



January 16, 2023
**Wastewater Rate
Study**

Presented by: California Rural Water Association

In Collaboration With:

Robert D. Niehaus, Inc.



**CITY OF GREENFIELD
FINANCIAL PLANNING, REVENUE REQUIREMENTS,
AND RATE SETTING ANALYSIS**

**DRAFT REPORT
JANUARY 16, 2023**

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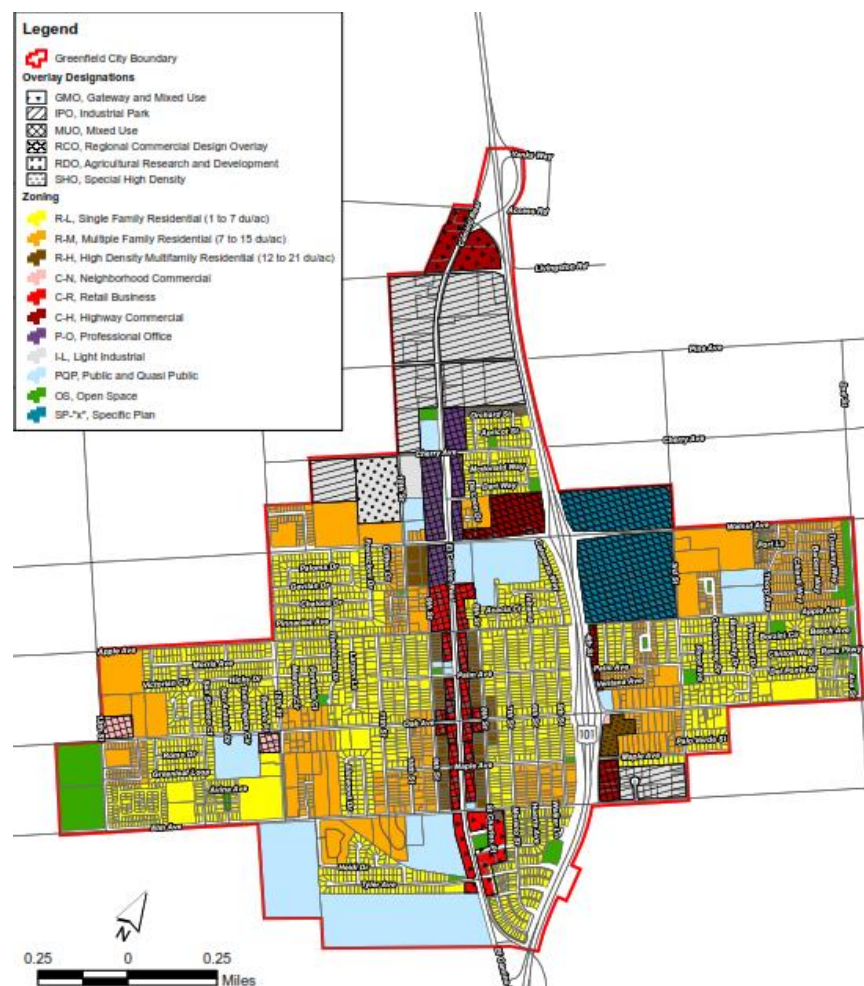
EXECUTIVE SUMMARY

Background

The City of Greenfield is in the Salinas Valley of Monterey County. Founded in 1905 and incorporated in 1947, Greenfield is centered in a highly productive agricultural region. The City owns and operates the wastewater collection, treatment, and disposal facilities that serve a population of approximately 18,000 residents. The existing WWTP was originally constructed in 1978 and has since been upgraded and expanded several times. It consists of a headworks, primary clarifiers, secondary biological treatment provided by aerated ponds, and effluent disposal provided by percolation ponds and effluent disposal fields.

The sewer collection system is comprised of approximately thirty-one miles of gravity sewer pipes ranging in size from 4-inch to 24-inch diameter, and six lift stations. The sewer collection system spans over 2.1 square miles to serve the City's 3,800 customers. Figure 1 shows the city zoning and limits in red.

Figure 1. City of Greenfield



Purpose of Study

The purpose of this analysis is to conduct a rate study which evaluates the City's current rates and financial data and propose new rates, if necessary, that meet the City's financial and strategic goals. In October 2021, the California Rural Water Association (CRWA) retained Robert D. Niehaus, Incorporated (RDN) to develop a comprehensive wastewater rate study (Study) for the City of Greenfield.

The primary objectives of this Study include:

- Projecting revenues and expenses for a five-year study period
- Proposing revenue adjustments to fund the City's projected financial needs
- Proposing rates which do not overly impact customers
- Producing an administrative record which effectively summarizes all findings
- Supporting the City through the Proposition 218 process as necessary

Recommendation and Proposed Rates

Recommendations:

- Build specific reserve funds by making annual contributions from revenue generated from rates
- Chose a financial plan (of four options) which best achieves the City's goals while producing the least impact on customers
- The City should develop a capital improvement plan that outlines yearly expenditures for a fixed period

Current Rates

Currently, City sewer customers pay a \$3.65 monthly service fee per connection and \$30.50 per equivalent residence unit (ERU) per month within the city limits and a \$7.30 monthly service fee and \$61.00 per equivalent residence unit outside of the City limits. Customers are assigned a value in ERUs when they join the system to account for differences in sewer flows and strengths between individual customers. Single family residential customers are the baseline ERU and are all assigned a value of one. The current rates as described are displayed in **Table 1**.

