Attachment #4 – Rate Analysis
CSA #41 Freestone Zone of Benefit

- Fund Balance
- Five Year Historical data
- Five Year Projections (2% CPI + New Tier Rates)
- Five Year Projections (2% CPI + additional 4% + New Tier Rates)
- Fund Balance Projection
- Major Repairs
- Projected Maintenance Schedule (Five year)
- Rates – Five Year Projection (2% CPI)
- Rates – Five Year Projection (2% CPI + 4%)
- Average Monthly Increase to customers

Fund Balance

	FUND BALANCE	FY14-15 Actuals	FY15-16 Actuals	FY16-17 Actuals	FY17-18 Actuals	FY18-19 Actuals	FY19-20 Actuals	FY20-21 Estimates
45405	***Operations***	$ 19,227	$ 14,858	$ 55,650	$ 35,915	$ 15,476	$ 2,199	$ 990
45410	***Construction***	$ 3,832	$ 3,863	$ 3,903	$ 3,957	$ 4,039	$ 4,120	$ 4,183
45415	***Debt Services***	$ -	$ -	$ 14,120	$ 1,414	$ 519	$ (374)	$ (2,815)

5 year historical

Freestone	ACTUALS						ESTIMATED
	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21
Revenue							
Rate Revenue	$ 34,780	$ 31,232	$ 44,796	$ 53,650	$ 53,383	$ 57,561	$ 55,812
Interest Earnings	$ 138	$ (3)	$ 544	$ 728	$ 795	$ 419	$ 84
Other Revenue Sources	$ 21,046	$ 86,087	$ 142,898	$ 1,365	$ 1,978	$ 1,032	$ 900
Total Revenue	**$ 55,964**	**$ 117,316**	**$ 188,238**	**$ 55,743**	**$ 56,156**	**$ 59,012**	**$ 56,796**
Operating Expenses							
Contracted - RRU	$ 25,229	$ 35,344	$ 26,051	$ 32,312	$ 32,396	$ 30,719	$ 31,249
Non-Routine Maintenance	$ 14,969	$ 11,656	$ 34,611	$ 4,805	$ 6,058	$ 12,342	$ 5,490
Other Operating Costs	$ 14,277	$ 42,813	$ 15,766	$ 13,885	$ 19,357	$ 11,344	$ 16,721
Administration	$ 22,808	$ 26,509	$ 16,152	$ 9,827	$ 9,892	$ 9,620	$ 9,521
Total Operating Expenses	**$ 77,283**	**$ 116,322**	**$ 92,580**	**$ 60,829**	**$ 67,703**	**$ 64,025**	**$ 62,981**
Net Revenue	**$ (21,319)**	**$ 994**	**$ 95,658**	**$ (5,086)**	**$ (11,547)**	**$ (5,013)**	**$ (6,185)**
Depreciation Expense	**$ 12,339**	**$ 12,339**	**$ 12,339**	**$ 14,438**	**$ 15,138**	**$ 15,138**	**$ 15,138**
Net Cost	**$ 33,658**	**$ 11,345**	**$ (83,319)**	**$ 19,524**	**$ 26,685**	**$ 20,151**	**$ 21,323**

5 Year Projections
(2% CPI + New Tier Rates)

Freestone	ACTUALS	ESTIMATED	PROJECTED (2% CPI + New Tier Rates)				
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Revenue							
Rate Revenue	$ 58,593	$ 56,712	$ 73,208	$ 79,877	$ 81,475	$ 83,104	$ 84,766
Interest Earnings	$ 419	$ 84	$ 84	$ 84	$ 84	$ 84	$ 84
Total Revenue	**$ 59,012**	**$ 56,796**	**$ 73,292**	**$ 79,961**	**$ 81,559**	**$ 83,188**	**$ 84,850**
Operating Expenses							
Contracted - RRU	$ 30,719	$ 31,249	$ 32,187	$ 33,152	$ 34,147	$ 36,879	$ 37,985
Non-Routine Maintenance (25%)	$ 12,342	$ 5,490	$ 10,610	$ 10,610	$ 10,610	$ 10,610	$ 10,610
Other Operating Costs	$ 11,344	$ 16,721	$ 17,223	$ 17,739	$ 18,271	$ 18,820	$ 19,384
Administration	$ 9,620	$ 9,521	$ 10,000	$ 10,300	$ 10,609	$ 10,927	$ 11,255
Total Operating Expenses	**$ 64,025**	**$ 62,981**	**$ 70,019**	**$ 71,802**	**$ 73,637**	**$ 77,235**	**$ 79,234**
Net Revenue	**$ (5,013)**	**$ (6,185)**	**$ 3,273**	**$ 8,160**	**$ 7,921**	**$ 5,953**	**$ 5,616**
Depretiation Expense	**$ 15,138**	**$ 15,138**	**$ 15,138**	**$ 15,138**	**$ 15,138**	**$ 15,138**	**$ 15,138**
Net Cost	**$ 20,151**	**$ 21,323**	**$ 11,865**	**$ 6,978**	**$ 7,217**	**$ 9,185**	**$ 9,522**

