

EXHIBIT H

WHOLESALE WASTEWATER RATE STUDY

City of Auburn Wholesale Wastewater Rate Study

Project Status

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Revised Wholesale Rate

Determination

Meeting with Towns

December 21, 2016

Introduction and Background

- Last Meeting – August 30, 2016
- Actions and Work Completed
- Retained GHD for Technical Review
- Completed a Joint Comprehensive Review of the Technical and Financial Methodology and Assumptions
 - Evaluated Shared Sewer Ratios
 - Analyzed Wholesale Interconnections and Flows
 - Reallocated I&I
 - Revised Growth Projections
 - Base Year is now 2016 Actual Instead of 2017 Budget
 - Allocated or Defined Unallocated Costs
 - Revised Allocation of Debt Service
- New wholesale sewer rate of **\$2.78 ccf** determined based on actions and work completed as detailed above

Rate Setting Process Overview

Step 1: Allocate total sewer costs between costs that only benefit In-City customers and costs that benefit both In-City customers and Wholesale customers (Shared Costs)

Step 2: Allocate Shared Costs between In-City and Wholesale customers

Step 3: Calculate Wholesale sewer rate

Step 1: Allocate Total Sewer Costs

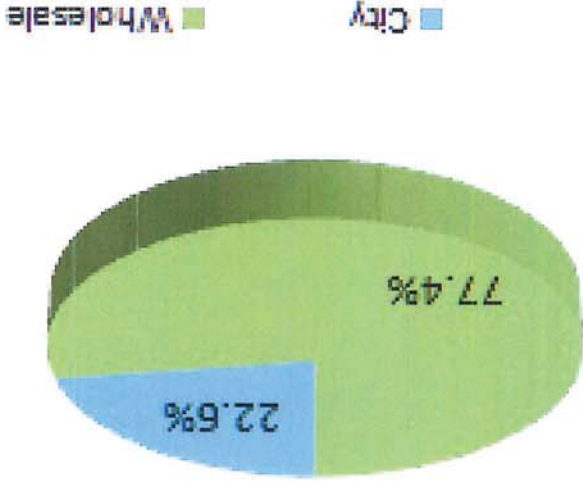
- All expenses associated with the treatment of wastewater are assumed to be Shared Costs
- Expenses associated with the sewer collection system are allocated based on the percentage of inch-feet (pipe length times diameter) of sanitary sewer piping in the collection system. The sanitary sewer shared cost allocation is based on the percentage of total system inch-feet of piping that serves the Wholesale customers
- Judgments, settlements, taxes on City owned properties and billing expenses are allocated solely to In-City customers
- All other expenses are allocated based on a composite allocation

Step 2: Allocated Shared Sewer Costs

- Shared costs are allocated between In-City and Wholesale based on associated sewer flows

- For example:
 - 22.6% of total treatment costs would be allocated to Wholesale customers
($100\% * 22.6\% = 22.6\%$)
 - Only 8.9% of sanitary sewer related costs would be allocated to Wholesale customers
($39.2\% * 22.6\% = 8.8\%$)

Percent of Allocated Sewer Flows



Step 3: Calculate Wholesale Sewer Rate

Wholesale Sewer Costs

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Wholesale Sewer Billable Flows