Table 1. Current Rates

Monthly Bill		
Charge	Unit	Current
Customer Service	Per Bill	\$3.65
ERU	Per Equivalent Unit	\$30.50
Out of City		
Customer Service	Per Bill	\$7.30
ERU	Per Equivalent Unit	\$61.00

Proposed Rates (4 Options)

The recommendations outlined below are based on four different approaches to reserve funding and capital planning. To allow the City to best accomplish its goals, RDN designed four potential financial plans which will be described in this report. **Table 2** and **Table 3** show the proposed revenue adjustments and rate adjustment for the study period for each of the four options, respectively.

Table 2. Proposed Revenue Adjustments FY 2022-23 to FY 2026-27

Option 1	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Revenue Adjustment	5.0%	5.0%	5.0%	5.0%	5.0%
Cumulative Rate Increase	105.0%	110.3%	115.8%	121.6%	127.6%
Option 2	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Revenue Adjustment	15.0%	15.0%	5.0%	5.0%	5.0%
Cumulative Rate Increase	115.0%	132.3%	138.9%	145.8%	153.1%
Option 3	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Revenue Adjustment	150.0%	150.0%	50.0%	0.0%	-40.0%
Cumulative Rate Increase	250.0%	625.0%	937.5%	937.5%	562.5%
Option 4	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Revenue Adjustment	30.0%	20.0%	15.0%	15.0%	5.0%
Cumulative Rate Increase	130.0%	156.0%	179.4%	206.3%	216.6%

Table 3. Proposed Rate Adjustments FY 2022-23 to FY 2026-27

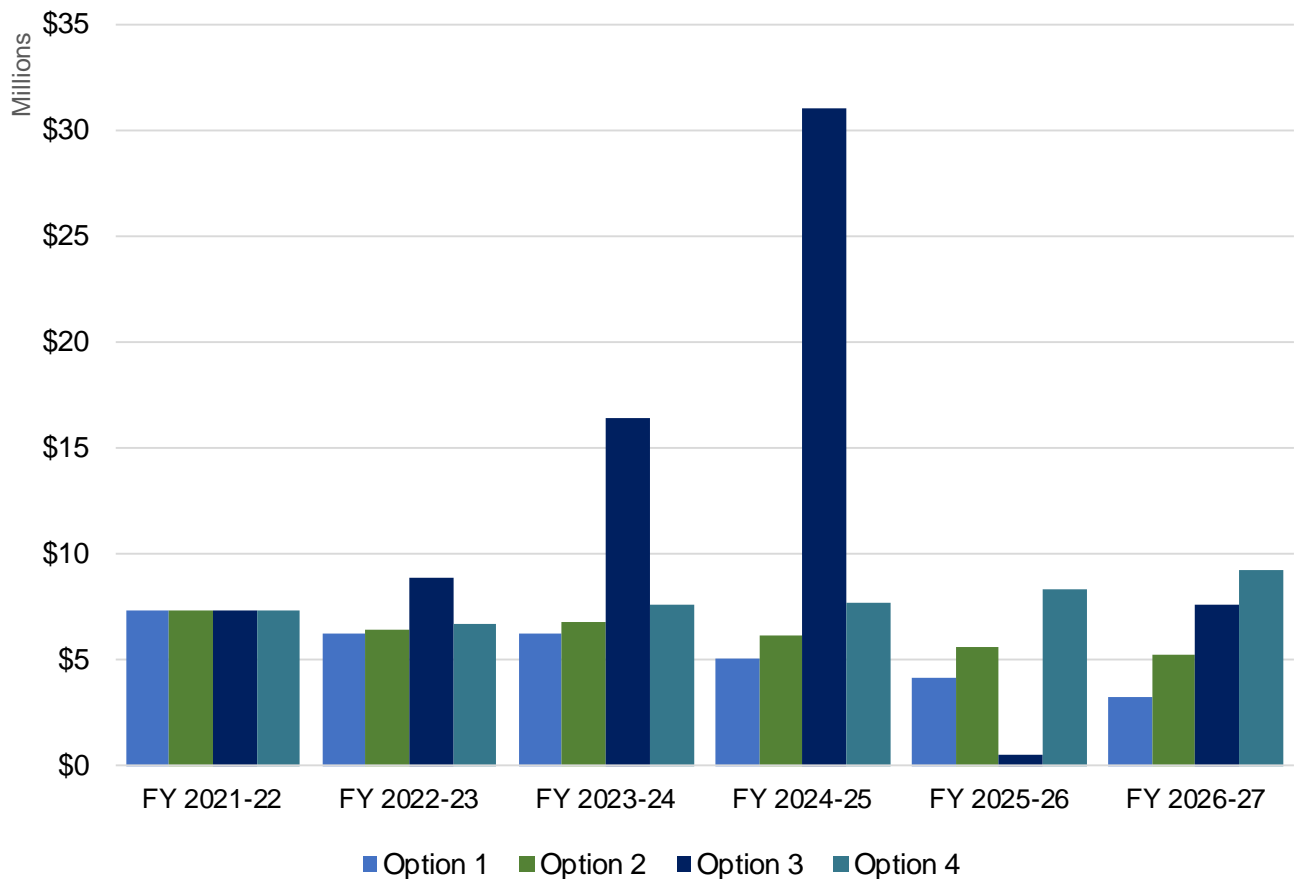
Option 1	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Customer Service	Per Bill	\$3.03	\$3.19	\$3.35	\$3.51	\$3.69
ERU	Per Equivalent Unit	\$34.39	\$36.11	\$37.92	\$39.81	\$41.80
Option 2	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Customer Service	Per Bill	\$3.31	\$3.81	\$4.00	\$4.20	\$4.41
ERU	Per Equivalent Unit	\$37.51	\$43.14	\$45.29	\$47.56	\$49.94
Option 3	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Customer Service	Per Bill	\$6.87	\$17.19	\$25.78	\$25.78	\$15.47
ERU	Per Equivalent Unit	\$77.92	\$194.81	\$292.21	\$292.21	\$175.32
Option 4	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Customer Service	Per Bill	\$3.72	\$4.47	\$5.14	\$5.91	\$6.20
ERU	Per Equivalent Unit	\$42.19	\$50.62	\$58.22	\$66.95	\$70.30

