

# Rate Study

Heber Public Utility District

# What is a Rate Study?



**A financial analysis to determine appropriate utility rates**



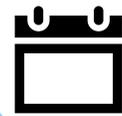
Ensures revenue covers operational costs



Funds maintenance costs



Long term financial sustainability



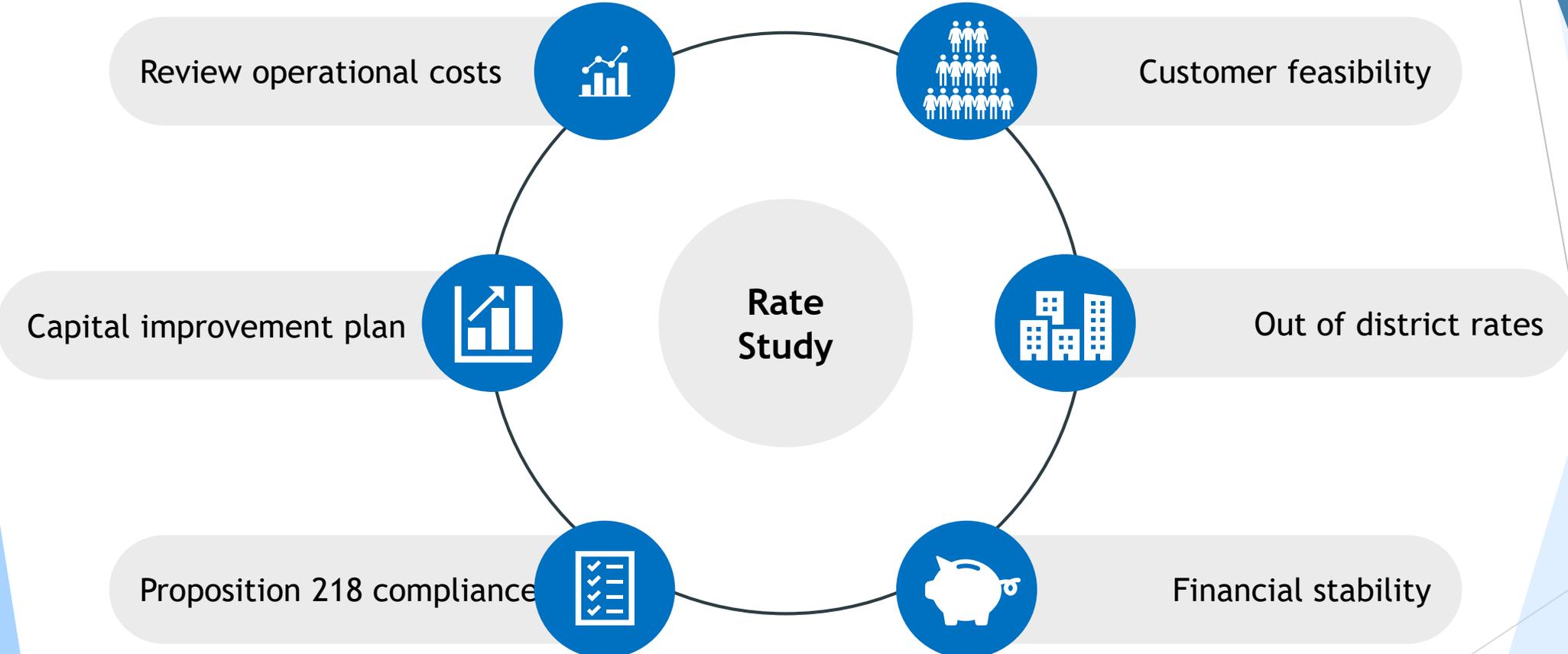
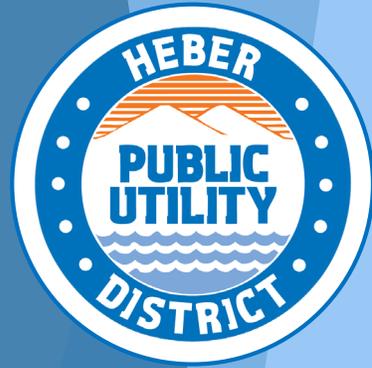
Sets rates for a 5 year period

# Rate Study Process



- ✓ Board approves release request for Proposal for a rate study consulting firm - August 21, 2025
- ✓ Request for proposal is released and a consulting firm is selected - December 18, 2025
- ⌚ Consultants work on analysis
- ⌚ Consultants present a draft to Board of Directors
- ⌚ Final report presented to Board of Directors
- ⌚ Proposition 218 notices are distributed to resident by mail
- ⌚ Public Hearing

