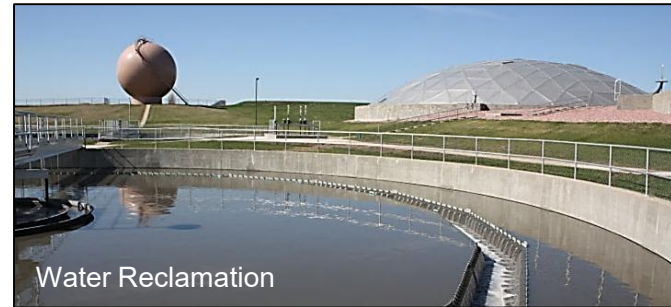
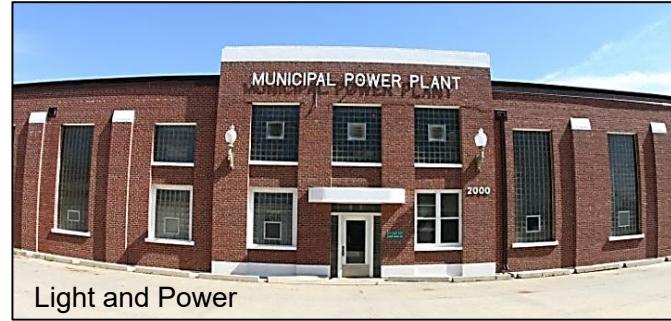



# 2020 - 2023 Rate Analysis



**Continued investment in our existing infrastructure reduces risk and maintains uninterrupted service.**







**Enterprise accounts cover the true cost for the enterprise, including:**

- **Operation**
- **Maintenance**
- **Periodic capital replacement**
- **New capital acquisitions and improvements**
- **Debt service requirements**





# Sioux Falls Light and Power 2020 – 2023 Rate Analysis

**Jerry Jongeling,  
Light Superintendent**

# Light and Power Facts

- **Serves small, defined service territory.**

Approximately 2710 customers

- 2310 Private Accounts
- 400 Governmental Accounts

- **Ten largest customers, by consumption:**

1. Schools (approx. 14 buildings)
2. Water Purification
3. Premier Center
4. SD Air Guard
5. Lakeside Dairy
6. SF Regional Airport
7. Washington Pavilion
8. SF Convention Center
9. Sheraton Sioux Falls
10. Health and Human Services

- **Approximately 50% of electricity provided by the Light Department is to public entities.**





# Key Modeling Assumptions

Negotiated long-term power purchase agreements to secure reliable and cost-effective power with Western Area Power Administration (WAPA) and Heartland Energy.

- Power costs account for 72% of the 2019 operating budget.
- Provide and maintain approximately 20,000 street lights for safe vehicle and pedestrian traffic.
- No debt planned for this utility.

