

Tier 4: - >27,001 gallons and raise rate to \$5.60 per 1,000 gallons

- For rate consistency, move to year around conservation tiers for residential and irrigation classes.
- Move non-residential, non-irrigation customers to separate rate class and a uniform volumetric rate year around. Volumetric rate increase from \$2.49 to \$2.72 per 1,000 gallons in FY18.
- Adjustment to the wholesale water rates to ensure that the City is recovering cost of providing service.

The reuse water rates are 75% of the tier 1 volumetric water rate. There is no change in the reuse water rates for FY18 because the tier 1 rate is not changing during this first year. However, there is a proposed increase to the tier 1 water rates in FY19 and FY20 which will cause a slight increase to the reuse water rates during those years.

These changes to the water rates and structure would go into effect starting October 1, 2017.

No retail or wholesale wastewater rate increases are proposed for next three years.