Rate Options

The differences in the proposed financial plan options include different levels of capital funding as well as the treatment of the wastewater utility's reserve balances. In brief, Option 1 uses current fund balances to maintain capital funding levels of approximately \$1.3 million a year; Option 2 maintains the current fund balances instead of spending them and also funds \$1.3 million a year in capital expenditures; Option 3 completes all near-term capital projects through rate funded PAYGO, which averages to \$11.0 million a year, and returns to the current reserve level at the end of the study period; and Option 4 contributes approximately \$350,000 a year to additional reserves as well as \$1.3 million in capital PAYGO funding.

Figure 2 shows the sewer fund balances under the proposed financial plans through the study period.

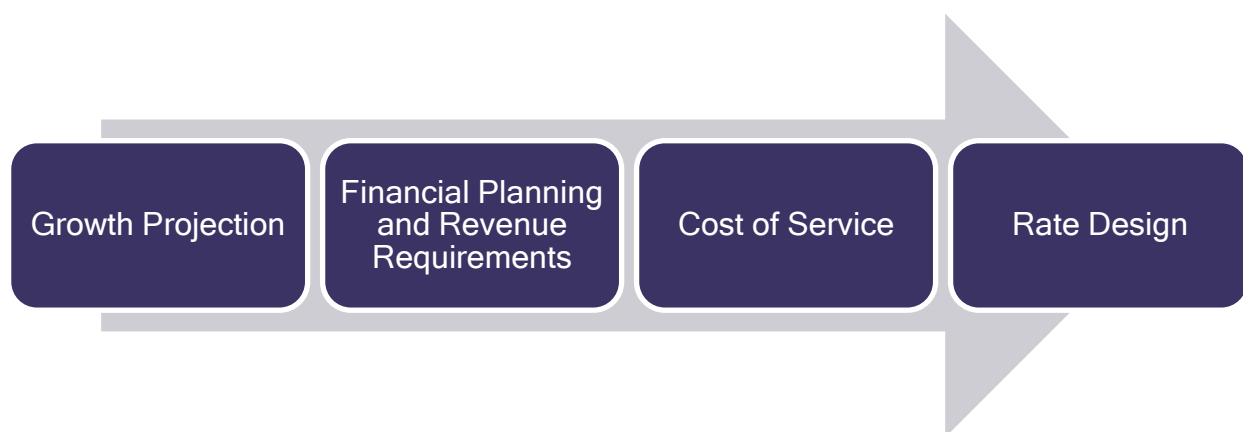
Figure 2. City Fund Balances under the Proposed Financial Plans



GENERAL METHODOLOGY

The wastewater rates formulated in this study were developed using principles set forth by the American Water Works Association (AWWA) and the Water Environment Federation (WEF). RDN rate-making practices incorporate methods described in the AWWA Manual 1 (M1)¹ and the WEF Financing and Charges for Wastewater Systems². **Figure 3** presents the steps taken to develop the City’s proposed rates.

Figure 3. Wastewater Rate Study Process



- **Growth Projection:** project customer growth for the five-year study period, FY 2022-23 through FY 2026-27, using the City’s customers’ historical growth data. Forecast revenues for the study period based on the projected customer growth.
- **Financial Planning and Revenue Requirements:** develop a five-year financial plan based on the projected revenues and annual costs which include both operating and capital expenses. The City’s target reserve level should also be considered as part of the financial planning. Based on the financial planning, revenue requirements are determined for each year of the study period.
- **Cost of Service:** evaluate the customer classifications and allocate costs based on their service requirements.
- **Rate Design:** design rates to recover the rate revenue requirements from each customer.

¹ Principles of Water Rates, Fees, and Charges, Seventh Edition, Manual of Water Supply Practices, American Water Works Association

² Financing and Charges for Wastewater Systems, WEF Manual of Practice Number 27, Water Environment Federation

Legal Considerations

This section of the report describes the legal framework that was considered in the development of the rates to ensure that the calculated cost of service rates provide a fair and equitable allocation of costs to the different customer classes.

