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To: Chairman , & MVWD Board of Directors
 From: Joseph Davis, General Manager
 Date: November 23, 2021
 Subject: Proposed Rate Adjustment

Background:

Staff has spent the past few months collecting historical data and incorporating Board direction in an effort to better identify and plan for the future revenue needs for the continued operation and maintenance of the District’s culinary water system.

The data includes current revenues; operation & maintenance costs; depreciation requirements; identified critical capital replacement costs. This data has been on-boarded into the WaterWorth Program with a few estimated assumptions i.e. 3.5% inflation on expenses and .01% growth increase.

The District’s FY22 Budget has an anticipated 3% rate increase for January 1st in the final estimated operating revenues. The Budget still shows an estimated ending cash decrease of **(\$507,744)**

The projected revenue needs of the District are estimated to require an 4% rate increase according to WaterWorth

Staff is recommending an 4% rate increase instead of the originally estimated 3% increase for the FY22 budget year.

Current average residential bill	Summer \$100.41	Winter \$62.31
	3% \$104.43 (\$4.02)	3% \$64.81 (\$2.49)
	4% \$105.43 (\$5.02)	4% \$65.43 (\$3.12)

Suggested Motion

Move to increase the District’s monthly base rate, usage block rate, hydrant usage rate and payment in lieu of dedication fee by 4%

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June Usage				
	Current	3% Increase	4% Increase	
Current Base Rate with % Increase \$42.00	\$ 42.00	\$ 43.26	\$	43.68
Current Rates with % Increase				
6,000 Gallons @ \$2.80	\$ 2.80	\$ 2.91	\$	2.94
12,000 Gallons @ \$3.11	\$ 3.11	\$ 3.23	\$	3.27
Over 18,000 gallons @ \$3.40	\$ 3.40	\$ 3.54	\$	3.57
Average Residential Monthly Bill	\$ 100.41	\$ 104.43	\$	105.43
Total increase in the average res. bill		\$ 4.02	\$	5.02
December Usage				
	Current	3% Increase	4% Increase	
Current Base Rate with % Increase \$42.00	\$ 42.00	\$ 43.26	\$	43.68
Current Rates with % Increase				
6,000 Gallons @ \$2.80	\$ 2.80	\$ 2.91	\$	2.94
12,000 Gallons @ \$3.11	\$ 3.11	\$ 3.23	\$	3.27
Over 18,000 gallons @ \$3.80	\$ 3.80	\$ 3.95	\$	3.99
Average Residential Monthly Bill	\$ 62.31	\$ 64.81	\$	65.43
Total increase in the average res. bill		\$ 2.49	\$	3.12
Meter Cost				
Meter Size	Current	3% Increase	4% Increase	
3/4" meter	\$3,657.00	\$ 3,766.71	\$	3,803.28
1" meter	\$5,239.00	\$ 5,396.17	\$	5,448.56
1 ½" meter	\$11,932.00	\$ 12,289.96	\$	12,409.28
2" meter	\$18,235.00	\$ 18,782.05	\$	18,964.40
3" meter	\$35,061.00	\$ 36,112.83	\$	36,463.44
4" meter	\$53,968.00	\$ 55,587.04	\$	56,126.72
6" meter	\$106,466.00	\$ 109,659.98	\$	110,724.64
Water Resources				
	Current	3% Increase	4% Increase	
	\$ 6,825.00	\$ 7,029.75	\$	7,098.00
Hydrant Use Base Rate				
	Current	3% Increase	4% Increase	
	\$61.88	\$63.74	\$	\$64.36

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