

CITY OF BROKEN ARROW RATE STUDY PRESENTATION

SEPTEMBER 27, 2016

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PRESENTATION OVERVIEW

- A. BACKGROUND INFORMATION
- B. CAPITAL IMPROVEMENTS PROGRAM OVERVIEW
- C. RATE ANALYSIS OVERVIEW
- D. CONCLUSIONS

BACKGROUND INFORMATION

A. PURPOSE OF THE RATE STUDY

1. DETERMINE ACTUAL COSTS OF THE SERVICES DELIVERED
2. DEFINE THE CAPITAL IMPROVEMENTS PROGRAM
3. DEVELOP A RATE STRUCTURE TO SECURE SUFFICIENT REVENUE

B. SCOPE OF THE RATE STUDY

1. OBTAIN OPERATING AND MAINTENANCE COSTS
2. UPDATE THE CAPITAL IMPROVEMENTS PROGRAM
3. INVESTIGATE VARIOUS RATE STRUCTURES TO DESIGN REVENUE

BACKGROUND INFORMATION

C. KEY MILESTONES

1. MAY 2013 - BEGAN SELECTION PROCESS
2. SEPTEMBER 2013 - ENTERED INTO AGREEMENT
3. JUNE 2014 - PRESENTED FINDINGS OF THE ANALYSIS
4. SEPTEMBER 2014- INITIAL RATE INCREASE (9%)
5. MAY 2015 - DISCUSSION OF SECOND RATE INCREASE
6. OCTOBER 2015 - SECOND RATE INCREASE (10%-12%-5%)
7. DECEMBER 2015 - AMENDED AGREEMENT
8. MAY 2015 – STATUS OF UTILITIES PRESENTATION
9. SEPTEMBER 2016 – PRESENTATION OF UPDATED STUDY

CAPITAL IMPROVEMENTS PROGRAM

A. HISTORICAL BACKGROUND

1. 2010 STAFF DEVELOPED A 3-YEAR CIP FOR UTILITIES
2. 2012/2013 EXPANDED CIP TO 5-YEAR (\$140M)
3. 2014 CIP EXPANDED IN DETAIL (\$150M)