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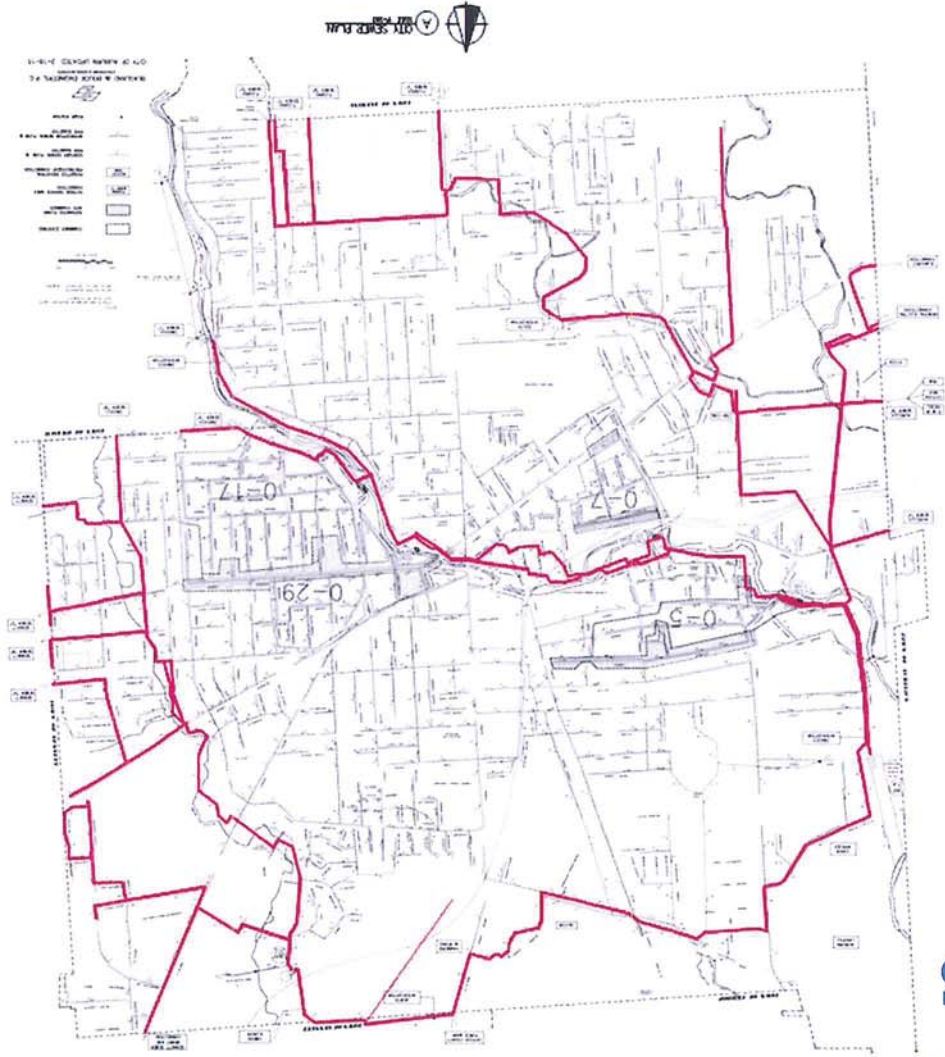
Per Unit Rate to be Assessed to
Wholesale Customers for Billable
Sewer Flows

Review of Amended Approach and Assumptions

- Evaluated Shared Sewer Ratios
- Analyzed Wholesale Interconnections and Flows
- Revised Growth Projections
- Reallocated I&I
- Used Audited FYE 2016 Expenses Rather than the 2017 Budget as the Base Year
- Allocated Previously Unallocated Costs
- Revised Allocation of Debt Service

Shared Sewer Piping Ratios

- Identified the Physical Interconnection Locations
- Traced all Pipes through which Town Flows Travel
- Identified Flows Travel through which Town
- Identified
- Approximately 130,000 Feet of Shared Piping
- Calculated the Inch Feet Ratio of Shared Piping



Shared Sewer Piping Ratios

Diameter (Inches)	Length	Total System*		Total System*		Linear Feet**		Inch Feet**
		Allocation	Inch Feet	Allocation	Inch Feet	% City Pipe	% Shared Pipe	
6	1,100	0.21%	6,600	0.10%	0	100.00%	0	100.00%
8	276,197	52.08%	2,209,576	33.94%	17,548	93.65%	140,383	93.65%
10	58,869	11.10%	588,690	9.04%	15,822	73.12%	158,218	73.12%
12	49,051	9.25%	588,612	9.04%	8,901	81.85%	106,812	81.85%
14	2,750	0.52%	38,500	0.59%	345	87.45%	4,830	87.45%
15	38,857	7.33%	582,855	8.95%	11,430	70.58%	171,452	70.58%
16	7,000	1.32%	112,000	1.72%	712	89.83%	11,390	89.83%
18	23,894	4.51%	430,092	6.61%	11,923	50.10%	214,614	50.10%
20	9,150	1.73%	183,000	2.81%	3,139	65.69%	62,779	65.69%
22	2,784	0.52%	61,248	0.94%	2,784	100.00%	61,248	100.00%
24	30,060	5.67%	721,440	11.08%	26,915	10.46%	645,956	10.46%
27	8,632	1.63%	233,064	3.58%	8,632	100.00%	233,056	100.00%
30	11,011	2.08%	330,330	5.07%	11,011	100.00%	330,329	100.00%
36	6,733	1.27%	242,388	3.72%	6,733	100.00%	242,387	100.00%
42	3,200	0.60%	134,400	2.06%	2,814	12.06%	118,196	12.06%
48	1,000	0.19%	48,000	0.74%	1,000	0.00%	48,000	0.00%
TOTAL	530,288	100.00%	6,510,795	100.00%	129,708	75.54%	2,549,649	60.84%

*Total system inventory of piping based on B&E Report, GIS database and subsequent improvement projects and analysis

** Shared piping allocation based on review of as-built, design and contract drawings, in addition to City Eng. Dept. field measurements and GHD review.