California Constitution - Article XIII C (Proposition 26)

The voters in the State approved Proposition 26 on November 2, 2010. Proposition 26 amended Article XIII C of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” with listed exceptions. By means of these exceptions, Article XIII C classifies several types of charges, in addition to property-related charges, that are not taxes, such as charges for specific services or benefits, regulatory charges and penalties. Article XIII C’s definition of “tax” lists the following exceptions: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D.

Proposition 26 also provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payer bear a fair or reasonable relationship to the payer’s burdens on, or benefits received from, the governmental activity. Like the proportionality requirements of Article XIII D, assessment of rates under these requirements, if applicable, would be supported by the cost of service approach.

California Constitution - Article XIII D, Section 6 (Proposition 218)

In November 1996, California voters passed Proposition 218, the “Right to Vote on Taxes Act.” This constitutional amendment protects taxpayers by limiting the methods by which local governments can create or increase taxes, fees and charges without taxpayer consent. Between 2002 and 2017, California courts have ruled that fees associated with providing sewer services are “property-related” and thus under the jurisdiction of Prop 218. The principal requirements for fairness of the fees, as they

relate to public sewer service, are as follows: Revenues derived from the fee or charge shall not exceed the funds required to provide the property related service. Revenues derived by the fee or charge shall not be used for any other purpose other than that for which the charge was imposed. The amount of the fee or charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel. Reliance by an agency on any parcel map, including, but not limited to, an assessor's parcel map, may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership for purposes of this article.

The rates developed in this Report use a methodology to establish an equitable system of charges that recover the cost of providing service and fairly apportion costs to each customer as required by Proposition 218.

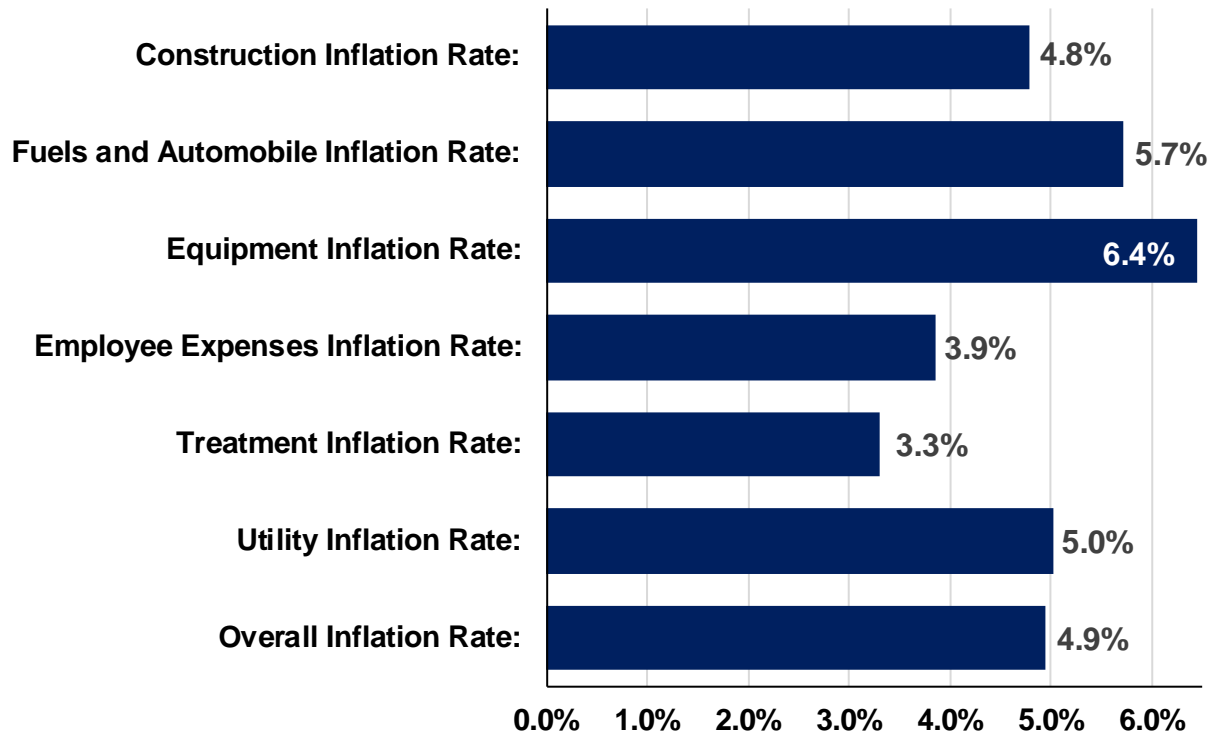
Key Assumptions

A test year, FY 2022-23, was selected for which costs are to be analyzed and rates to be established for this study. The City's fiscal year starts on July 1 and ends on June 30.

Escalation Factors

Escalation Factors were calculated for eight independent variables using historical Consumer Price Index (CPI) data from West Class B/C cities between 2000 and the most current calendar year, and projections by the California Department of Transportation (CADOT), and the California Department of Finance (CADOFF). The analysis for the status quo assumes that Operating Revenues will continue to be stable, with some increases due to customer growth, for the next five years. The escalation factors capture the effects of price inflation for this period. **Figure 4** displays the projected escalation factors for the study period. Due to local contingencies, the Equipment Inflation Rate is expected to rise at the highest rate, representing 6.4 percent per year. The Employee Expenses Inflation Rate, which includes salaries, insurance, and payroll taxes, is expected to rise 3.9 percent per year during the study period. Expenses that are not expected to increase during the study period were not escalated as those costs are fixed.