B. CURRENT STRUCTURE

1. EXPANDED TO 7-YEAR PLANNING HORIZON
(5-YEAR CIP PLUS 2-YEAR PLANNING PERIOD)

CAPITAL IMPROVEMENTS PROGRAM

C. NEW POSITIONS (34 TOTAL)

1. 10 DEDICATED TO WATER
2. 8 DEDICATED TO WASTEWATER
3. 10 DEDICATED TO STORMWATER
4. 6 SPLIT BETWEEN UTILITIES

CAPITAL IMPROVEMENTS PROGRAM

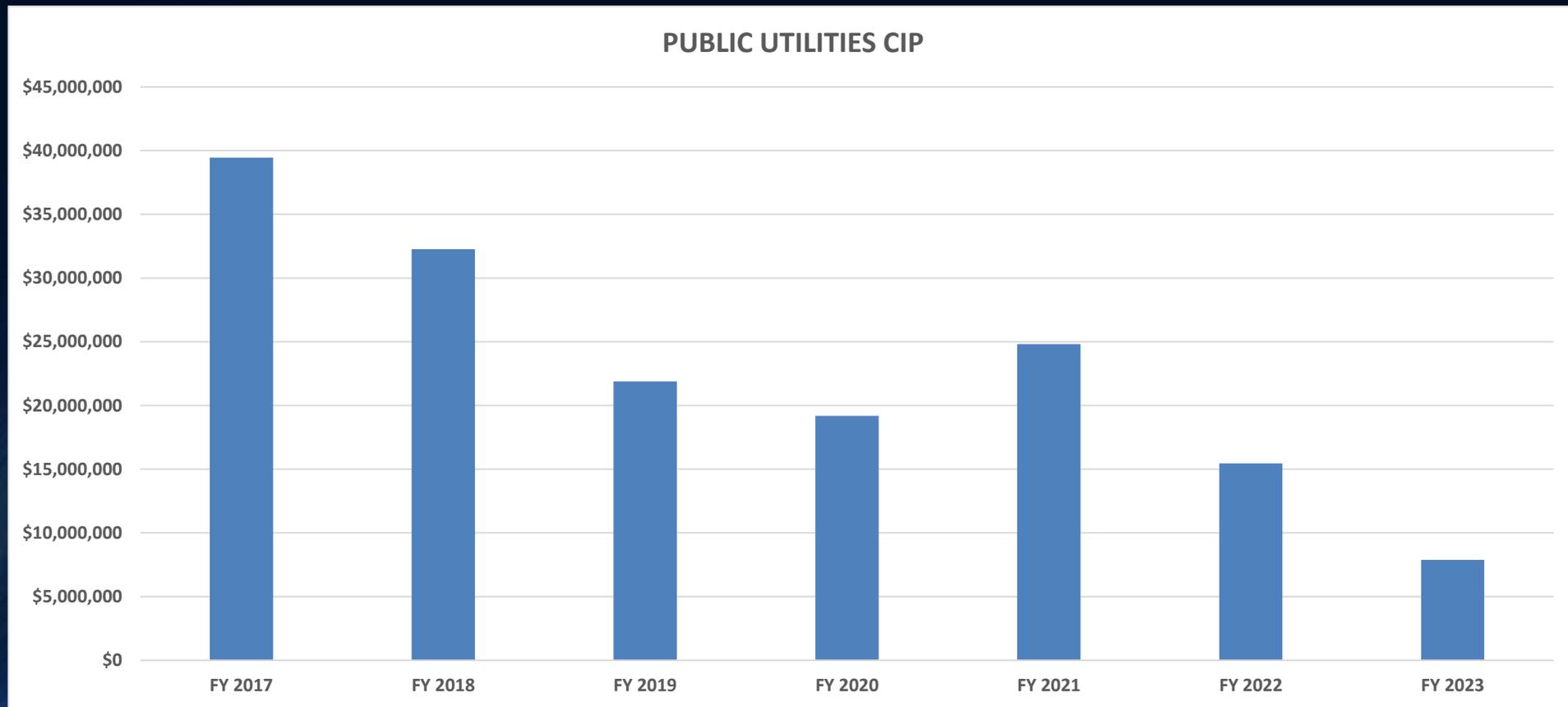
D. OVERALL CIP BUDGET

CITY OF BROKEN ARROW PROJECTED UTILITY IMPROVMENTS CAPITAL BUDGET OUTLAY UPDATED: 07-06-16 (KDS)									
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Water System Improvement	\$7,655,750	\$5,280,000	\$8,175,000	\$2,275,000	\$3,635,000	\$6,805,000	\$10,075,000	\$3,325,000	\$47,225,750
Wastewater System Improvements	\$5,965,500	\$32,040,000	\$22,214,000	\$17,054,000	\$13,524,000	\$16,945,000	\$4,370,000	\$3,870,000	\$115,982,500
Stormwater System Improvements	\$880,000	\$2,122,500	\$1,875,000	\$2,557,500	\$2,012,500	\$1,060,000	\$1,013,000	\$683,000	\$12,203,500
	\$14,501,250	\$39,442,500	\$32,264,000	\$21,886,500	\$19,171,500	\$24,810,000	\$15,458,000	\$7,878,000	\$175,411,750

Five Year Utilities Budget Plan Total =	\$137,574,500
Five Year Utilities Budget Plan Average =	\$27,514,900

Eight Year Utilities Budget Plan Total =	\$175,411,750
Eight Year Utilities Budget Plan Average =	\$21,926,469

CAPITAL IMPROVEMENTS PROGRAM



CAPITAL IMPROVEMENTS PROGRAM

E. WATER SYSTEM CIP BUDGET AND PROJECTS

Water System Summary	Projected Costs	
System Component	5-Year	7-year
Water Plant Improvements	\$6,720,000	\$9,320,000
Water Master Connection Improvements	\$1,900,000	\$10,050,000
Water Distribution System Improvements	\$9,670,000	\$10,320,000
Water Storage System Improvements	\$7,880,000	\$9,880,000
System Total	\$26,170,000	\$39,570,000

