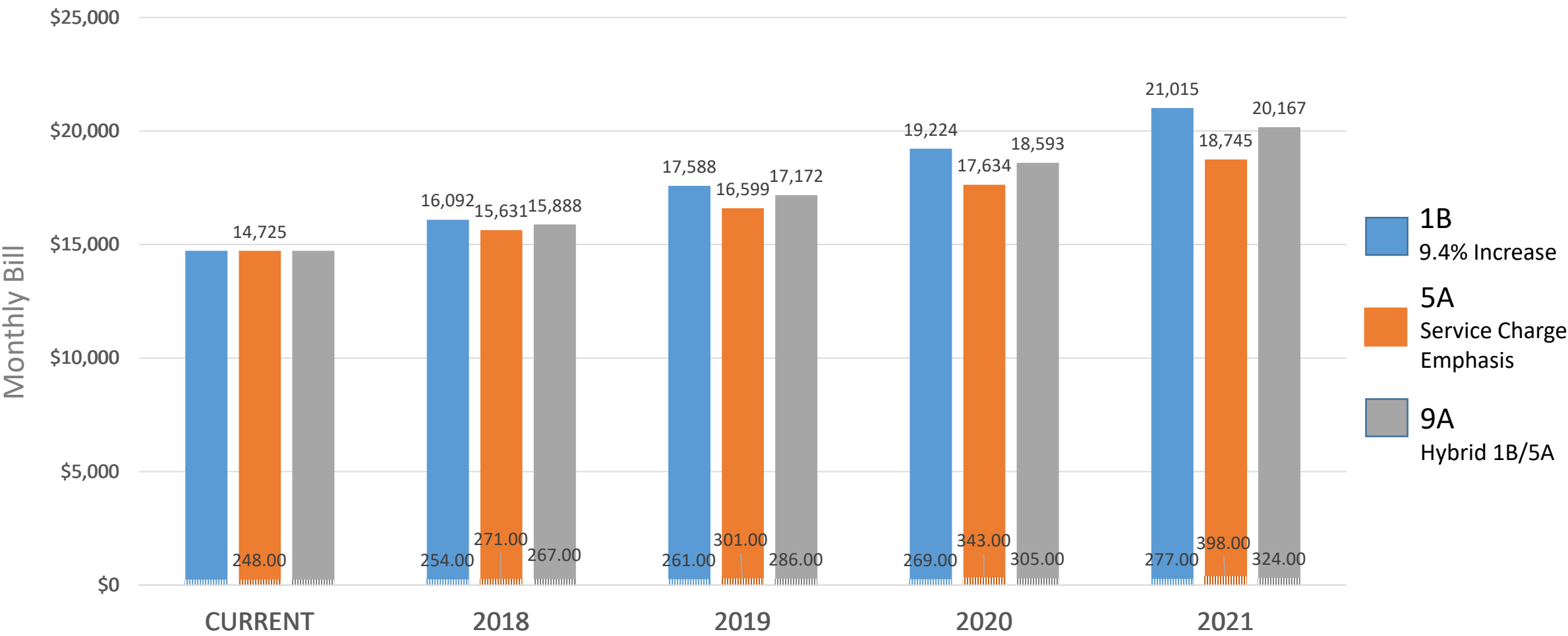
CUSTOMER IMPACTS – PARK

Average Monthly Use: 1,051,000 gallons



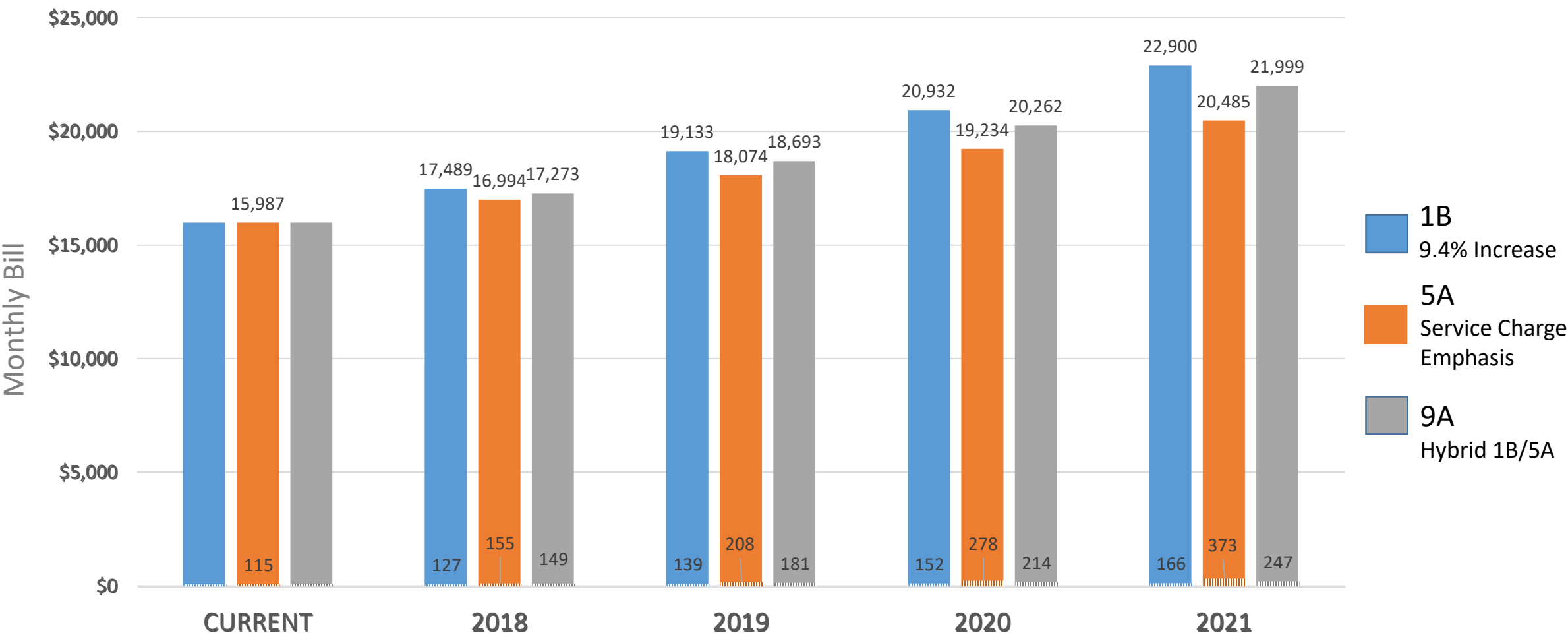
CUSTOMER IMPACTS – GAMING RESORT

Average Monthly Use: 5,362,000 gallons



CUSTOMER IMPACTS – MULTI-FAMILY RESIDENTIAL

Average Monthly Use: 5,442,000 gallons



COMMITTEE RECOMMENDATIONS

DRAFT
For Discussion Only

Whenever available, pursue grant funding to offset costs of the capital program.

COMMITTEE RECOMMENDATIONS

DRAFT
For Discussion Only

**Fund capital costs that are not grant-funded
with low interest State Revolving Fund loans.**

COMMITTEE RECOMMENDATIONS

DRAFT
For Discussion Only

**Do not access funds maintained in the
Fort Mohave Land Development Fund
to fund capital needs**

COMMITTEE RECOMMENDATIONS

DRAFT
For Discussion Only

**Increase water rates on January 1 by
__ percent, for a period of four years
(beginning in 2018 and concluding in 2021).**

COMMITTEE RECOMMENDATIONS

DRAFT
For Discussion Only

Beginning in January 2022, increase the water rates annually by an amount equal to the increase in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (CPI-W)

COMMITTEE RECOMMENDATIONS

DRAFT
For Discussion Only

