



CLEARFIELD UTILITY RATES

November 16, 2021

- Pay for needed capital improvements and repairs to system
- Keep up with inflationary costs
- Minimize impacts to ratepayers
- Maintain 180 days cash on hand on average and never go below 150 days cash on hand
- Sufficient debt coverage ratios
- Comparable/competitive with surrounding cities
- Fees are easy to understand, implement and collect

- Culinary Water
- Sewer
- Storm Water

- 28 projects identified by the City's engineers
- Total cost of \$14,675,160 (\$2022)

CURRENT CULINARY WATER BASE RATES

RATE SCHEDULE	Monthly
Single-Family	\$14.75
Multi-Family	\$15.95
Commercial	
5/8" – 3/4"	\$20.99
1" – 1 ¼'	\$81.64
2"	\$107.11
3"	\$274.45
4"	\$420.32
6"	\$746.89

CURRENT CULINARY WATER USAGE RATES

Usage Tier	Monthly Amount per 1000 Gallons
Single-Family	
0 – 10,000 gallons	\$0.91
10,001 – 40,000 gallons	\$1.06
40,001 – 60,000 gallons	\$1.21
60,001 – 80,000 gallons	\$1.39
80,000+ gallons	\$1.54
Multi-Family	
0 – 7,000 gallons	\$0.00
7,000+ gallons	\$1.11
Commercial	
5/8" – 3/4"	\$1.11
1" – 1 ¼"	\$1.11
2"	\$1.11
3"	\$1.11
4"	\$1.11
6"	\$1.11

CURRENT CULINARY WATER RATES ARE NOT SUSTAINABLE

	2022	2023	2024	2025	2026	2027	2028
Net Revenues before Debt Service	\$1,574,456	\$496,144	\$588,517	\$664,719	\$564,930	\$378,797	\$231,703
Debt Service	(\$83,158)	(\$83,158)	(\$83,158)	(\$83,158)	(\$83,158)	(\$83,158)	(\$83,158)
Capital Expenses	(\$4,701,500)	(\$1,405,291)	(\$745,813)	(\$1,125,509)	(\$1,904,699)	(\$1,488,508)	(\$1,552,268)
Debt Service Coverage Ratio	18.93	5.97	7.08	7.99	6.79	4.56	2.79
Days Cash on Hand (Target 180 days)	(184)	(283)	(301)	(344)	(456)	(537)	(625)

Rates:

Base

- Increase of 7.5% on January 1, 2022
- Annual increase of 6% beginning in 2023

Usage

- Increase of 3% on January 1, 2022
- Annual increase of 2% beginning in 2023

Bond:

\$5,500,000 in 2022

PROPOSED CULINARY WATER BASE RATES

RATE SCHEDULE	2022	2023	2024	2025	2026	2027	2028
	7.5%	6%	6%	6%	6%	6%	6%
Single-Family	\$15.86	\$16.81	\$17.82	\$18.89	\$20.02	\$21.22	\$22.49
Multi-Family	\$17.15	\$18.18	\$19.27	\$20.42	\$21.65	\$22.95	\$24.32
Commercial							
5/8" – 3/4"	\$22.56	\$23.92	\$25.35	\$26.87	\$28.49	\$30.20	\$32.01
1" – 1 ¼'	\$87.76	\$93.03	\$98.61	\$104.53	\$110.80	\$117.45	\$124.49
2"	\$115.14	\$122.05	\$129.37	\$137.14	\$145.37	\$154.09	\$163.33
3"	\$295.03	\$312.74	\$331.50	\$351.39	\$372.47	\$394.82	\$418.51
4"	\$451.84	\$478.95	\$507.69	\$538.15	\$570.44	\$604.67	\$640.95
6"	\$802.91	\$851.08	\$902.15	\$956.27	\$1,013.65	\$1,074.47	\$1,138.94