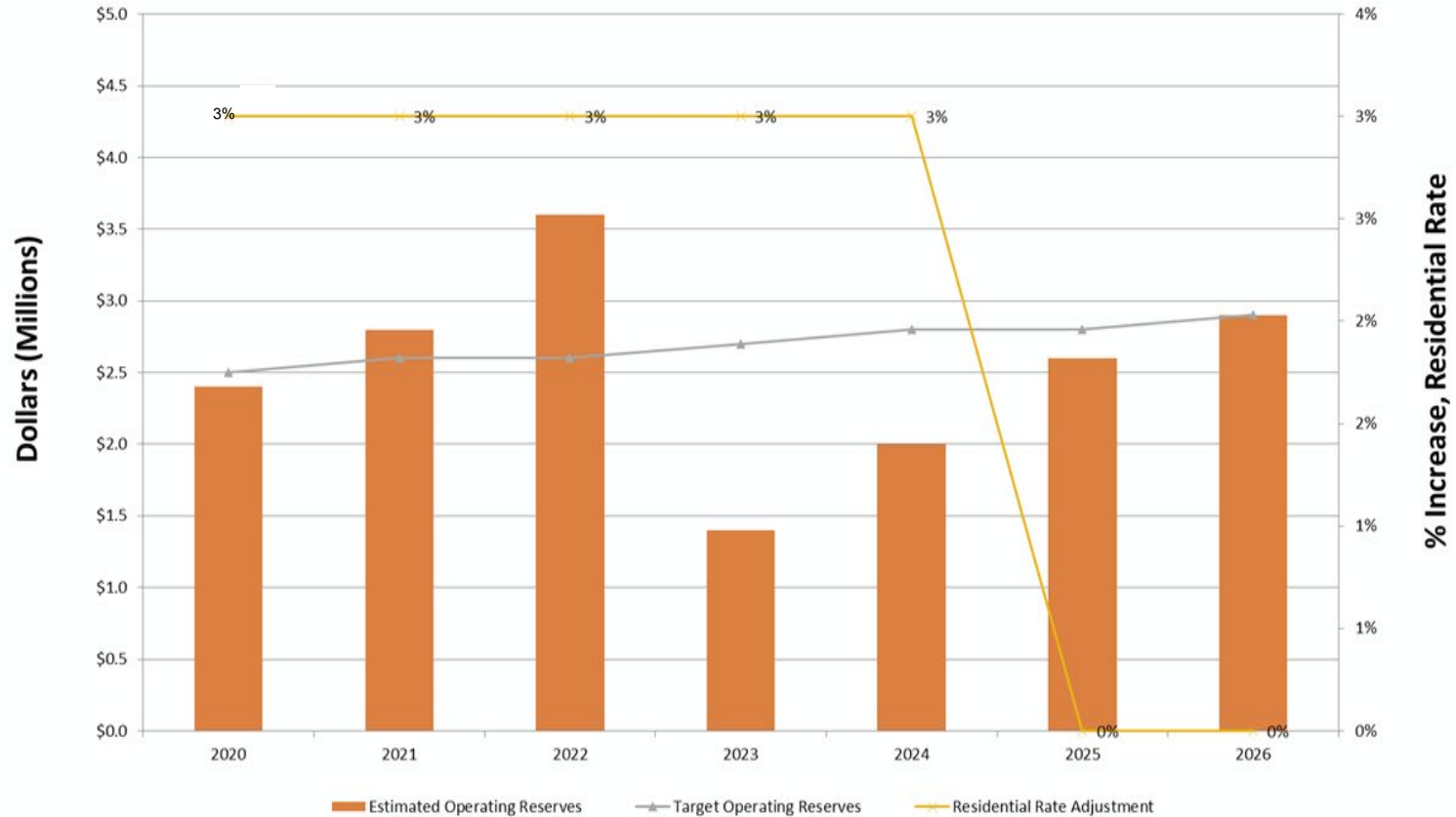
# Rate Funded Capital Improvement Projects (2019-2023)

Annual Circuit Improvements and Second Substation to Improve Reliability (2019-2023) \$4,470,000

Construct New Office and Shop Facility (2021, 2023) \$3,260,000



# Cash Targets and Balance Projections





# Proposed 2020-2023 Residential Customer Rates Light and Power

## TYPICAL MONTHLY ELECTRIC BILL

Year	Rate Adjustment	Monthly Consumption in kWh*	Previous Year Monthly Charge	Monthly Rate Adjustment	Current Year Monthly Charge
2020	3%	456	\$61.08	\$1.83	\$62.91
2021	3%	456	\$62.91	\$1.90	\$64.81
2022	3%	456	\$64.81	\$1.91	\$66.72
2023	3%	456	\$66.72	\$1.99	\$68.71

\*Average Residential Customer Usage

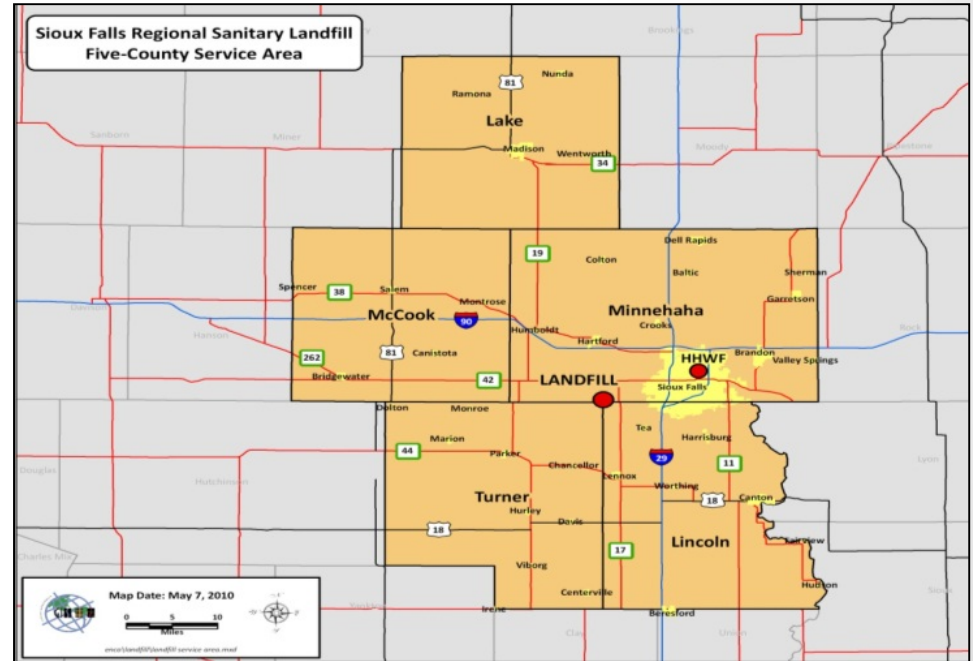
# Sioux Falls Regional Sanitary Landfill