If grant funding is secured that exceeds \$800,000, evaluate revenue needs and adjust rates accordingly.

NEXT STEPS & RATE ADOPTION SCHEDULE

- Sep. 21:** **Draft Committee Recommendations Report sent to Committee members for review and comment**
- Oct. 10** **Presentation of Advisory Committee process and recommendations to Laughlin Town Advisory Board**
- Business Impact Statement public comment period opens**
- Nov. 7** **BBWD Board of Trustees consider the Business Impact Statement**
- Dec. 5** **BBWD Board of Trustees consider committee recommendations and hold public hearing on rate increase**

OUTREACH

- **Website updates (bigbendwaterdistrict.com)**
- **Online bill estimator**
- **Direct mail to customers**
- **Newspaper ad placements**
- **Speakers Bureau**
- **Laughlin Town Advisory Board updates**
- **Social Media (Twitter & Facebook updates)**

SCENARIO REVIEW: 1B

Model Variable	Model Input
Capital Program Funding Sources	Issue debt for full program \$800,000 grants received No other funding sources
Phased-In Timeframe	4 Years
CPI-Indexed	Yes

Model Results:

Year of Implementation	2018	2019	2020	2021	2022 +
Increase to Water Rates	9.4%	9.4%	9.4%	9.4%	CPI
Increase to Service Charge	9.4%	9.4%	9.4%	9.4%	CPI