# Why Conduct a Rate Study?



Review operational costs



Customer feasibility



Out of district rates



Rate Study

Financial stability



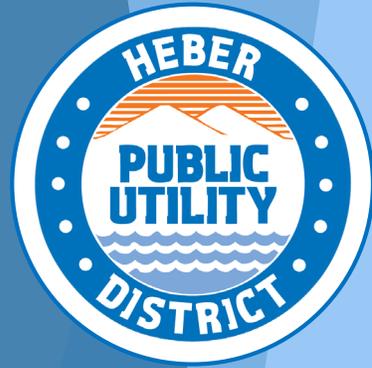
Proposition 218 compliance



Capital improvement plan



# Structure Types



## Meter Rate

- Every customer pays a rate per usage (e.g. \$25 per month) +
- Rate per usage (e.g. \$4 per 1,000 gallons)

## Minimum Bill

- Customer pays a minimum fee to serve (\$62.08/mo)
- Includes water allotment (Current 15,000g/mo)
- Additional fees incurred for overage

## Increasing Rate

- Price of unit increases as usage increases

# Current Water Rates



WATER	Allotment	Modified Adopted FY 2017-2018	Adopted FY 2018-2019	Adopted FY 2019-2020	Adopted FY 2020-2021	Adopted FY 2021-2022
	(Gallons)	(\$/month)	(\$/month)	(\$/month)	(\$/month)	(\$/month)
<b>Fixed Meter Charge</b>						
<b>Single Family Residential:</b>						
1" Meter or less	15,000	\$55.54	\$57.84	\$59.54	\$61.30	\$62.08
<b>Multi-Residential:</b>						
1" Meter or less Water	15,000	\$62.39	\$64.38	\$66.32	\$68.23	\$70.94
2" Meter Water	40,000	\$194.71	\$200.57	\$206.59	\$212.53	\$221.31
3" Meter Water	60,000	\$408.95	\$421.24	\$433.88	\$446.28	\$465.81
<b>Commercial/Industrial/Public:</b>						
1" Meter or less Water	15,000	\$62.39	\$64.38	\$66.32	\$68.23	\$70.94
2" Meter Water	40,000	\$194.71	\$200.57	\$206.59	\$212.53	\$221.31
3" Meter Water	60,000	\$408.95	\$421.24	\$433.88	\$446.28	\$465.81
4" Meter Water	75,000	\$715.73	\$737.22	\$759.32	\$780.95	\$816.49
<b>Service Outside District</b>						
1" Meter or less Water	15,000	\$ 70.07	\$ 72.26	\$ 74.37	\$ 76.58	\$ 80.09
2" Meter Water	30,000	\$ 163.42	\$ 168.52	\$ 173.46	\$ 178.61	\$ 186.80
6" Meter Water	85,000					\$1,037.80
<b>Volumetric Charge (\$/1000 gallons)</b>		(\$/Kgals)	(\$/Kgals)	(\$/Kgals)	(\$/Kgals)	(\$/Kgals)
Residential Inside District		\$3.49	\$3.79	\$3.90	\$4.03	\$4.03
Public Agency		\$3.49	\$3.79	\$3.90	\$4.03	\$4.03
Commercial		\$3.49	\$3.79	\$3.90	\$4.03	\$4.03
Industrial		\$3.49	\$3.79	\$3.90	\$4.03	\$4.03
Multi-residential		\$3.49	\$3.79	\$3.90	\$4.03	\$4.03
Outside District		\$4.16	\$4.49	\$4.63	\$4.78	\$4.78

# Current Water Rates Continued



Private Fire Lines for Commercial and Temporary Hydrant Meter					
WATER	FY2017-2018	FY2018-2019	FY2019-2020	FY2020-2021	FY2021-2022
Private Fire Line (\$/meter)	(\$/meter)	(\$/meter)	(\$/meter)	(\$/meter)	(\$/meter)
1" Meter or less	\$10.41	\$10.78	\$11.17	\$11.41	\$11.41
2" Meter	\$33.31	\$34.50	\$35.73	\$36.52	\$36.52
3" Meter	\$72.87	\$75.48	\$78.17	\$79.90	\$79.90
4" Meter	\$131.17	\$135.86	\$140.70	\$143.82	\$143.82
6" Meter/ Hydrant	\$208.21	\$215.65	\$223.33	\$228.28	\$228.28
6" Meter/ Hydrant /Year	\$2,498.48	\$2,587.81	\$2,679.96	\$2,739.36	\$2,739.36