2020 - 2023 Tipping Fee Analysis

Dustin Hansen, Landfill Superintendent

# Sioux Falls Regional Sanitary Landfill

- Landfill Serves a Five-County Region:
  - Lake
  - Lincoln
  - McCook
  - Minnehaha
  - Turner
- Landfill serves a population of approximately 256,250.
- Landfill is located 5 miles west of Sioux Falls on 41<sup>st</sup> Street.





## Municipal Solid Waste (MSW)

- Everyday trash or garbage.



## Construction and Demolition Debris (C&D)

- Debris generated by construction, renovation and demolition.
- Concrete, wood, metals, glass, etc.



# Key Modeling Assumptions

Continue to implement policies promoting waste diversion and recycling, investments to capture, deliver and sell landfill gas to POET, and use new technology in waste compactors to maximize density and preserve air space.

- Construct new cell (2021 and 2023).
- Leachate Forcemain (2019).
- No debt planned for this utility.



**No rate increase for 2020-2023.**





# Storm Drainage Utility

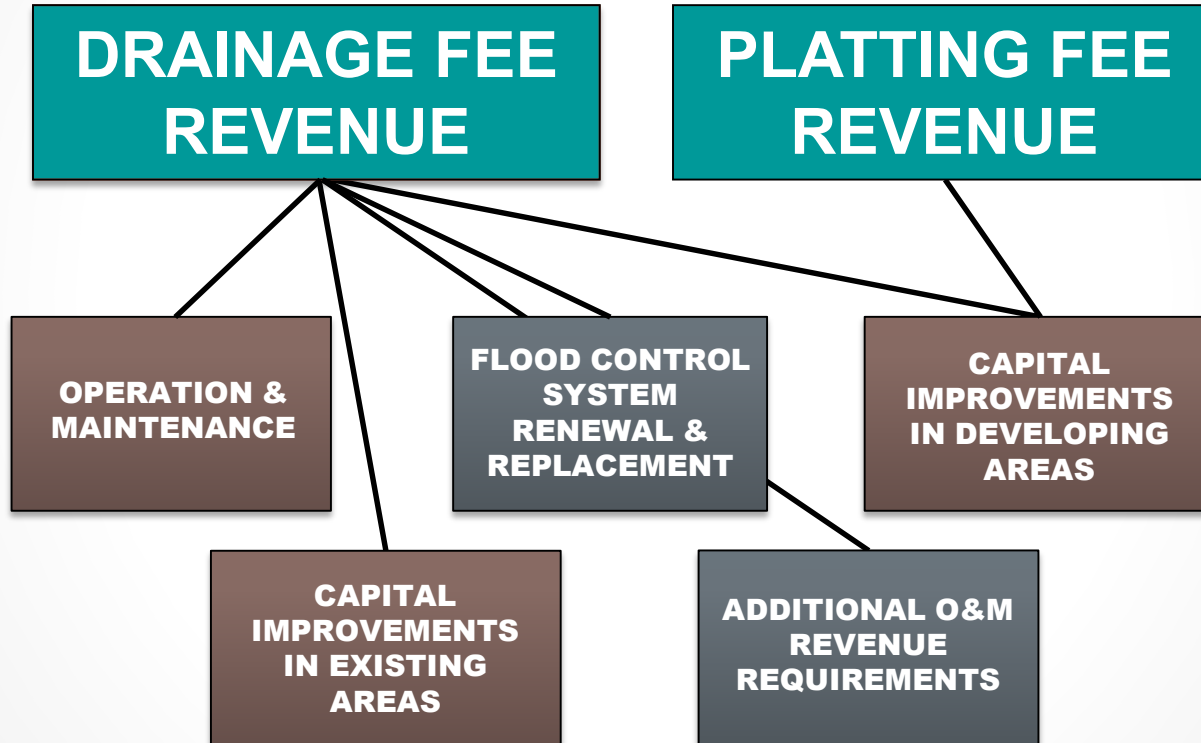
## 2019 - 2023 Fee Analysis

Andy Berg, Environmental/Storm Water Manager

Lance Weatherly, Principal Drainage Engineer



# Storm Drainage Funding



# Storm Drainage Funding



**REPAIRS OF DETERIORATED INLETS**

# Storm Drainage Funding



**CHANNEL REHABILITATION**



# Storm Drainage Funding



## SUMP PUMP COLLECTION SYSTEM RETROFITS

# Storm Drainage Funding



**CLEANING CHANNELS AND PIPES TO  
REDUCE STREET FLOODING**

# Storm Drainage Funding



**STREET SWEEPING TO REDUCE SILTATION  
AND IMPROVE WATER QUALITY**



# Storm Drainage Funding



**REGIONAL BMP PROGRAM  
(LAND, CONSTRUCTION, MAINTENANCE)**