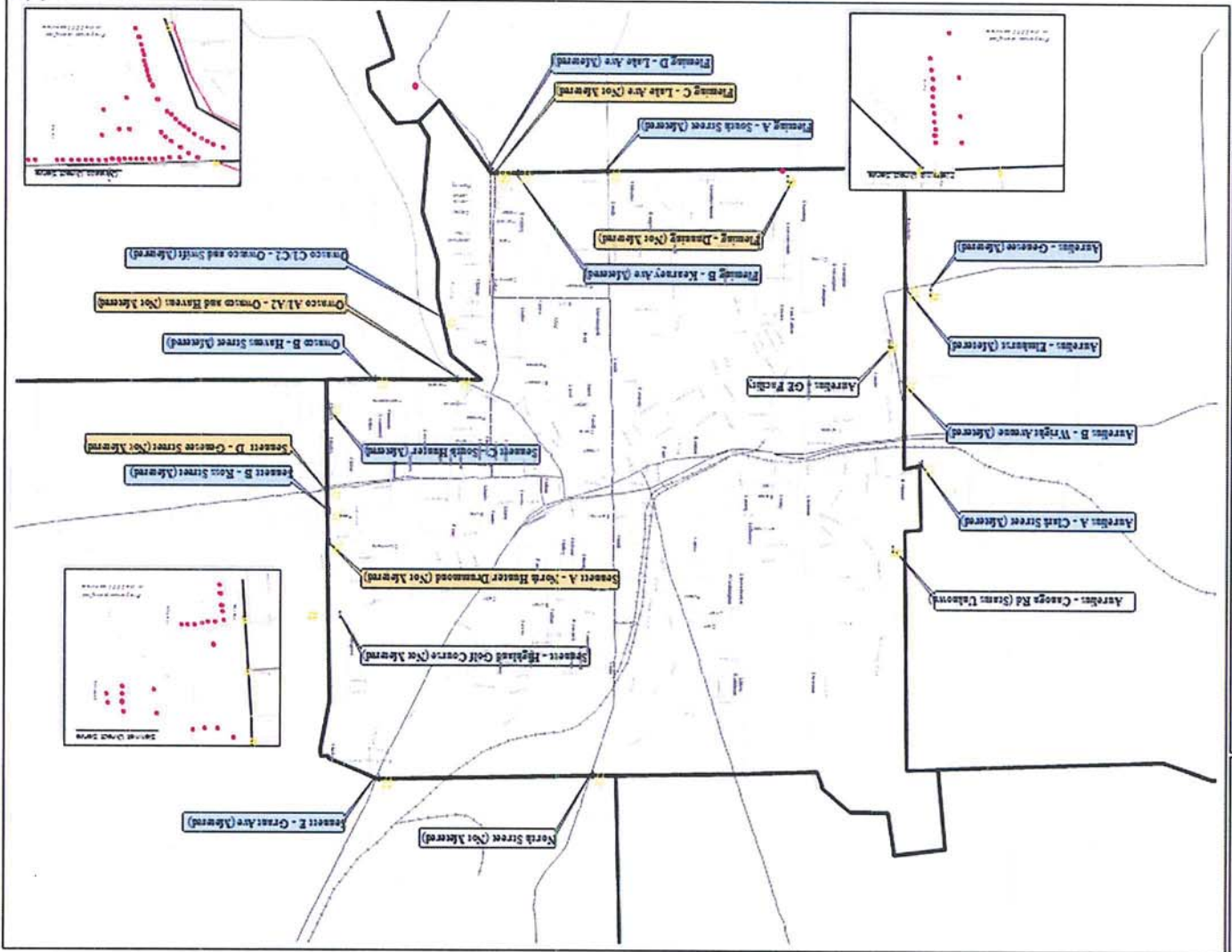
- Percentage of shared piping based on actual flow paths rather than 12" pipe size
- Reduced share piping allocation from 56% to 39%

Wholesale Sewer Flow Review

- Identified each active interconnection
 - Metered
 - Non-metered
- Reviewed 3 years of billing records
 - Meter readings (City and/or Towns)
 - Historic estimates (Meter malfunction)
 - Proxy meters (Meter malfunction and/or combined City and Town flows)
 - Contracted billings (Meter malfunction or specified no. of connections)
 - Water consumption data (Data from specified connections)
- Determined 3 year historic billing average
- Identified outliers and anomalies
- Developed flow estimate for rate calculations
- Identified action plan for future meter improvement project

