

WATER REVENUE REQUIREMENT & RATE DESIGN

2018

UTILITY:

REVENUE REQUIREMENT
BUDGET/COST OF SERVICE ITEM

| BUDGET/COST OF SERVICE ITEM | Item Cost | % | Fixed | % | Variable |
|-------------------------------|-----------|-----|-----------|-----|-----------|
| SALARIES | 78,295 | 85 | 66,551 | 15 | 11,744 |
| CONTRACT LABOR | 9,837 | 70 | 6,886 | 30 | 2,951 |
| CHEMICALS AND TREATMENT | 0 | 60 | 0 | 40 | 0 |
| UTILITIES | 15,670 | 70 | 10,969 | 30 | 4,701 |
| REPAIRS AND MAINTENANCE | 19,710 | 50 | 9,855 | 50 | 9,855 |
| OFFICE EXPENSES | 0 | 20 | 0 | 80 | 0 |
| ACCOUNTING & LEGAL | 23,284 | 50 | 11,642 | 50 | 11,642 |
| HEALTH INSURANCE | 0 | 50 | 0 | 50 | 0 |
| OFFICE SUPPLIES | 7,062 | 45 | 3,178 | 55 | 3,884 |
| TANK REPAIRS | 0 | 50 | 0 | 50 | 0 |
| BAD DEBT | 0 | 50 | 0 | 50 | 0 |
| PAYROLL TAXES | 5,321 | 50 | 2,661 | 50 | 2,661 |
| TELEPHONE | 0 | 40 | 0 | 60 | 0 |
| TRUCK & EQUIP. EXPENSE | 8,568 | 100 | 8,568 | 0 | 0 |
| TRAVEL & ENTERTAINMENT | 7,963 | 50 | 3,982 | 50 | 3,982 |
| EQUIPMENT RENTAL | 0 | 50 | 0 | 50 | 0 |
| INSURANCE - WC & LIABILITY | 8,135 | 70 | 5,695 | 30 | 2,441 |
| LICENSE & DUES | 0 | 50 | 0 | 50 | 0 |
| POSTAGE & FREIGHT | 0 | 50 | 0 | 50 | 0 |
| ADVERTISING | 0 | 30 | 0 | 70 | 0 |
| SAMPLING | 0 | 50 | 0 | 50 | 0 |
| EDUCATION | 650 | 50 | 325 | 50 | 325 |
| DEPRECIATION | 31,668 | 60 | 19,001 | 40 | 12,667 |
| MATERIALS & SUPPLIES | 2,484 | 50 | 1,242 | 50 | 1,242 |
| SECURITY | 0 | 50 | 0 | 50 | 0 |
| MISCELLANEOUS | 6,712 | 50 | 3,356 | 50 | 3,356 |
| LONG TERM DEBT | 25,574 | 100 | 25,574 | 0 | 0 |
| PURCHASED WATER | 122,064 | 70 | 85,445 | 30 | 36,619 |
| | 0 | 50 | 0 | 50 | 0 |
| | 0 | 50 | 0 | 50 | 0 |
| | 0 | 50 | 0 | 50 | 0 |
| | 0 | 50 | 0 | 50 | 0 |
| | 0 | 50 | 0 | 50 | 0 |
| | 0 | 50 | 0 | 50 | 0 |
| SUB-TOTAL (LESS FIT & RETURN) | 372,997 | 63 | 264,928 | 100 | 108,069 |
| % OF TOTAL (FIXED + VARIABLE) | | | | 37 | |
| PRINC. & INTEREST - WATER | 0 | | 0.00 | | 0.00 |
| MAINTENANCE RESERVE* | 0 | | 0.00 | | 0.00 |
| LESS OTHER REVENUE | \$0 | | 0.00 | | 0.00 |
| TOTAL | \$372,997 | | \$264,928 | | \$108,069 |

2018

RATE CALCULATION

GALLONAGE CHARGE
 Variable Cost/Test Year Gallons/1,000 =====>
 5.50 /TH.GAL.
 USE ->
PROPOSED RATE
\$9.50 /TH.GAL.

MINIMUM BILL
 Fixed Cost/1/2/ Customer Equivalents =====>
 72.03 /MO.
 72.03 /MO. incl. min. gallons
 YIELDS ->
\$50.64 /MO.
50.64 /MO.
 inc. min. gall.