# Storm Drainage Funding



**LEVEE SYSTEMS OPERATIONS AND MAINTENANCE**

# Key Modeling Assumptions

- To safely convey stormwater runoff to the Big Sioux River.
- Prevent property damage through construction and regular maintenance of the urban storm drainage system.
- Utilize modern technology to identify drainage improvements to be incorporated in the Capital Improvements Program.
- Comply with state and federal water quality requirements while partnering with other agencies to promote water quality efforts in the Big Sioux River watershed.



# Priority Storm Drainage Projects (2019-2023)

- Covell Avenue Area Drainage Improvements \$ 1,160,000
- Sump Pump Collection Systems \$ 2,125,000
- Drainage Improvements Developing Areas \$13,750,000
- Drainage Improvements in Existing Areas \$12,330,000
- Regional Stormwater Improvements \$ 8,510,000

# Proposed Drainage Fee Increase

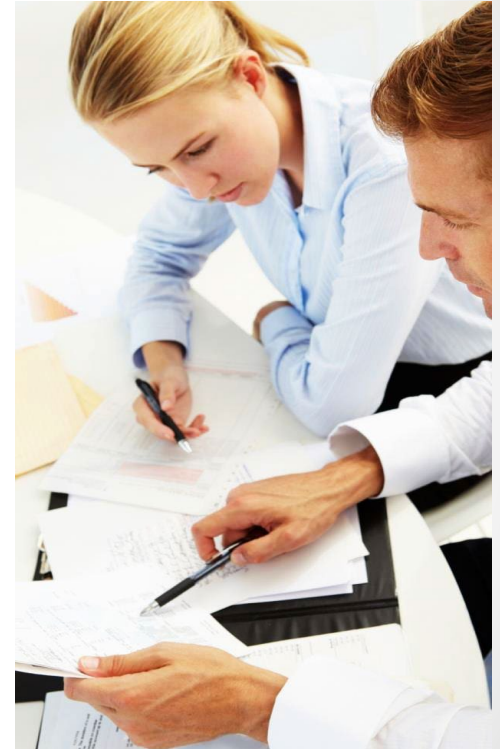
## TYPICAL ANNUAL DRAINAGE FEE

Year	Rate Adjustment	Typical Residential Lot Size (sq. ft.)	Typical Unit Financial Charge	Previous Year Annual Charge	Annual Rate Adjustment	Current Year Annual Charge
2020	5.4%	7,500	0.000957	\$51.08	\$2.75	\$53.83
2021	5.4%	7,500	0.001009	\$53.83	\$2.93	\$56.76
2022	4.4%	7,500	0.001053	\$56.76	\$2.47	\$59.23
2023	3.4%	7,500	0.001089	\$59.23	\$2.03	\$61.26

# Platting Fees

**There are two drainage system platting fees paid by development:**

- **Drainage System Cost Recovery (DSCR)**
  - Construction Costs associated with Regional Detention Facilities.
  - Oversize storm sewer pipe reimbursement.
- **Regional Detention Charge (RDC)**
  - Land acquisition costs for Regional Detention Facilities.