Wholesale Sewer Flow Review

Sanitary Sewer Connection Points



Scale: 1" = 100'

- Sanitary Sewer
- Water Main
- Storm Sewer
- Large Sanitary
- Manhole
- Draw Not to Scale

Wholesale Sewer Flow Review

- Wholesale Interconnections

		Billing Record Data				Comparative Flow Data			
Inter-connection	Location	Billing Account	Metered	2013/14	2014/15	2015/16	3-Year Billing Average (cct)	Est. Flows At Each Intercon. For Rate Calcs. (cct)	Total Flows Per Billing Acc. For Rate Calcs. (cct)
				(cct)	(cct)	(cct)	(cct)	(cct)	
Town of Aurelius	Aurelius A	6010150	Yes	16,881	18,000	18,000	17,627	18,000	18,000
	Aurelius B	6010140	Yes	26,491	67,248	18,351	37,363	150,000	150,000
	Genesee	6010160	Yes	7,557	6,795	7,109	7,154	7,154	7,154
	Elmhurst	6010130	Yes	7,557	6,795	3,900	6,084	2,532	2,532
Town of Fleming	Fleming A	197 South Street	Yes	84,886	69,925	71,483	75,431	33,985	70,558
	Fleming C (original)	190 Lake Street	Yes	84,886	69,925	71,483	75,431	36,475	
	Dunning	Dunning Avenue (One house)	No					98	
	Fleming B (Kearney)	Kearney Avenue	6010210	Yes	Minimum Bill	Minimum Bill	Minimum Bill	2,454	2,454
	Fleming C (new)	Lake Ave	??	No	NA	NA	NA	NA	292

Wholesale Sewer Flow Review

- Wholesale Interconnections

Billing Record Data		Comparative Flow Data		Inter-connection		Location		Billing Account		Metered		2013/14 (cft)		2014/15 (cft)		2015/16 (cft)		3-Year Billing Average (cft)		Est. Flows At Each Intercon. For Rate Calcs. (cft)		Total Flows Per Billing Acc. for Rate Calcs. (cft)	
Town of Owasco	Owasco A1	7402 Owasco Street at Havens Avenue	6010260	No	No	4,313	4,371	4,936	4,540	3,873	3,873												
	Owasco A2	Havens Road and Archie Street		Yes																			
	Archie Force	Osborne Street and Densmore Avenue (East)	6010250																				
	Owasco C1	Osborne Street and Densmore Avenue (West)		Yes																			
	Owasco C2	Drummond Street and North Hunter Avenue		Yes																			
	Sennett A	Ross Extension and North Hunter Avenue	6011010	No		732	732	732	732	732	732												
	Sennett B	South Hunter Avenue and Foxcroft Circle	6011020	Yes		80,414	59,806	39,800	60,007	45,000	28,853	28,853											
	Sennett C	East Genesee Street	????	No		Unknown	Unknown	Unknown	NA	1,464	1,464												
	Sennett D	Grant Street (Route 5) and Prospect Avenue	6011030	Yes		15,316	11,858	10,556	12,577	11,000	11,000												
	Sennett E																						
Town of Sennett	Sennett A	Drummond Street and North Hunter Avenue	6011000	No		732	732	732	732	732													
	Sennett B	Ross Extension and North Hunter Avenue	6011010	Yes		33,908	25,532	27,120	28,853	28,853	28,853												
	Sennett C	South Hunter Avenue and Foxcroft Circle	6011020	Yes		80,414	59,806	39,800	60,007	45,000	28,853	28,853											
	Sennett D	East Genesee Street	????	No		Unknown	Unknown	Unknown	NA	1,464	1,464												
	Sennett E	Grant Street (Route 5) and Prospect Avenue	6011030	Yes		15,316	11,858	10,556	12,577	11,000	11,000												
Town of Owasco	Owasco A1	7402 Owasco Street at Havens Avenue	6010260	No	No	4,313	4,371	4,936	4,540	3,873	3,873												
	Owasco A2	Havens Road and Archie Street		Yes																			
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	Owasco C1	Osborne Street and Densmore Avenue (West)		Yes																			
Town of Owasco	Owasco C1	Osborne Street and Densmore Avenue (East)	6010250	Yes		251,419	189,766	203,327	214,837	197,031	164,018	7,029	5,072										
	Archie Force	Osborne Street and Densmore Avenue (West)		Yes																			
	Owasco C2	Drummond Street and North Hunter Avenue		Yes																			
	Owasco C2	Ross Extension and North Hunter Avenue		Yes																			

