

Community Advisory Panel (CAP) Final Report and Response to the NBU Rate Study

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BRITTON STRATEGIES



Rate Study Process and the CAP

- In November 2024, the Community Advisory Panel (CAP) – a 13-member, special advisory group to the NBU Board of Trustees – embarked on the second of three major NBU initiatives for calendar years 2024 and 2025 – the NBU Rate Study.
- Throughout the process, members were regularly briefed by NBU staff and subject matter experts from Raftelis, the utility's rate study consultant.
- The CAP's overarching priorities of Affordability and Reliability were kept at the forefront as members set their pricing objectives for the process.
- At the Board's request, the CAP also provided targeted feedback on key topics.



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Board Requested Items Presented for CAP Feedback

November 2024 – April 2025



Growth Projections



Aging Infrastructure Replacement



Impact Fees



Rate Proposals

Scenarios



Rate Design Options



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Rate Study Process and the CAP

- As the study progressed, panel members reviewed its findings and offered input through both virtual small-group sessions and larger, full-panel meetings.
- Their feedback directly informed the development of the CAP's Final Report and Response to the NBU Rate Study.



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Community Advisory Panel (CAP) Final Report and Response to the NBU Rate Study

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After reviewing the information provided by NBU and the rate study conducted by Raftelis, we, the members of the CAP, offer the following response to the NBU Board of Trustees and leadership:

1. The proposed rate plan effectively balances reliability and affordability for electric, water, and wastewater services while ensuring NBU secures the necessary funding to fulfill its mission and serve the community.

3. The CAP encourages NBU to continue investing in capital projects that appropriately manage growth and address aging infrastructure to meet the needs of the community and maintain regulatory compliance.



2. The growth projections used for this study are based on meter growth, trends observed in similar cities, the number of building permits, and census data, and are considered reasonable and well-founded.

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4. The CAP supports the use of impact fees to offset the cost of growth as well as the collection of them at the maximum allowable level as long as economic conditions support the practice.

5. We recommend incentivizing infill development with reduced impact fees in areas where infrastructure already exists or can be easily upgraded

6. We commend the community initiative to establish a Development Advisory Committee and strongly encourage NBU's participation in this effort.

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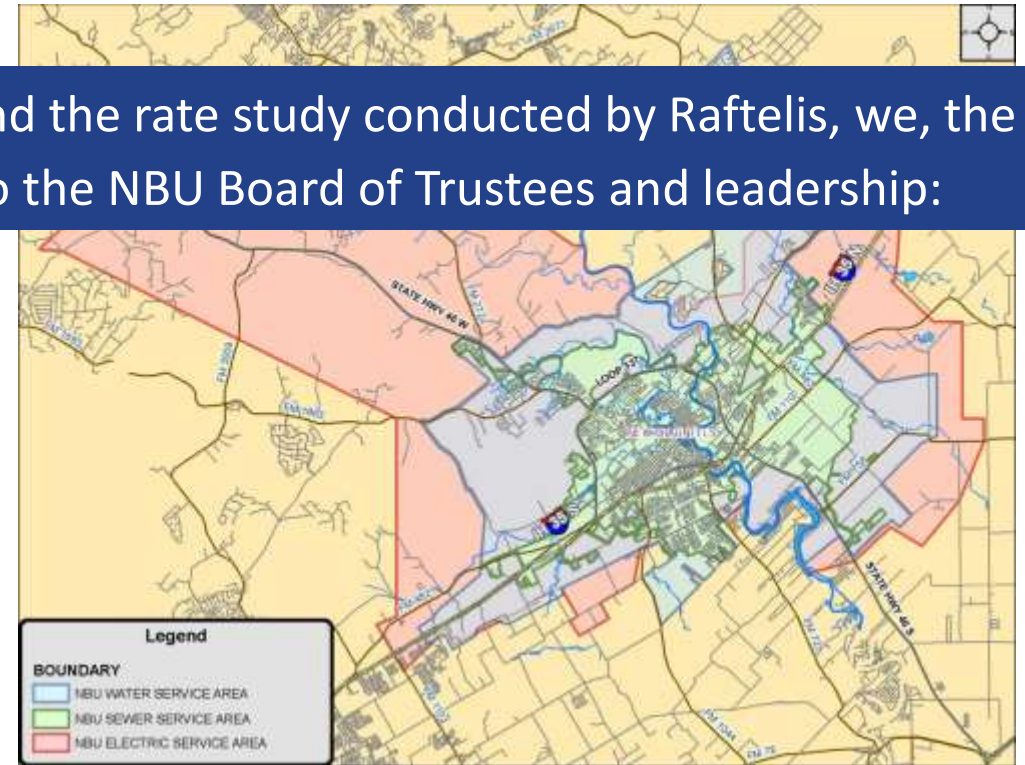


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7. The CAP recognizes the importance of funding NBU's efforts to enhance service to the community while managing growth, tackling aging infrastructure and increasing reliability while ensuring affordability.

8. The rate plan appropriately generates cash flow over the next five years and supports a balanced use of debt.

9. We recognize that customers will bear these costs and emphasize the need for transparency in communicating the necessity of these increases as well the pass-through charges and additional fees that affect customer bills. Additionally, we urge NBU to implement the rate increases equally across-the-board while continuing to fund NBU's Utility Bill Assistance Program proportionally.



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10. The CAP encourages NBU to continue promoting conservation initiatives and programs that help customers reduce usage while maintaining affordability and financial sufficiency.



11. We strongly encourage NBU to provide a straightforward and transparent explanation to customers of the need for the rate adjustments, including how the funds will be used and the specific ways the community will benefit. Equally important is a well-articulated message about the substantial investment in a new headquarters and its benefit to customers.

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12. Lastly, we extend our sincere appreciation to NBU for the expertise and insights made available to the CAP. Through this process, CAP members have gained a deeper understanding of the complexities involved in setting rates that not only cover operational costs and capital investments but also remain affordable for the community.



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Questions and Comments

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