PROPOSED CULINARY WATER USAGE RATES

Usage Tier	2022	2023	2024	2025	2026	2027	2028
	3%	2%	2%	2%	2%	2%	2%
Single-Family							
0 – 10,000 gallons	\$0.94	\$0.96	\$0.98	\$0.99	\$1.01	\$1.03	\$1.06
10,001 – 40,000 gallons	\$1.09	\$1.11	\$1.14	\$1.16	\$1.18	\$1.21	\$1.23
40,001 – 60,000 gallons	\$1.25	\$1.27	\$1.30	\$1.32	\$1.35	\$1.38	\$1.40
60,001 – 80,000 gallons	\$1.43	\$1.46	\$1.49	\$1.52	\$1.55	\$1.58	\$1.61
80,000+ gallons	\$1.59	\$1.62	\$1.65	\$1.68	\$1.72	\$1.75	\$1.79
Multi-Family							
0 – 7,000 gallons	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7,000+ gallons	\$1.14	\$1.17	\$1.19	\$1.21	\$1.24	\$1.26	\$1.29
Commercial							
5/8" – 3/4"	\$1.14	\$1.17	\$1.19	\$1.21	\$1.24	\$1.26	\$1.29
1" – 1 ¼'	\$1.14	\$1.17	\$1.19	\$1.21	\$1.24	\$1.26	\$1.29
2"	\$1.14	\$1.17	\$1.19	\$1.21	\$1.24	\$1.26	\$1.29
3"	\$1.14	\$1.17	\$1.19	\$1.21	\$1.24	\$1.26	\$1.29
4"	\$1.14	\$1.17	\$1.19	\$1.21	\$1.24	\$1.26	\$1.29
6"	\$1.14	\$1.17	\$1.19	\$1.21	\$1.24	\$1.26	\$1.29

PROPOSED CULINARY WATER SUSTAINABILITY PLAN

	2022	2023	2024	2025	2026	2027	2028
Net Revenues before Debt Service	\$1,803,109	\$930,232	\$1,266,006	\$1,630,460	\$1,844,805	\$1,986,134	\$2,193,329
Debt Service	(\$83,158)	(\$443,023)	(\$443,023)	(\$443,023)	(\$443,023)	(\$443,023)	(\$443,023)
Capital Expenses	(\$4,701,500)	(\$1,405,291)	(\$745,813)	(\$1,125,509)	(\$1,904,699)	(\$1,488,508)	(\$1,552,268)
Debt Service Coverage Ratio	21.68	2.10	2.86	3.68	4.16	4.48	4.95
Days Cash on Hand (Target 180 days)	412	291	275	258	194	180	179

- 17 projects identified by the City's engineers
- Total cost of \$8,005,500 (\$2022)

Current Monthly Rates	
Base Rate	
Single-Family	\$13.13
Commercial	\$15.68
Flat Rate	\$15.00
Multi-Family	\$10.14
Usage Rate	
Commercial	
0 – 5,000 gallons	\$2.20
5,000+ gallons	\$0.65

CURRENT SEWER RATES ARE NOT SUSTAINABLE

	2022	2023	2024	2025	2026	2027	2028
Net Revenues before Debt Service	\$1,776,498	\$805,330	\$1,038,117	\$1,226,673	\$1,116,190	\$940,407	\$910,544
Debt Service	(\$74,749)	(\$74,749)	(\$74,749)	(\$74,749)	(\$74,749)	(\$74,749)	(\$74,749)
Capital Expenses	(\$3,916,500)	(\$1,120,125)	(\$563,338)	(\$136,591)	(\$1,072,047)	(\$1,614,869)	\$0
Debt Service Coverage Ratio	23.77	10.77	13.89	16.41	14.93	12.58	12.18
Days Cash on Hand	299	141	212	444	386	146	312

Rates:

Base

- Single-family, commercial, and flat rate rates increase annually by 2% beginning on January 1, 2022
- Multi-family rate increases annually by 3% beginning on January 1, 2022

Usage

- Commercial usage rates increase annually by 2% for all tiers beginning on January 1, 2022