Sanitary Sewer Wholesale Flow Review

- Total Adjusted Flows for Rate Calculation

	3-Year Billing Average (cft)	Est. Flows At Each Intercon. For Rate Calcs. (cft)	Total Flows Per Billing Acc. for Rate Calcs. (cft)
Aurelius	68,228	177,686	177,686
Fleming	75,431	73,304	73,304
Owasco	219,377	200,911	200,911
Sennett	102,169	87,049	87,049
Totals	465,205	538,950	538,950

Revised Growth Projections

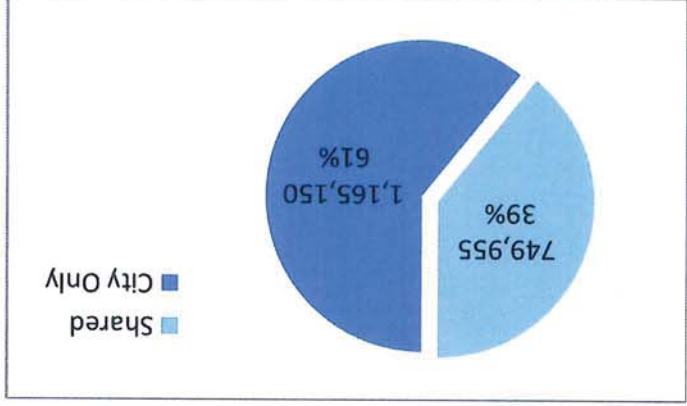
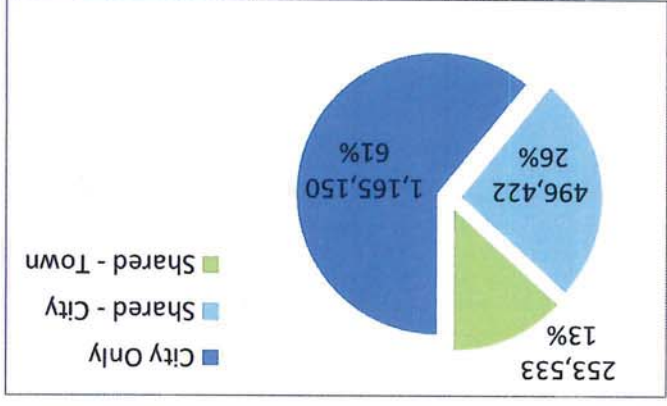
- Initial Assumptions
 - 2% annual declining usage within City
 - 1% annual declining usage within Towns
- Updated Assumptions
 - Flow patterns exhibit no conclusive trending
 - Used neutral projection of no change in usage/flows for both City and Towns

	2013/14 (cft)	2014/15 (cft)	2015/16 (cft)	Figures Used In Rate Model Calculations
Town Flow Based on Billing	529,474	460,828	405,314	NA
Town Flow Adjusted for Aurelius	529,474	520,828	547,314	538,950
City Actual Flow Based on Billing	1,032,611	1,061,954	1,055,271	1,055,271
Actual Total Treated Flow	4,048,743	3,729,339	3,509,327	3,509,327
Estimated I&I	2,486,658	2,146,557	1,906,742	1,915,106

Allocation of I&I

- Initial analysis utilized billable flow ratios to allocate shared costs
- Towns advocated total flows
- Final methodology is similar to earlier revisions as a hybrid of both allocation methods
- 39.16% of all I&I flow occurs on shared pipes
- Town assigned a portion of I&I flow from shared piping based on billable flow ratio