Figure 4. Escalation Factors

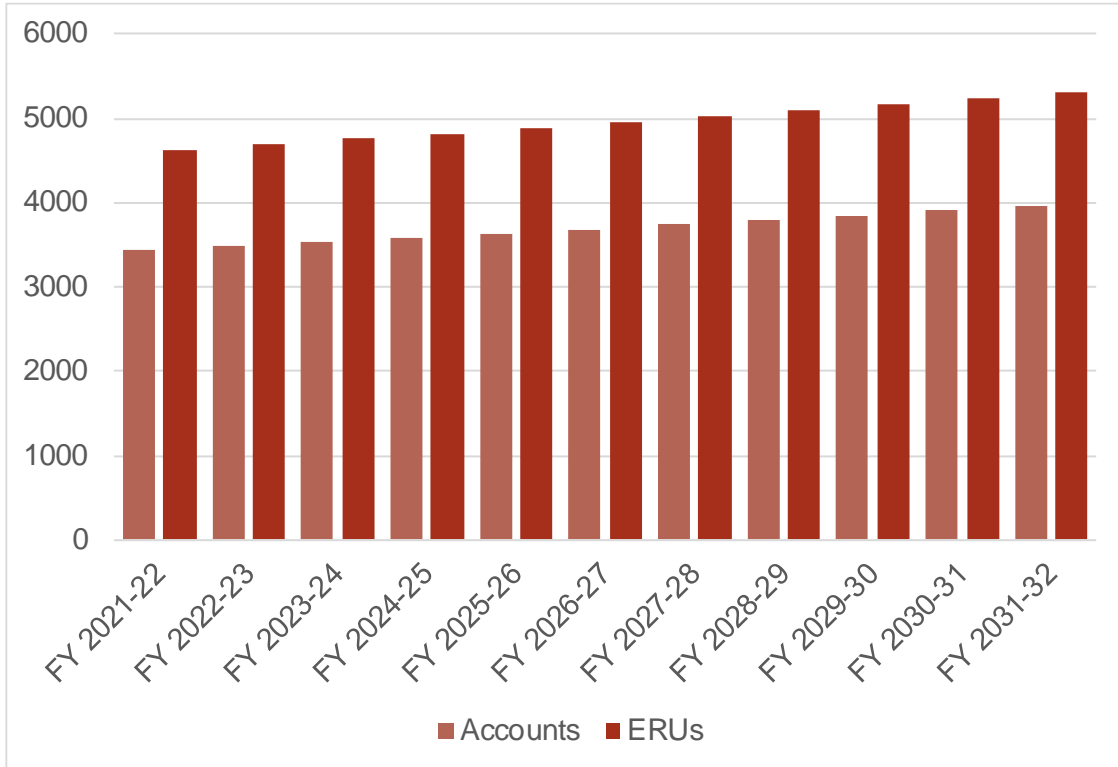


Customer Growth

All analyses performed during the study were based on an assumption of customer account growth. Historical billing records were used to project customer baseline growth. Customer ERU counts are developed by City engineering staff when each new customer joins the system. Although the City's historic growth rate from 1970 to 2000 ranged between 4.5% to 5.5% over this 30-year period, the population growth rate is projected to maintain a lower growth rate of around 1.5% per year based on the City's planning documents³. This growth projection is lower than the projection used in the 2016 Water Master Plan, which projected a population of 28,400 by Year 2035. Growth projections for this study reflect the current number of billed customers (as of June 2021) with an annual increase of 1.5 percent for both connections and ERUs. **Figure 5** shows the projected customer growth for the financial planning period by number of bills.

³ Wastewater Collection System Master Plan Update. City of Greenfield, 2021.

Figure 5. Projected EDU Growth, FY 2021-22 (Current) to FY 2031-32



FINANCIAL PLANNING

Revenues

Based on the projected customer growth through the study period, rate revenues under the current rates were calculated for each year of the study. Additionally, non-rate revenues were estimated based on historical values and City input. With no rate increases, the City is expected to collect between \$1.9 million and \$2.0 million per year. Additional non-operating revenues total approximately \$20,000 a year from investment income and will be used to offset future revenue requirements.

Operating and Maintenance Expense

This City's FY 2021-22 Budget anticipated approximately \$1.4 million in expenses which were classified as O&M expense. Based on the sum of all O&M expense line items, a total overall inflation rate for FY 2022-23 is 7.3 percent, which accounts for the current record inflation being experienced across the country. For the rest of the study period, annual inflation is projected to be approximately 3.9 percent per year. Total O&M expenses will reach \$1.8 million by FY 2026-27.

Capital Expenses

In addition to the costs of daily operation and maintenance, the City has two current master planning documents, one for the wastewater distribution system and one for the wastewater treatment plant. The different levels of capital funding which will be achieved by rates is one of the primary cost drivers between the options in this study. The two master plans detail over \$66 million in near-term capital expenses which are needed within the wastewater system. The City's current reserves will not cover these costs, so the City must either raise rates or find additional outside funding. For this study, two different CIP plans were assessed, one which maintains an average of \$1.3 million in annual PAYGO (pay as you go) capital expenditures, and one that funds all needed expenditures with customer rates.