Usage Tier	2022	2023	2024	2025	2026	2027	2028
Base Rate	2%	2%	2%	2%	2%	2%	2%
Single-Family	\$13.39	\$13.66	\$13.93	\$14.21	\$14.50	\$14.79	\$15.08
Commercial	\$15.99	\$16.31	\$16.64	\$16.97	\$17.31	\$17.66	\$18.01
Flat Rate	\$15.30	\$15.61	\$15.92	\$16.24	\$16.56	\$16.89	\$17.23
	3%	3%	3%	3%	3%	3%	3%
Multi-Family	\$10.44	\$10.76	\$11.08	\$11.41	\$11.76	\$12.11	\$12.47
Usage Rate							
Commercial	2%	2%	2%	2%	2%	2%	2%
0 – 5,000 gallons	\$2.24	\$2.29	\$2.33	\$2.38	\$2.43	\$2.48	\$2.53
5,000+ gallons	\$0.66	\$0.68	\$0.69	\$0.70	\$0.72	\$0.73	\$0.75

PROPOSED SEWER SUSTAINABILITY PLAN

	2022	2023	2024	2025	2026	2027	2028
Net Revenues before Debt Service	\$1,816,607	\$889,788	\$1,174,338	\$1,424,359	\$1,378,997	\$1,268,032	\$1,306,021
Debt Service	(\$74,749)	(\$74,749)	(\$74,749)	(\$74,749)	(\$74,749)	(\$74,749)	(\$74,749)
Capital Expenses	(\$3,916,500)	(\$1,120,125)	(\$563,338)	(\$136,591)	(\$1,072,047)	(\$1,614,869)	\$0
Debt Service Coverage Ratio	24.30	11.90	15.71	19.06	18.45	16.96	17.47
Days Cash on Hand	311	177	284	568	576	414	671

- 26 projects identified by the City's engineers
- Total cost of \$8,534,075 (\$2022)

RATE SCHEDULE

Residential

Single-Family and Duplex	\$6.55
Tri-Plex and Four-Plex	\$6.55

Commercial

0% Retention Rate	\$6.55
20% Retention Rate	\$5.24
30% Retention Rate	\$4.59
50% Retention Rate	\$3.28

CURRENT STORM WATER RATES ARE NOT SUSTAINABLE

	2022	2023	2024	2025	2026	2027	2028
Net Revenues before Debt Service	\$1,255,737	\$154,542	\$194,459	\$241,287	\$239,304	\$209,907	\$191,595
Debt Service	-	-	-	-	-	-	-
Capital Expenses	(\$3,581,875)	(\$601,726)	(\$466,796)	(\$490,634)	(\$955,557)	(\$440,524)	(\$895,539)
Debt Service Coverage Ratio	-	-	-	-	-	-	-
Days Cash on Hand	272	52	(83)	(203)	(472)	(570)	(811)

Rates:

All rates are consolidated into one base fee and are increased based on the current \$6.55 residential rate:

- Rate increase by 5% beginning on January 1, 2022
- Annual rate increase by 4% from 2023 thru 2025
- Annual increase of 3% beginning in 2026

	2022	2023	2024	2025	2026	2027	2028
	5%	4%	4%	4%	3%	3%	3%
Storm Water Rate (All Customers)	\$6.88	\$7.15	\$7.44	\$7.74	\$7.97	\$8.21	\$8.45

PROPOSED STORM WATER SUSTAINABILITY PLAN

	2022	2023	2024	2025	2026	2027	2028
Net Revenues before Debt Service	\$1,539,270	\$497,221	\$604,198	\$727,833	\$789,012	\$821,820	\$868,012
Debt Service	-	-	-	-	-	-	-
Capital Expenses	(\$3,581,875)	(\$601,726)	(\$466,796)	(\$490,634)	(\$955,557)	(\$440,524)	(\$895,539)
Debt Service Coverage Ratio	-	-	-	-	-	-	-
Days Cash on Hand	383	279	281	317	215	294	383