I&I Allocations



Debt Service Analysis

Program	2015-16	2016-17	2017-18	2018-19
City Only Projects (0% Shared)				
BAN 2014	-	6,713	8,226	8,106
BAN 2015	-	11,239	11,139	13,530
Bonds Serial 2006/2015	54,634	62,489	60,221	11,886
BAN 2014	-	3,590	3,560	5,854
Shared Service Projects (39.16 % Shared Sanitary Sewer Expenditures)				
2010 Vactor	-	23,556	23,700	23,300
Backhoe	7,780	6,360	6,180	-
Backhoe	835	1,032	1,224	7,193
CSO Abatement	23,750	25,105	25,578	26,052
Owasco Interceptor	14,730	14,837	14,934	15,052
Storm sewer mitigation	8,850	7,254	-	-
Storm sewer mitigation	830	1,138	8,118	7,703
Water/Sewer Replacements	25,961	25,439	23,291	23,885
York Street Sewer Improvements	-	29,525	34,315	33,565
CSO Seg 3 Interceptor, CSO Seg 4 High Rate Overflow Facilities	425,000	435,000	440,000	450,000
North Interceptor Relief & Storage/Relief Facility	210,563	212,094	213,480	215,166
Sewage Treatment Plant Improvements**	55,580	54,453	53,160	56,754
Sewer Collection Improvement Project - 75% forgiven / 25% interest	24,631	15,316	15,000	15,000
Sludge Handling Facility	14,063	14,223	13,973	13,723
WTP Building Improvements & Septage Receiving / Aeration Tank	143,622	134,891	135,365	135,853
WTP Improvement Project	-	62,000	63,000	64,000
WTP Improvement Project & Incinerator	1,663,165	1,675,261	1,686,207	1,699,519
WTP Roof	15,582	15,502	15,502	15,501
WWTB Projects (100% Shared)				
Bonds EFC 1999	-	-	-	-
Bonds EFC 2012	-	-	-	-
Bonds EFC 2015	-	-	-	-
Bonds Serial 2011/2016	-	-	-	-
Bonds EFC 2012	-	-	-	-
Bonds EFC 2012	-	-	-	-
Bonds EFC 2015	-	-	-	-
Bonds Serial 2015	-	-	-	-
EPC 2014	-	-	-	-
Bonds EFC 2016	-	-	-	-
Bonds EFC 2012	-	-	-	-
Bonds NYPA 2010	-	-	-	-
CSO Facilities (50% Shared)				
2013-14 Road Program	-	6,713	8,226	8,106
2015-16 Road Program	54,634	11,239	11,139	13,530
Genesee St., Sewer Assistance Program, Sewer Inspection & Equipme	59,761	62,489	60,221	11,886
South Street	-	3,590	3,560	5,854
Shared Service Projects (39.16 % Shared Sanitary Sewer Expenditures)	-	23,556	23,700	23,300
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Backhoe	835	1,032	1,224	7,193
CSO Abatement	23,750	25,105	25,578	26,052
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Storm sewer mitigation	8,850	7,254	-	-
Storm sewer mitigation	830	1,138	8,118	7,703
Water/Sewer Replacements	25,961	25,439	23,291	23,885
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City Only Projects (0% Shared)				
2013-14 Road Program	-	6,713	8,226	8,106
2015-16 Road Program	54,634	11,239	11,139	13,530
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South Street	-	3,590	3,560	5,854
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WWTB Projects (100% Shared)				
Bonds EFC 1999	-	-	-	-
Bonds EFC 2012	-	-	-	-
Bonds EFC 2015	-	-	-	-
Bonds Serial 2011/2016	-	-	-	-
Bonds EFC 2012	-	-	-	-
Bonds EFC 2012	-	-	-	-
Bonds EFC 2015	-	-	-	-
Bonds Serial 2015	-	-	-	-
EPC 2014	-	-	-	-
Bonds EFC 2016	-	-	-	-
Bonds EFC 2012	-	-	-	-
Bonds NYPA 2010	-	-	-	-
Total Costs by Shared Percentage				
City Only Projects (0% Shared)	\$ 1,916,643	\$ 1,971,645	\$ 1,982,206	\$ 2,000,350
Shared Service Projects (39.16 % Shared)	635,563	647,094	653,480	665,166
CSO Facilities (50% Shared)	82,746	134,245	137,340	136,750
WWTB Projects (100% Shared)	114,395	84,031	83,146	39,376
Administration Costs (EFC)	23,039	-	-	-
Total	\$ 2,772,386	\$ 2,837,016	\$ 2,856,172	\$ 2,841,641