# Platting Fees

- Platting fee cost per acre last updated in 2013.
- **First step to update:** Input most current cost and platting data and recalculate the Platting Fees in 2018 dollars.
- **Second step to update:** Apply inflationary adjustment factor to recalculated Platting Fee for the purpose of projecting fee adjustments through 2023.
- **Final step to update:** Propose phased fee adjustments for 2019 through 2023.

# Performance Based Stormwater Standards and Hybrid Platting Fee

- IRAB Subcommittee reviewed proposed updates on May 15th and November 1st.
  - Performance Based Stormwater Standards
    - Additional flexibility with Stormwater Standards to utilize Sub-Regional concept in addition to Onsite.
    - Allow flexibility for development to select preferred stormwater release rate with payment of appropriate platting fee.
  - Hybrid Platting Fee
    - Reflects development practices and drivers for public drainage system cost.
  - Update Stormwater Standards (detention) for certain projects reducing threshold of 5 acres impervious to 1 acre impervious to require stormwater facilities be consistent with treatment (BMP) requirements .
- IRAB approved.

# Platting Fee Projections: 2019 – 2023

## Phased Rate Adjustment

### DRAINAGE SYSTEM COST RECOVERY (DSCR)

Land Use	Existing DSCR	Phased-in Rate Strategy (per acre)				
		2019	2020	2021	2022	2023
Single Family	\$1,978.65	\$2,125.07	\$2,261.07	\$2,383.17	\$2,509.48	\$2,594.80
Hybrid	NA	\$3,187.61	\$3,391.61	\$3,574.76	\$3,764.22	\$3,892.20
Multi-family	\$3,957.30	\$4,250.14	\$4,522.15	\$4,766.35	\$5,018.96	\$5,189.61
Industrial	\$4,946.62	\$5,312.67	\$5,652.68	\$5,957.93	\$6,273.70	\$6,487.00
Office & Institutional	\$3,957.30	\$4,250.14	\$4,522.15	\$4,766.35	\$5,018.96	\$5,189.61
Commercial	\$6,529.54	\$7,012.73	\$7,461.54	\$7,864.46	\$8,281.28	\$8,562.84
Rate Adjustment		7.4%	6.4%	5.4%	5.3%	3.4%



# Platting Fee Projections: 2019 – 2023

## Phased Rate Adjustment

### REGIONAL DETENTION CHARGE (RDC)

Land Use	Existing RDC	Phased-in Rate Strategy (per acre)				
		2019	2020	2021	2022	2023
Single Family	\$ 809.63	\$ 854.16	\$ 888.33	\$ 919.42	\$ 947.00	\$ 975.41
Hybrid	NA	\$1,281.24	\$1,332.49	\$1,379.13	\$1,420.50	\$1,463.11
Multi-family	\$1,619.27	\$1,708.33	\$1,776.66	\$1,838.85	\$1,894.01	\$1,950.83
Industrial	\$2,024.08	\$2,135.40	\$2,220.82	\$2,298.55	\$2,367.51	\$2,438.53
Office & Institutional	\$1,619.27	\$1,708.33	\$1,776.66	\$1,838.85	\$1,894.01	\$1,950.83
Commercial	\$2,671.79	\$2,818.74	\$2,931.49	\$3,034.09	\$3,125.11	\$3,218.87
Rate Adjustment		5.5%	4.0%	3.5%	3.0%	3.0%

# Sioux Falls Water Purification

## 2020 - 2023 Rate Analysis



Greg Anderson, Water Superintendent

Investing in Lewis and Clark, water conservation, and teaming with USGS to model the Big Sioux Aquifer for new wells to position Sioux Falls with a resilient supply of water today and into the future.



# Key Modeling Assumptions

- Investing approximately \$13M annually in rate-funded capital projects.
- Constructing a third Lewis and Clark Regional System connection.
- Investing in Source Water Improvements.
- This utility will pay off five of seven current loans in the next three years.
- Debt free in November 2026.