Target Reserves

The City currently has no reserve policy, but does have a considerable cash balance which is associated with the wastewater fund approximately \$7.4 million at the time of writing. Optimally, the City should have a detailed reserve plan which separates different funds based on their

proposed uses. For example, similar sized utilities will often have an operating fund which totals three months of operating revenue, approximately \$0.5 million in FY 2022-23 for the City of Greenfield, that can be used in times of revenue shortfall. Additionally, the City should maintain capital reserves which are set aside to address depreciating assets. The proposed financial plans include different levels of reserve funding, which include, spending the current cash balance, maintaining the current cash balance, and accumulating funds for targeted reserve balances.

Debt Funding

The City currently pays \$124,000 in debt service payments per year on a Wastewater Plant Expansion Loan. These payments will continue through the study period. The current financial plan maintains debt service coverage ratios well above the industry standard of 1.20 through the duration. No additional loans are planned at this time.

Revenue Requirements

Revenue requirements were developed based on the four financial plans outlined above. Under the recommended rates revenue requirements include reserve contributions of various levels. The total revenue requirements are offset by the sum of Other Operating Revenues and Non-operating Revenues. The total revenue requirements from each plan are divided by the number of ERUs and Customer accounts to develop the 4 rate options.

Recommended Financial Plan

Based on the revenue requirements outlined for Rate Option 4, the proposed financial plan includes annual revenue adjustments of 30.0 percent in the test year, 20.0 percent the second year, 15.0 percent in years 3 and 4, and 5.0 percent in the final year of the study period. Under this plan a total of \$2.0 million will be contributed to fund balances; additionally, the City will be able to sufficiently cover their operating expenses and an average of \$1.3 million in capital expenditures per year. **Table 4** shows the proposed financial plan under option 4 and ending reserve balances for the study period. RDN recommends this plan because it best balances the future repair needs of the sewer system with customer impacts. The Cost of Service section will use this financial plan as a basis for calculations. If the City Council decides to choose a different rate option, the Cost of Service analysis will be adjusted for the final report.

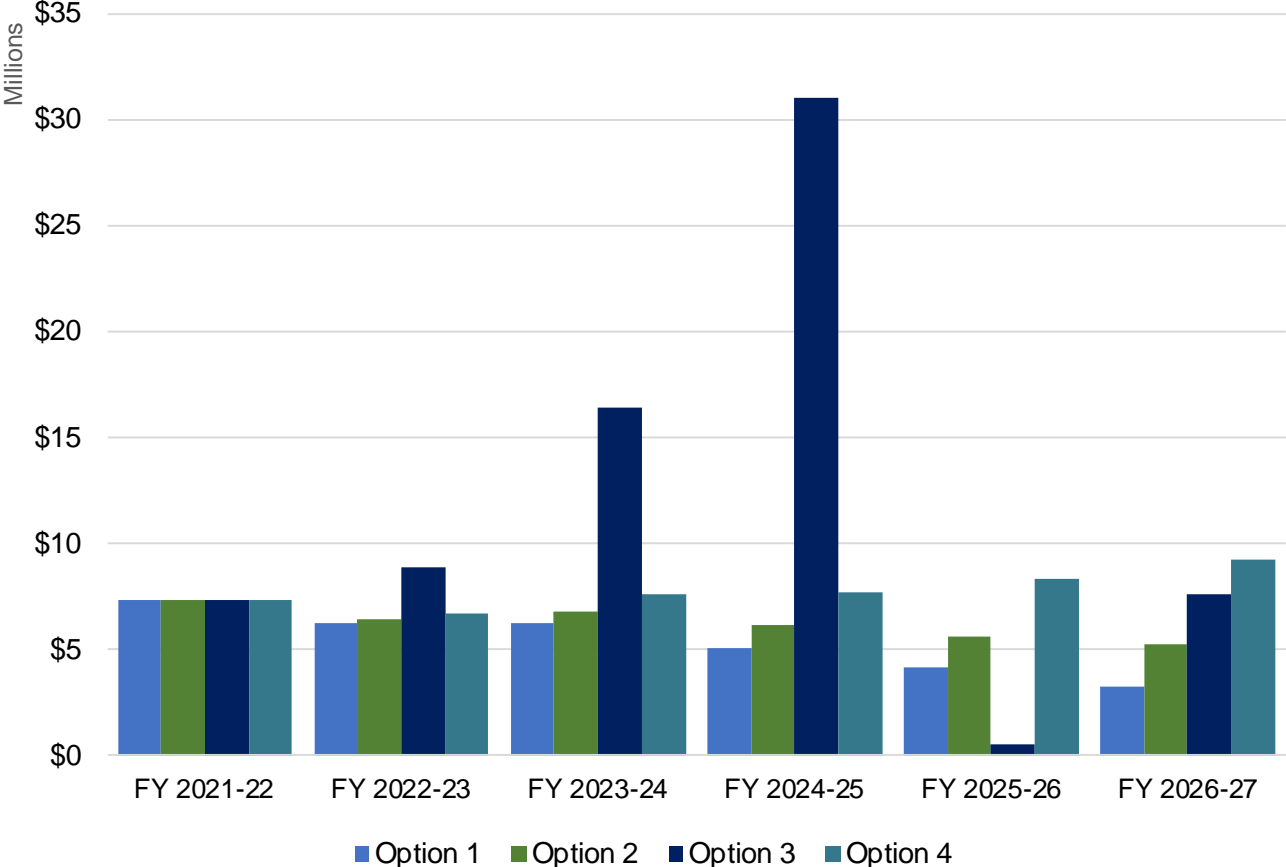
Table 4. Study Period Financial Plan, FY 2022-23 to FY 2026-27