Allocation of Shared Sewer Costs

	Total Sewer	Shared	Shared	City Costs	City	Wholesale	Wholesale
	Costs	Costs	Percentage	City Costs	Percentage	Costs	Percentage
Operating Expenses	\$ 24,854	\$ -	0.00%	\$ 24,854	100.00%	\$ -	0.00%
Judgements & Settlements	970	-	0.00%	970	100.00%	-	0.00%
Taxes on City Owned Property	979,336	383,508	39.16%	892,731	91.16%	86,605	8.84%
Sanitary Sewers ¹	2,613,619	2,613,619	100.00%	2,023,406	77.42%	590,213	22.58%
Waste Water Treatment Plant	97,375	78,546	80.66%	79,637	81.78%	17,737	18.22%
Retiree Health Costs ²	738,577	595,761	80.66%	604,040	81.78%	134,536	18.22%
Administrative Reimbursement ²	-	-	0.00%	-	0.00%	-	0.00%
Return on Investment	128,238	128,238	100.00%	99,279	77.42%	28,959	22.58%
Sludge Disposal Costs	127,557	-	0.00%	127,557	100.00%	-	0.00%
Billing Reimbursement	\$ 4,710,525	\$ 3,799,671	80.66%	\$ 3,852,475	81.78%	\$ 858,050	18.22%
Total: Operating Expenses	\$ 4,710,525	\$ 3,799,671	80.66%	\$ 3,852,475	81.78%	\$ 858,050	18.22%
Non-Operating Expenses	\$ 1,984,734	\$ 1,984,734	100.00%	\$ 1,536,537	77.42%	\$ 448,197	22.58%
WWTP Debt Service	655,247	327,623	50.00%	581,262	88.71%	73,985	11.29%
CSO Debt Service	136,112	53,301	39.16%	124,075	91.16%	12,037	8.84%
Sanitary Sewer Debt Service	68,851	-	0.00%	68,851	100.00%	-	0.00%
Other Debt Service	568,989	469,129	82.45%	463,049	81.38%	105,940	18.62%
Total: Non-Operating Expenses	\$ 3,413,932	\$ 2,834,788	83.04%	\$ 2,773,774	81.25%	\$ 640,158	18.75%
Capital and Debt Coverage (20% of Debt)	\$ 8,124,457	\$ 6,634,459	81.66%	\$ 6,626,249	81.56%	\$ 1,498,208	18.44%
Total: Operating & Non-Operating Expenses	\$ 14,129,007	\$ 11,634,459	82.33%	\$ 11,498,723	81.34%	\$ 2,630,284	18.66%

Wholesale Unit Rate Calculation

Wholesale Sewer Costs

Wholesale Sewer
Billable Flows

Rate per Ccf

\$1,498,208

÷

538,950 Ccf

=

\$2.78 per Ccf

Final Projections and Rate Calculations

Percent of Costs to be Shared

FY 2016	Actual	FY 2017	Forecast	FY 2018	Forecast	FY 2019	Forecast	3-Year Avg.
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Operating Expenses	0.00%
Judgements & Settlements	0.00%
Taxes on City Owned Property	0.00%
Sanitary Sewers ¹	39.16%
Waste Water Treatment Plant	100.00%
Retiree Health Costs ²	80.66%
Administrative Reimbursement ²	80.66%
Return on Investment	0.00%
Sludge Disposal Costs	100.00%
Billing Reimbursement	0.00%
Total: Operating Expenses	0.00%

Non-Operating Expenses ³	100.00%
WWTP Debt Service	50.00%
CSO Debt	39.16%
Sanitary Sewer Debt Service	0.00%
Other Debt Service	8.45%
Capital and Debt Coverage (20% of Debt)	8.45%
Total: Non-Operating Expenses	100.00%

FY 2016	Actual	FY 2017	Forecast	FY 2018	Forecast	FY 2019	Forecast	3-Year Avg.
\$ 23,886	\$ 24,851	\$ 24,851	\$ 24,851	\$ 24,851	\$ 25,348	\$ 25,348	\$ 24,854	\$ 24,854
932	951	970	970	970	989	989	970	970
941,184	960,007	979,208	998,792	998,792	979,336	979,336	979,336	979,336
2,511,800	2,562,036	2,613,277	2,665,542	2,665,542	2,613,619	2,613,619	2,613,619	2,613,619
93,581	95,453	97,362	99,309	99,309	97,375	97,375	97,375	97,375
766,631	774,000	738,480	753,250	753,250	738,577	738,577	738,577	738,577
123,242	125,707	128,221	130,786	130,786	128,238	128,238	128,238	128,238
122,588	125,040	127,541	130,091	130,091	127,557	127,557	127,557	127,557
\$ 4,583,845	\$ 4,617,558	\$ 4,617,558	\$ 4,709,909	\$ 4,709,909	\$ 4,804,107	\$ 4,804,107	\$ 4,710,525	\$ 4,710,525
1,916,643	1,971,645	1,982,206	2,000,350	2,000,350	1,984,734	1,984,734	1,984,734	1,984,734
635,563	647,094	653,480	665,166	665,166	655,247	655,247	655,247	655,247
82,746	134,245	137,340	136,750	136,750	136,112	136,112	136,112	136,112
114,395	84,031	83,146	39,376	39,376	68,851	68,851	68,851	68,851
549,869	567,403	571,234	568,328	568,328	568,989	568,989	568,989	568,989
\$ 3,299,216	\$ 3,404,419	\$ 3,427,407	\$ 3,409,970	\$ 3,409,970	\$ 3,413,932	\$ 3,413,932	\$ 3,413,932	\$ 3,413,932
\$ 3,697,487	\$ 3,724,681	\$ 3,724,681	\$ 3,799,175	\$ 3,799,175	\$ 3,799,671	\$ 3,799,671	\$ 3,799,671	\$ 3,799,671
2,720,193	2,815,585	2,833,710	2,855,069	2,855,069	2,834,788	2,834,788	2,834,788	2,834,788
\$ 6,417,680	\$ 6,540,266	\$ 6,632,885	\$ 6,730,227	\$ 6,730,227	\$ 6,634,459	\$ 6,634,459	\$ 6,634,459	\$ 6,634,459
\$ 7,883,061	\$ 8,021,977	\$ 8,137,316	\$ 8,214,077	\$ 8,214,077	\$ 8,124,457	\$ 8,124,457	\$ 8,124,457	\$ 8,124,457