Avg. Test-Yr Customer Equivalents =
 Gallons Included In Minimum Bill =
 Test Year Gallons Billed (x 1,000) =
 307
 0
 19,656

REVENUES GENERATED:

| Connection Size | # of Connections | Min. Bill | Minimum Bill Including Gals | Rev./Month | Rev./Year |
|-----------------|------------------|-----------|-----------------------------|------------|-----------|
| 5/8" , 3/4" | 304 | \$50.64 | \$50.64 | \$15,395 | \$184,746 |
| 3/4" | 0 | \$75.96 | \$75.96 | \$0 | \$0 |
| 1" | 1 | 126.61 | 126.61 | \$127 | \$1,519 |
| 1-1/2" | 0 | 253.22 | 253.22 | \$0 | \$0 |
| 2" | 0 | 405.14 | 405.14 | \$0 | \$0 |
| 2-1/2" | 0 | 405.14 | 405.14 | \$0 | \$0 |
| 3" | 0 | 506.43 | 506.43 | \$0 | \$0 |
| 4" | 0 | 1,266.08 | 1,266.08 | \$0 | \$0 |
| 6" | 0 | 2,532.15 | 2,532.15 | \$0 | \$0 |

GALLONAGE CHARGES=> 19,656 @ \$9.50 /1,000 GAL \$186,265
 TOTAL REVENUE GENERATED=> \$372,997

Printed on: time:

NOTES:

WATER REVENUE REQUIREMENT & RATE DESIGN

2019

UTILITY:

| REVENUE REQUIREMENT BUDGET/COST OF SERVICE ITEM | Item Cost | % | Fixed | % | Variable |
|--|-----------|---|-----------|---|-----------|
| SALARIES | 112,361 | | 85 | | 15 |
| CONTRACT LABOR | 10,000 | | 70 | | 30 |
| CHEMICALS AND TREATMENT | 0 | | 60 | | 40 |
| UTILITIES | 16,000 | | 70 | | 30 |
| REPAIRS AND MAINTENANCE | 22,500 | | 50 | | 50 |
| OFFICE EXPENSES | 0 | | 20 | | 80 |
| ACCOUNTING & LEGAL | 6,000 | | 50 | | 50 |
| HEALTH INSURANCE | 0 | | 50 | | 50 |
| OFFICE SUPPLIES | 2,300 | | 45 | | 55 |
| TANK REPAIRS | 0 | | 50 | | 50 |
| BAD DEBT | 0 | | 50 | | 50 |
| PAYROLL TAXES | 25,000 | | 50 | | 50 |
| TELEPHONE | 0 | | 40 | | 60 |
| TRUCK & EQUIP. EXPENSE | 8,568 | | 100 | | 0 |
| TRAVEL & ENTERTAINMENT | 8,800 | | 50 | | 50 |
| EQUIPMENT RENTAL | 0 | | 50 | | 50 |
| INSURANCE - WC & LIABILITY | 8,000 | | 70 | | 30 |
| LICENSE & DUES | 2,200 | | 50 | | 50 |
| POSTAGE & FREIGHT | 2,500 | | 50 | | 50 |
| ADVERTISING | 0 | | 30 | | 70 |
| SAMPLING | 3,000 | | 50 | | 50 |
| EDUCATION | 1,000 | | 50 | | 50 |
| DEPRECIATION | 31,668 | | 60 | | 40 |
| MATERIALS & SUPPLIES | 0 | | 50 | | 50 |
| SECURITY | 0 | | 50 | | 50 |
| MISCELLANEOUS | 6,712 | | 50 | | 50 |
| LONG TERM DEBT | 25,574 | | 100 | | 0 |
| PURCHASED WATER | 130,000 | | 70 | | 30 |
| | 0 | | 50 | | 50 |
| | 0 | | 50 | | 50 |
| | 0 | | 50 | | 50 |
| | 0 | | 50 | | 50 |
| | 0 | | 50 | | 50 |
| SUB-TOTAL (LESS FIT & RETURN) | 422,183 | | 63 | | 37 |
| % OF TOTAL (FIXED + VARIABLE) | | | | | |
| PRINC. & INTEREST - WATER | 0 | | | | |
| MAINTENANCE RESERVE* | 0 | | | | |
| LESS OTHER REVENUE | \$0 | | | | |
| TOTAL | \$422,183 | | \$303,341 | | \$118,842 |