Description	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
	Test Year				
Revenue Adjustments					
Revenue under Current Rates	\$1,871,204	\$1,896,780	\$1,922,739	\$1,949,087	\$1,975,831
Year 1 - 30 %	\$561,361	\$569,034	\$576,822	\$584,726	\$592,749
Year 2 - 20 %	\$0	\$493,163	\$499,912	\$506,763	\$513,716
Year 3 - 15 %	\$0	\$0	\$449,921	\$456,086	\$462,344
Year 4 - 15 %	\$0	\$0	\$0	\$524,499	\$531,696
Year 5 - 5 %	\$0	\$0	\$0	\$0	\$203,817
Total Adjustments	\$561,361	\$1,062,197	\$1,526,655	\$2,072,075	\$2,304,323
Other Revenue Sources					
Other Operating Revenues	\$0	\$0	\$0	\$0	\$0
Non-operating Revenues	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Use of Debt Proceeds	\$0	\$0	\$0	\$0	\$0
Grants	\$0	\$0	\$0	\$0	\$0
Total Other Revenue Sources	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Total Revenue	\$2,452,565	\$2,978,976	\$3,469,393	\$4,041,162	\$4,300,154
O&M Expenses	(\$1,542,771)	(\$1,602,180)	(\$1,664,239)	(\$1,729,069)	(\$1,796,796)
Debt Service					
Existing	\$124,083	\$124,044	\$123,918	\$123,918	\$123,918
Proposed	\$0	\$0	\$0	\$0	\$0
Debt Service Total	(\$124,083)	(\$124,044)	(\$123,918)	(\$123,918)	(\$123,918)
Capital PAYGO	(\$1,458,000)	(\$380,372)	(\$1,588,726)	(\$1,502,265)	(\$1,516,276)
Total Expense	(\$3,124,854)	(\$2,106,595)	(\$3,376,884)	(\$3,355,253)	(\$3,436,990)
Net Operating Cash Flow	(\$672,289)	\$872,381	\$92,509	\$685,909	\$863,164
Beginning Balance	\$7,384,610	\$6,712,321	\$7,584,702	\$7,677,211	\$8,363,120
Ending Balance	\$6,712,321	\$7,584,702	\$7,677,211	\$8,363,120	\$9,226,284

Proposed Reserve Balances

Figure 6 shows the sewer fund balances under the proposed financial plans through the study period.

Figure 6. City Fund Balances under the Proposed Financial Plans



COST OF SERVICE

Methodology

A sewer system's COS analysis utilizes a three-step approach to allocate costs equitably among customers. These steps include 1) functionalization of cost and asset items, 2) cost classification, and 3) cost allocation to customers. The typical major functions included in a sewer study are collection, sewer treatment, customer accounts, and other general and administrative costs.

Equivalent Residential Units

Equivalent Residential Units (ERUs) are determined by the City's engineering staff when a new customer joins the system and represent the relative differences in sewer flow and strength between accounts. There is a total of 4,695 projected ERUs for the test year. One ERU is equal to the service requirement of one average single family residential home. All costs that are not directly associated with billing are allocated to the operation cost function and are divided evenly between each ERU.

Customer Portion

Customer service costs typically include all of the costs associated with billing. Each customer receives one bill, so for the purpose of allocating customer service costs, the total costs are divided by the total number of billed accounts, 3,484.

COS Allocation

The total Test Year revenue requirement developed in the financial planning stage (Option 4), \$2.4 million, was functionalized into the three cost causative functions. **Table 5** shows the total Test Year O&M expenses allocated to each cost component.

Table 5. Cost of Service Cost Components by Category

O&M Cost Allocation	Total Cost	Volume	BOD	TSS	Sewer Service
Sewer Collection	\$650,019	\$650,019	\$0	\$0	\$0
Sewer Treatment	\$357,933	\$214,760	\$71,587	\$71,587	\$0
Customer Accounts	\$148,507	\$0	\$0	\$0	\$148,507
Administrative and General	\$386,312	\$288,877	\$23,913	\$23,913	\$49,608
Total Test Year O&M	\$1,542,771	\$1,153,656	\$95,500	\$95,500	\$198,115
Percentage	100%	75%	6%	6%	13%

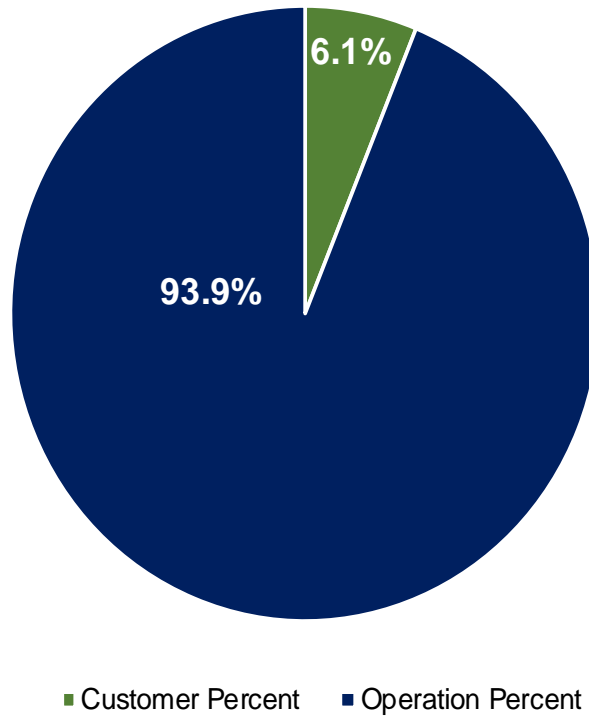
Table 6 shows the total Test Year CIP expenses allocated to each cost component (based on current asset values).