¹ Allocation derived by system wide breakdown of every sanitary sewer main serving the Wholesale Customer vs. In-City Customer

² Allocation derived by equally distributing costs between Wastewater Treatment Plant and Sanitary Sewers.

³ Allocation derived by review of all debt service and even distribution of weighted costs depending on improvement.

Treated Flows (Ccf)	3,509,327	3,509,327	3,509,327	3,509,327	3,509,327	3,509,327	3,509,327	3,509,327
City Wholesale Billable Flows (Ccf)	1,055,271	1,055,271	1,055,271	1,055,271	1,055,271	1,055,271	1,055,271	1,055,271
Wholesale Billable Flows (Ccf)	538,950	538,950	538,950	538,950	538,950	538,950	538,950	538,950
Total: Billable Flows (Ccf)	1,594,222	1,594,222	1,594,222	1,594,222	1,594,222	1,594,222	1,594,222	1,594,222
City Wholesale Allocated to City (Ccf)	1,661,572	1,661,572	1,661,572	1,661,572	1,661,572	1,661,572	1,661,572	1,661,572
Wholesale Allocated to City (Ccf)	253,533	253,533	253,533	253,533	253,533	253,533	253,533	253,533
Total: 1&1 / Storm Flows (Ccf)	1,915,105	1,915,105	1,915,105	1,915,105	1,915,105	1,915,105	1,915,105	1,915,105
City Wholesale Total Allocated Flows (Fillable with 1&1 / Storm Allocation) (Ccf)	2,716,843	2,716,843	2,716,843	2,716,843	2,716,843	2,716,843	2,716,843	2,716,843
Wholesale Total Allocated Flows (Ccf)	792,484	792,484	792,484	792,484	792,484	792,484	792,484	792,484
Total: Allocated Flows (Ccf)	3,509,327	3,509,327	3,509,327	3,509,327	3,509,327	3,509,327	3,509,327	3,509,327
Operating Expenses	\$ 834,974	\$ 841,115	\$ 857,938	\$ 875,096	\$ 858,050	\$ 875,096	\$ 858,050	\$ 858,050
Non-Operating Expenses	614,280	635,821	639,914	644,738	640,158	644,738	640,158	640,158
Total: Allocation to Wholesale	\$ 1,449,254	\$ 1,476,937	\$ 1,497,852	\$ 1,519,834	\$ 1,498,208	\$ 1,519,834	\$ 1,498,208	\$ 1,498,208
Wholesale Rate per Ccf	\$ 2.75	\$ 2.78	\$ 2.82	\$ 2.78	\$ 2.82	\$ 2.78	\$ 2.82	\$ 2.78

Costs Allocated to Wholesale

Operating Expenses \$ 834,974 \$ 841,115 \$ 857,938 \$ 875,096 \$ 858,050

Non-Operating Expenses 614,280 635,821 639,914 644,738 640,158

Total: Allocation to Wholesale \$ 1,449,254 \$ 1,476,937 \$ 1,497,852 \$ 1,519,834 \$ 1,498,208

The Big Picture

• The Relative Impact

- City proactively amended the In-City sewer charge effective July 1, 2016 to address ongoing deficits
- The City has completed and paid for an exhaustive analysis to determine a fair and equitable wholesale rate
- The In-City sewer charge amendment was equivalent to a 20% increase for an average residential user
- Proposed Wholesale rate increase of \$0.29 represents a 12% increase

• A Fair and Equitable Approach



Rate Options

- City proposes a 3 year average rate of \$2.78/CCF
- 2020 – Rate recalculation based upon agreed upon methodology corresponding with the Aurelius arbitrated rate expiration
- Annual increase option available, prefer to set it – “and hopefully” forget it for the 3 year term
- The new rate is effective retroactive to July 1, 2016