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To: Chairman Kelby Robison, & MVWD Board of Directors
 From: Joseph Davis, General Manager
 Date: October 14, 2024
 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.

The District’s FY25 Budget has an anticipated 5% rate increase for January 1st in the final estimated operating revenues. The Budget still shows an estimated ending cash decrease of **(\$380,885)**

At the October 10th Board meeting, the Directors passed a \$10 Infrastructure Management Service Charge. However, the projected revenue needs of the District are estimated to require an additional 6% rate increase according to WaterWorth

Staff is recommending an 6% rate increase instead of the originally estimated 5% increase for the FY25 budget year.

Below is the estimated increase to residential summer and winter water bills, this estimate includes the addition of the \$10 Infrastructure Management Service Charge to the monthly bill

Current average residential bill	Summer \$114.81	Winter \$70.86
	6% \$131.69 (\$16.89)	6% \$85.11 (\$14.25)
	7% \$132.84 (\$18.04)	7% \$85.82 (\$14.96)
	8% \$133.99 (\$19.18)	8% \$86.53 (\$15.67)

Suggested Motion

Move to increase the District’s monthly base rate, usage block rate, Backflow, Meter Connection Fee’s, hydrant and Water Station usage rate and water resources fee by 6%

June Usage					
	Current	6% Increase	7% Increase	8% Increase	
Current Base Rate with % Increase	\$ 47.14	\$ 49.97	\$ 50.44	\$ 50.91	
Current Rates with % Increase					
6,000 Gallons @ \$3.27	\$ 3.27	\$ 3.47	\$ 3.50	\$ 3.53	
12,000 Gallons @ \$3.63	\$ 3.63	\$ 3.85	\$ 3.88	\$ 3.92	
18,000 Gallons @ \$3.97	\$ 3.97	\$ 4.21	\$ 4.25	\$ 4.29	
Over 70,000 gallons @ \$5.05	\$ 5.05	\$ 5.35	\$ 5.40	\$ 5.45	
Average Residential Monthly Bill	\$ 114.81	\$ 121.69	\$ 122.84	\$ 123.99	
Total increase in the average res. bill		\$ 6.89	\$ 8.04	\$ 9.18	
Proposed \$10.00 Debt Service Fee		\$ 10.00	\$ 10.00	\$ 10.00	
Total Proposed bill with \$10 DSF		\$ 131.69	\$ 132.84	\$ 133.99	
Difference		\$ 16.89	\$ 18.04	\$ 19.18	
December Usage					
	Current	6% Increase	7% Increase	8% Increase	
Current Base Rate with % Increase	\$ 47.14	\$ 49.97	\$ 50.44	\$ 50.91	
Current Rates with % Increase					
6,000 Gallons @ \$3.27	\$ 3.27	\$ 3.47	\$ 3.50	\$ 3.53	
12,000 Gallons @ \$3.63	\$ 3.63	\$ 3.85	\$ 3.88	\$ 3.92	
18,000 Gallons @ \$3.97	\$ 3.97	\$ 4.21	\$ 4.25	\$ 4.29	
Over 70,000 gallons @ \$5.05	\$ 5.05	\$ 5.35	\$ 5.40	\$ 5.45	
Average Residential Monthly Bill	\$ 70.86	\$ 75.11	\$ 75.82	\$ 76.53	
Total increase in the average res. bill		\$ 4.25	\$ 4.96	\$ 5.67	
Proposed \$10.00 Debt Service Fee		\$ 10.00	\$ 10.00	\$ 10.00	
Total Proposed bill with \$10 DSF		\$ 85.11	\$ 85.82	\$ 86.53	
Difference		\$ 14.25	\$ 14.96	\$ 15.67	
Meter Cost					
Meter Size	Current	6% Increase	7% Increase	8% Increase	
3/4" meter	\$4,271.00	\$ 4,527.26	\$ 4,569.97	\$ 4,612.68	
1" meter	\$6,120.00	\$ 6,487.20	\$ 6,548.40	\$ 6,609.60	
1 1/2" meter	\$13,937.00	\$ 14,773.22	\$ 14,912.59	\$ 15,051.96	
2" meter	\$21,301.00	\$ 22,579.06	\$ 22,792.07	\$ 23,005.08	
3" meter	\$40,956.00	\$ 43,413.36	\$ 43,822.92	\$ 44,232.48	
4" meter	\$74,723.00	\$ 79,206.38	\$ 79,953.61	\$ 80,700.84	
6" meter	\$124,366.00	\$ 131,827.96	\$ 133,071.62	\$ 134,315.28	
Water Resources					
	Current	6% Increase	7% Increase	8% Increase	
	\$ 7,973.00	\$ 8,451.38	\$ 8,531.11	\$ 8,610.84	
Hydrant Fees					
	Current	6% Increase	7% Increase	8% Increase	
Daily Fee	\$ 69.51	\$ 73.68	\$ 74.38	\$ 75.07	
Usage fee	\$ 3.97	\$ 4.21	\$ 4.25	\$ 4.29	
Permit Fee	\$ 30.00	\$ 31.80	\$ 32.10	\$ 32.40	
Water Station Fees					
	Current	6% Increase	7% Increase	8% Increase	
	\$ 3.97	\$ 4.21	\$ 4.25	\$ 4.29	
	\$ 30.00	\$ 31.80	\$ 32.10	\$ 32.40	

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