1B: \$0.8 mil. Other Funding + Debt Issuance

Customer Type	Average Consumption	Current Bill	New 2018 Bill	New 2019 Bill	New 2020 Bill	New 2021 Bill
Single Family Residential	7	\$ 26.00	\$ 28.45	\$ 31.12	\$ 34.05	\$ 37.25
Multi-family Residential	5,442	15,987.06	17,498.85	19,133.87	20,932.46	22,900.12
Elementary School	536	1,498.20	1,636.88	1,788.58	1,954.55	2,136.13
Shopping Center	299	934.00	1,014.95	1,103.50	1,200.37	1,306.35
Shopping Center	483	1,371.95	1,495.85	1,631.40	1,779.69	1,941.92
Restaurant	18	56.05	61.32	67.09	73.40	80.30
Non Profit	22	76.10	83.25	91.08	99.64	109.00
Non Profit (2)	20	68.05	74.45	81.44	89.10	97.48
Gaming Resort	5,362	14,725.40	16,092.68	17,588.48	19,224.89	21,015.11
Library	118	366.65	397.92	432.12	469.54	510.48
Park	1,051	2,987.30	3,256.19	3,550.36	3,872.19	4,224.27
Small Business	50	211.70	226.54	242.77	260.54	279.98

SCENARIO REVIEW: 5A

Model Variable	Model Input
Capital Program Funding Sources	Debt issued for remainder \$800,000 grants received No other funding sources
Phased-In Timeframe	4 Years
CPI-Indexed	Yes
Emphasis on Service Charge	Service Charge increased to fund debt service

Model Results:

Year of Implementation	2018	2019	2020	2021	2022 +
Increase to Water Rates	6.1%	6.1%	6.1%	6.1%	CPI
Increase to Service Charge	33.9%	33.9%	33.9%	33.9%	CPI

5A: Service Charge Emphasis; 4-Year Implementation; \$0.8 mil. Other Funding; Issue Debt

Customer Type	Average Consumption	Current Bill	New 2018 Bill	New 2019 Bill	New 2020 Bill	New 2021 Bill
Single Family Residential	7	\$ 26.00	\$ 29.56	\$ 34.00	\$ 39.62	\$ 46.78
Multi-family Residential	5,442	15,987.06	16,994.50	18,074.30	19,234.61	20,485.26
Elementary School	536	1,498.20	1,596.00	1,702.43	1,818.89	1,947.19
Shopping Center	299	934.00	1,001.49	1,078.16	1,166.30	1,268.91
Shopping Center	483	1,371.95	1,456.26	1,547.04	1,645.13	1,751.57
Restaurant	18	56.05	61.54	68.07	75.94	85.54
Non Profit	22	76.10	85.38	96.80	111.03	128.95
Non Profit (2)	20	68.05	76.10	85.97	98.22	113.58
Gaming Resort	5,362	14,725.40	15,631.58	16,599.43	17,634.92	18,745.05
Library	118	366.65	390.84	417.84	448.26	482.90
Park	1,051	2,987.30	3,168.16	3,362.21	3,570.99	3,796.37
Small Business	50	211.70	227.70	246.83	270.02	298.49

SCENARIO REVIEW: 9A

Model Variable	Model Input
Capital Program Funding Sources	Debt issued for remainder \$800,000 grants received No other funding sources
Phased-In Timeframe	4 Years
CPI-Indexed	Yes
Emphasis on Service Charge	Hybrid Scenario - Service Charge increases higher than water rates

Model Results:

Year of Implementation	2018	2019	2020	2021	2022 +
Increase to Water Rates	7.9%	8.1%	8.3%	8.5%	CPI
Increase to Service Charge	28.2%	22.0%	18.0%	15.3%	CPI

9A: Hybrid Scenario; 4-Year Implementation; \$0.8 mil. Other Funding; Issue Debt

Customer Type	Average Consumption	Current Bill	New 2018 Bill	New 2019 Bill	New 2020 Bill	New 2021 Bill
Single Family Residential	7	\$ 26.00	\$ 29.49	\$ 33.14	\$ 36.97	\$ 41.00
Multi-family Residential	5,442	15,987.06	17,273.57	18,693.37	20,262.50	21,999.37
Elementary School	536	1,498.20	1,620.45	1,754.85	1,902.85	2,066.18
Shopping Center	299	934.00	1,012.95	1,098.68	1,191.99	1,293.86
Shopping Center	483	1,371.95	1,478.93	1,596.86	1,727.06	1,871.06
Restaurant	18	56.05	61.99	68.34	75.15	82.47
Non Profit	22	76.10	85.50	95.40	105.85	116.94
Non Profit (2)	20	68.05	76.28	84.96	94.14	103.91
Gaming Resort	5,362	14,725.40	15,888.29	17,172.78	18,593.50	20,167.18
Library	118	366.65	395.78	427.59	462.38	500.56
Park	1,051	2,987.30	3,217.94	3,472.41	3,753.58	4,064.74
Small Business	50	211.70	228.83	247.09	266.61	287.58