**No rate increase for 2020-2023.**





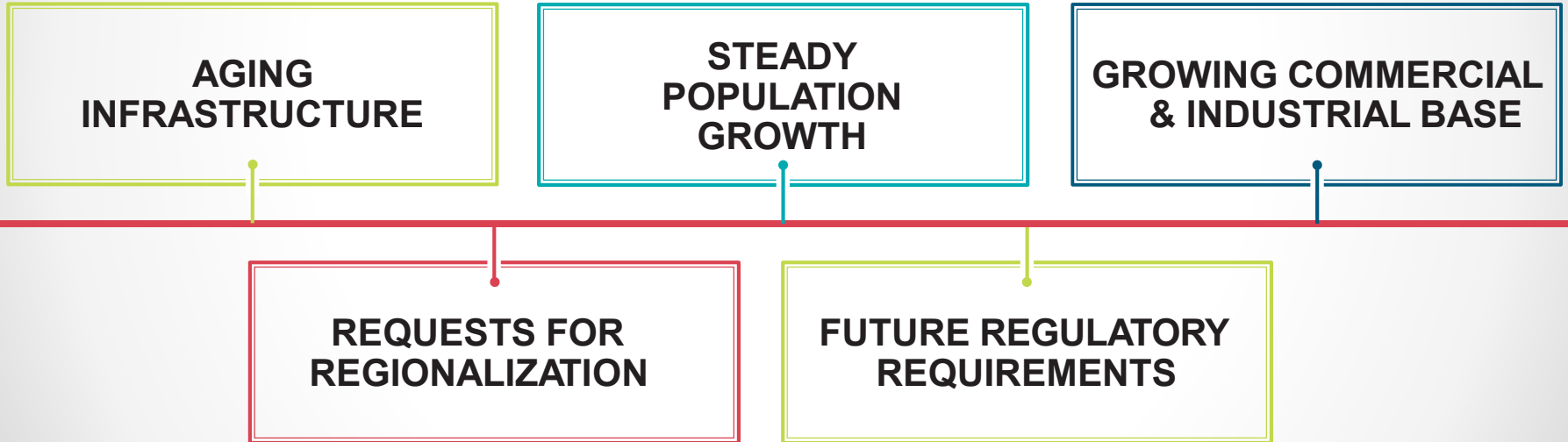
# Sioux Falls Water Reclamation

## 2020 - 2023 Rate Analysis

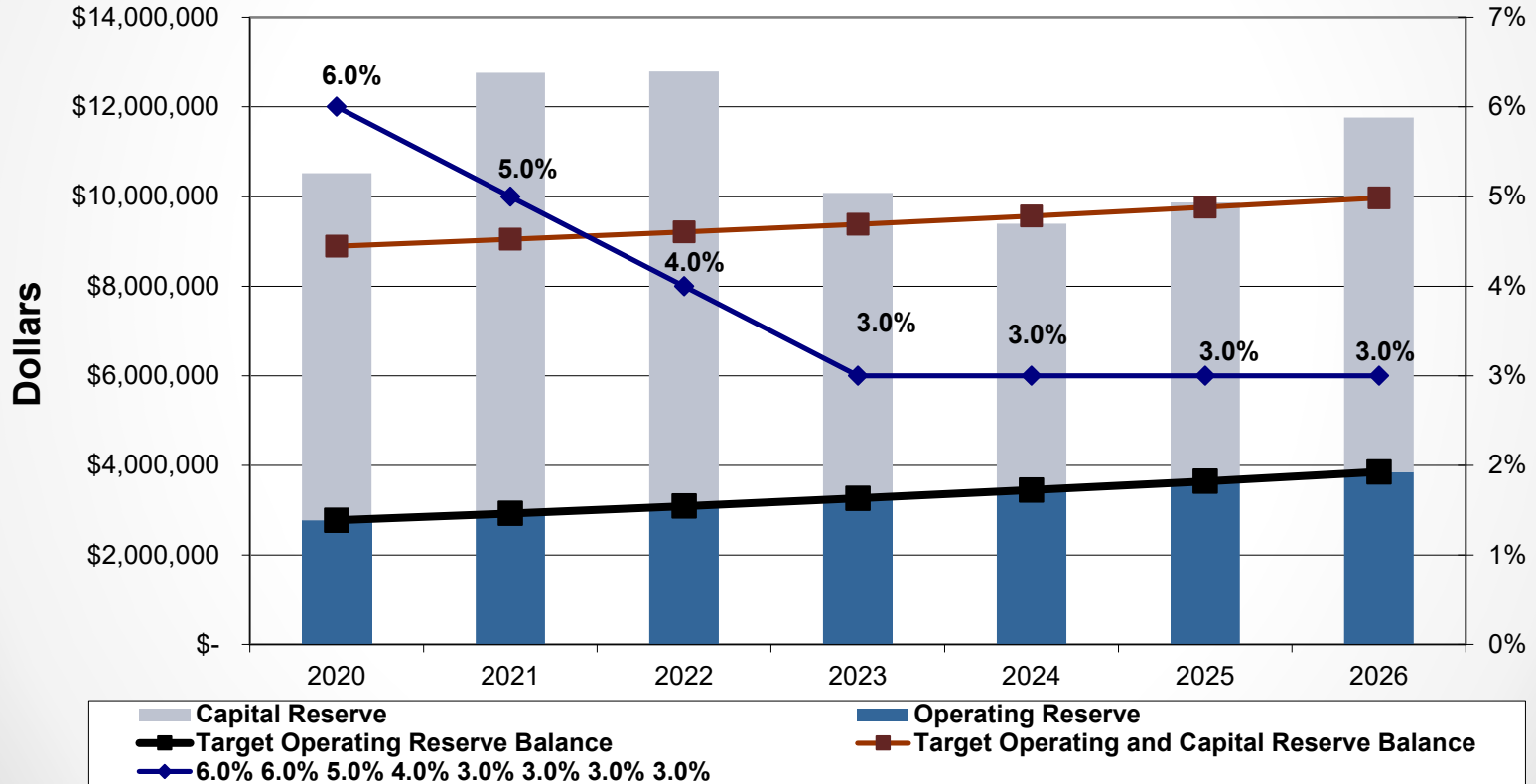
Mark Perry, Water Reclamation Superintendent