Table 6. Cost of Service Cost Components by Category

Asset Cost Allocation	Total Cost	Volume	BOD	TSS	Sewer Service
Sewer Treatment	\$40,000,000	\$24,000,000	\$8,000,000	\$8,000,000	\$0
Sewer Collection	\$68,940,000	\$68,940,000	\$0	\$0	\$0
Total Assets	\$108,940,000	\$92,940,000	\$8,000,000	\$8,000,000	\$0
Total Test Year CIP	\$1,682,083	\$1,435,036	\$123,524	\$123,524	\$0
Percentage	100%	85%	7%	7%	0%

The component allocations were then distributed to customers according to the relative strain each puts on the system, or number of ERUs, and based on the cost to provide customer service, or number of accounts. Based on the cost allocation, the percentage of total costs associated with each charge are shown in Figure 7.

Figure 7. Cost Allocation by Function



The proposed cost allocation retains the current billing schema so if additional costs are assigned, such as CIP expense, these percentages will shift slightly. The total test year costs allocated to each billing function (under Option 4) are shown in **Table 7**.

Table 7. Total Cost Allocations by Cost Category

Cost Category	Test Year
Customer Costs	\$155,585
Operation Costs	\$2,376,980

RATE SETTING

Recommendations

RDN recommends the City implement Option 4 outlined in this report on in fiscal year 2022-23. The City needs revenue increases to fund needed capital improvement projects. The financial plan and COS analysis provides a Proposition 218 compliant rate structure. The proposed revenue requirements include funding for both the City reserves and Capital expenditures as well as sufficient funding for the daily operations of the City. If the City is able to secure additional funding sources, or if customer growth is higher than expected, resulting in increased revenues, the City Council can choose to not implement increases in any year.

Rate Options

To create the rates outlined in this study, the essential calculation is the revenue requirements, developed in the financial planning analysis, divided by the Cost of Service units. Each customer was assigned a percentage of the total Cost of Service based on their individual service requirements. The total operation revenue requirements for each option were divided by the number of ERUs and the customer service portion of the rates was designed by dividing the total costs to provide billing and service by the number of bills in a year. Table 8 shows the proposed rate schedule through the study period for all four options. While each will fund different levels of reserves and capital improvements, RDN concluded that the most prudent financial plan is Option 4. Under the proposed option, Residential customers within the City will see a bill increase of \$11.66 per month.

Table 8. Proposed Rates FY 2022-23 to FY 2026-27

Option 1	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Customer Service	Per Bill	\$3.03	\$3.19	\$3.35	\$3.51	\$3.69
ERU	Per Equivalent Unit	\$34.39	\$36.11	\$37.92	\$39.81	\$41.80
Option 2	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Customer Service	Per Bill	\$3.31	\$3.81	\$4.00	\$4.20	\$4.41
ERU	Per Equivalent Unit	\$37.51	\$43.14	\$45.29	\$47.56	\$49.94
Option 3	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Customer Service	Per Bill	\$6.87	\$17.19	\$25.78	\$25.78	\$15.47
ERU	Per Equivalent Unit	\$77.92	\$194.81	\$292.21	\$292.21	\$175.32
Option 4	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Customer Service	Per Bill	\$3.72	\$4.47	\$5.14	\$5.91	\$6.20
ERU	Per Equivalent Unit	\$42.19	\$50.62	\$58.22	\$66.95	\$70.30

CONCLUSION

Recommendations:

- Build specific reserve funds by making annual contributions from revenue generated from rates
- Chose a financial plan (of four options) which best achieves the City's goals while producing the least impact on customers, RDN recommends option 4
- The City should develop a capital improvement plan that outlines yearly expenditures for a fixed period

Rate Comparison:

There are significant differences in the rates and rate structures of sewer providers in the neighboring communities of the City of Greenfield. Some of the differences are because of administrative paradigms, which are unique to each agency. For example, investor-owned utilities are allowed to make a profit on their service, whereas municipal ones are not. Furthermore, customer rates can be affected by outside funding sources such as property taxes and transfers. Finally, the rate structure itself may influence which types of users pay a proportion of costs. Figure 8 shows current sewer rates in June 2022 for 13 local providers. Also shown is the proposed rates for the City of Greenfield. Individual sewer rates range between \$24.25 and \$84.79. The new rates proposed by the City of Greenfield will fund O&M expenses, contribute to reserves, and allow significant CIP spending. It is important to note that Option 4, which is the recommended option in this report, is still below the regional average.

Figure 8. Local Sewer Rate Comparison