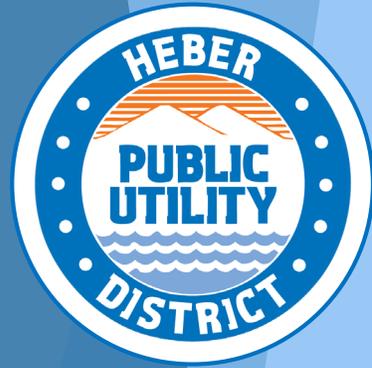
WATER	Allotment	Modified Adopted FY 2017-2018	Adopted FY 2018-2019	Adopted FY 2019-2020	Adopted FY 2020-2021	Adopted FY 2021-2022
Temporary Hydrant Meter/ Month		\$135.04	\$138.90	\$142.86	\$147.11	\$147.11
Hydrant Meter Volumetric Charge (\$/1,000 gallons)		\$3.49	\$3.75	\$3.87	\$3.99	\$3.99

# Current Waste Water Rates



WASTEWATER	Modified Adopted FY2017-2018	Adopted FY2018-2019	Adopted FY2019-2020	Modified Adopted FY2020-2021	Proposed FY2021-2022
Fixed Service Charge					
Residential	(\$/month)	(\$/month)	(\$/month)	(\$/month)	(\$/month)
4" Connection	\$52.66	\$56.66	\$58.62	\$59.45	\$61.28
6" Connection	\$117.00	\$120.48	\$124.65	\$128.97	\$133.44
Multifamily					
Per Dwelling Unit	\$52.66	\$56.66	\$58.62	\$60.66	\$62.76
Commercial, Industrial, and Public					
4" Connection	\$49.66	\$51.21	\$52.82	\$54.49	\$56.22
6" Connection	\$109.25	\$112.66	\$116.20	\$119.88	\$123.69
8" Connection	\$198.64	\$204.84	\$211.28	\$217.96	\$224.88
Volumetric Charge (\$/1000 gal)*	(\$/1000 gal)	(\$/1000 gal)	(\$/1000 gal)	(\$/1000 gal)	(\$/1000 gal)
Commercial, Industrial, Public	\$0.57	\$0.59	\$0.61	\$0.63	\$0.65

# Where the Money Goes



Chemicals and Treatment



Debt Payments



Repairs and Maintenance

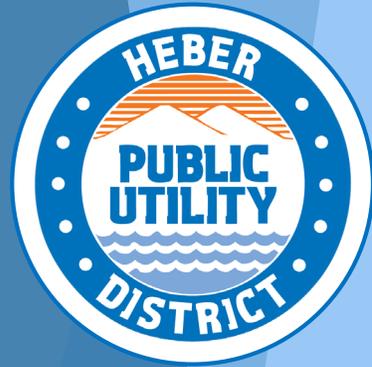


Insurance, Permits, Administration



Personnel and Operations

# Cost of Doing Nothing



Service Interruptions

Costly Repairs

Costly Maintenance

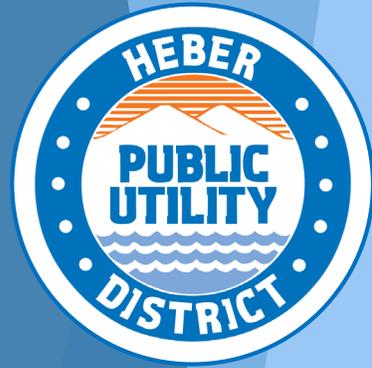
Higher Long Term Cost

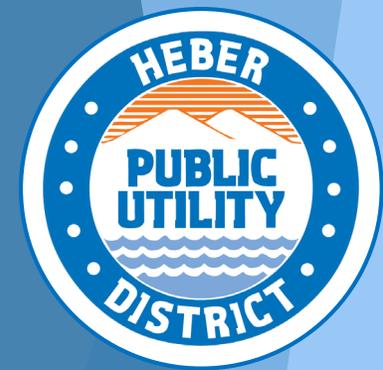
Declining Systems

Violations

# Take Away

- Rates are based on the cost of service
- Investment in infrastructure is crucial
- Rate study is a legal compliance
- Planning to prevent an emergency
- Protect the community





Thank you