CAPITAL IMPROVEMENTS PROGRAM

STORAGE TANK



PLATE SETTLER

OLD TOWN LINE



OOWA LINE



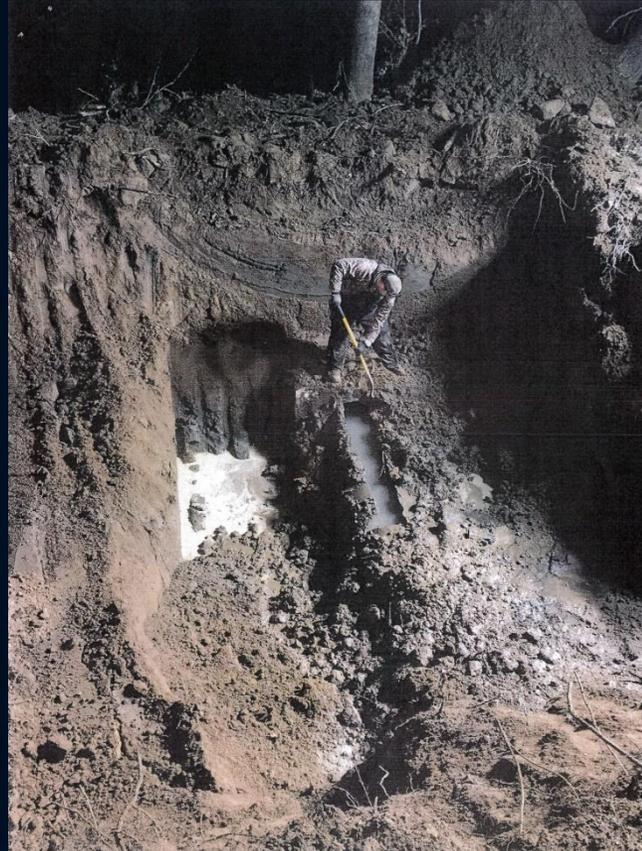
CAPITAL IMPROVEMENTS PROGRAM

E. WASTEWATER SYSTEM CIP BUDGET

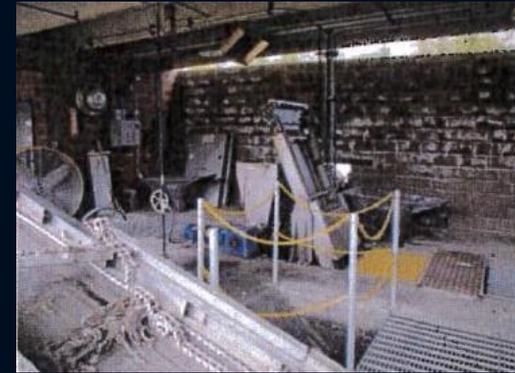
Wastewater System Summary	Projected Costs	
System Component	5-Year	7-year
Haikey Creek Plant Improvements	\$49,622,000	\$49,622,000
Haikey Creek Basin Improvements	\$4,150,000	\$6,650,000
Lynn Lane Plant Improvements	\$19,270,000	\$19,270,000
Lynn Lane Basin Improvements	\$28,735,000	\$34,475,000
System Total	\$101,777,000	\$110,017,000

CAPITAL IMPROVEMENTS PROGRAM

HEADWORKS/DEGRITTER



CLARIFIER/DIGESTER



LIFT STATION

TRUNK SEWER



CAPITAL IMPROVEMENTS PROGRAM

F. STORMWATER CIP BUDGET

Stormwater System Summary	Projected Costs	
System Component	5-Year	7-year
Conveyance System Improvements	\$4,980,000	\$6,220,000
Detention Facility Improvements	\$3,575,000	\$3,825,000
Dam Facility Improvements	\$322,500	\$428,500
Master Drainage Plans	\$750,000	\$850,000
System Total	\$9,627,500	\$11,323,500

CAPITAL IMPROVEMENTS PROGRAM

DETENTION
FACILITIES



BOX
CULVERT



RATE ANALYSIS OVERVIEW

BLACK AND VEATCH PRESENTATION

CONCLUSIONS

A. UTILITIES ARE IN NEED OF IMMEDIATE ATTENTION:

1. AGING SYSTEMS AND FACILITIES;
2. DEFERRED MAINTENANCE;
3. EMERGING TREATMENT TECHNOLOGIES;
4. ENVIRONMENTAL IMPACTS;
5. MORE STRINGENT REGULATIONS; AND
6. CONTINUED GROWTH

B. EMERGENCY FUND BALANCE POLICY NEEDS TO BE MODIFIED

CONCLUSIONS

C. REASONABLE RATE STRUCTURE

1. CATCH-UP MODE
2. MAINTAIN SIGHT
3. REMAIN COMPETITIVE

D. RE-ALLOCATE CIP DISTRIBUTION TO FLATTEN IMMEDIATE IMPACTS

E. CONSIDER ALTERNATIVE MEASURES

1. IN-HOUSE DESIGN SERVICES
2. FORCE-LABOR CONSTRUCTION

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QUESTIONS AND INPUT