# Water Reclamation

## CURRENT STATE



# Water Reclamation Rate Analysis for 2020 – 2023 Rate Setting



# Water Reclamation

## Rate Analysis for 2020 – 2023 Rate Setting

### TYPICAL MONTHLY SEWER BILL PROPOSED RESIDENTIAL SEWER RATE INCREASE

Year	Rate Adjustment	Monthly Consumption in Gallons*	Monthly Consumption in CCF	Previous Year Monthly Charge	Monthly Rate Adjustment	Current Year Monthly Charge
2020	6%	4,638	6.2	\$32.25	\$1.89	\$34.14
2021	5%	4,638	6.2	\$34.14	\$1.74	\$35.88
2022	4%	4,638	6.2	\$35.88	\$1.45	\$37.33
2023	3%	4,638	6.2	\$37.33	\$1.09	\$38.42

\*Average Residential Customer Consumption



# Water Reclamation

## Rate Analysis for 2020 – 2023 Rate Setting

RATE ADJUSTMENT BASED ON 6% RATE INCREASE IN 2020 BASED ON CONSUMPTION

### SINGLE FAMILY RESIDENTIAL ACCOUNTS WINTER AVERAGE (DECEMBER 2017—MARCH 2018)

CCF (1 CCF = 100 Cubic Feet)	Gallons	Total Customers	Percent of Total	Percent Accumulated Total	Monthly Rate Adjustment
1	748	2,379	5.38%	5.38%	\$0.54
2	1,496	5,530	12.51%	17.89%	\$0.80
3	2,244	7,430	16.80%	34.69%	\$1.06
4	2,992	7,694	17.40%	52.09%	\$1.32
5	3,740	6,275	14.19%	66.28%	\$1.58
6	4,488	2,596	5.87%	72.15%	\$1.84
6.2	4,638	-	-	-	\$1.89
7	5,236	6,358	14.38%	86.52%	\$2.10

# Monthly Impact to Typical Residential House 2020

Utility	2019 Rate	Proposed Monthly Increase	2020 Total
Light and Power*	\$61.08	\$1.83	\$62.91

\*Light and Power Division has approximately 1,770 residential customers

Utility	2019 Rate	Proposed Monthly Increase	2020 Total
Storm Drainage	\$ 4.26	\$0.23	\$ 4.49
Water Purification	\$29.92	\$0.00	\$29.92
Water Reclamation	\$32.25	\$1.89	\$34.14
Total	\$66.43	\$2.12	\$68.55



**We are on plan.  
Thank you for your support!**

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