5 Year Projections (2% CPI + additional 4% + New Tier Rates)

Freestone	ACTUALS	ESTIMATED	PROJECTED (2% CPI + 4% + New Tier Rates)				
	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26
Revenue							
Rate Revenue	$ 58,593	$ 56,712	$ 73,208	$ 81,443	$ 84,701	$ 88,089	$ 91,613
Interest Earnings	$ 419	$ 84	$ 84	$ 84	$ 84	$ 84	$ 84
Total Revenue	**$ 59,012**	**$ 56,796**	**$ 73,292**	**$ 81,527**	**$ 84,785**	**$ 88,173**	**$ 91,697**
Operating Expenses							
Contracted - RRU	$ 30,719	$ 31,249	$ 32,187	$ 33,152	$ 34,147	$ 36,879	$ 37,985
Non-Routine Maintenance (25%)	$ 12,342	$ 5,490	$ 10,610	$ 10,610	$ 10,610	$ 10,610	$ 10,610
Other Operating Costs	$ 11,344	$ 16,721	$ 17,223	$ 17,739	$ 18,271	$ 18,820	$ 19,384
Administration	$ 9,620	$ 9,521	$ 10,000	$ 10,300	$ 10,609	$ 10,927	$ 11,255
Total Operating Expenses	**$ 64,025**	**$ 62,981**	**$ 70,019**	**$ 71,802**	**$ 73,637**	**$ 77,235**	**$ 79,234**
Net Revenue	**$ (5,013)**	**$ (6,185)**	**$ 3,273**	**$ 9,726**	**$ 11,148**	**$ 10,938**	**$ 12,462**
Depreciation Expense	**$ 15,138**	**$ 15,138**	**$ 15,138**	**$ 15,138**	**$ 15,138**	**$ 15,138**	**$ 15,138**
Net Cost	**$ 20,151**	**$ 21,323**	**$ 11,865**	**$ 5,412**	**$ 3,990**	**$ 4,200**	**$ 2,676**

Fund Balance Projection

PROJECTED (2% CPI + New Tier Rates)					
FY20-21 Estimates	FY21-22 Projections	FY22-23 Projections	FY23-24 Projections	FY24-25 Projections	FY25-26 Projections
$ (3,986)	$ (713)	$ 7,446	$ 15,368	$ 21,320	$ 26,936

PROJECTED (2% CPI + 4% + New Tier Rates)					
FY20-21 Estimates	FY21-22 Projections	FY22-23 Projections	FY23-24 Projections	FY24-25 Projections	FY25-26 Projections
$ (3,986)	$ (713)	$ 9,013	$ 20,160	$ 31,098	$ 43,561

Major Repairs

Repair ($1,500+)	Amount	Fiscal Year
RRU Special Services - well rehabilitation (June)	$ 10,000.00	FY15-16
Replace Fire Hydrant	$ 2,184.50	FY16-17
ERS Industrial Services - Turn Key change out across from 460 Bohemian Hwy	$ 7,280.64	FY16-17
Freestone Plant Upgrade	$ 19,096.89	FY16-17
Filter cartridges (4)	$ 1,508.61	FY17-18
Backordered parts for SCADA installation	$ 1,891.45	FY17-18
Filter cartridges (8)	$ 2,678.62	FY17-18
Filter cartridges (4)	$ 1,618.03	FY18-19
Replacement pressure booster pump	$ 2,174.66	FY18-19
Replaced treatment plant booster, install float in tank and move control box	$ 2,235.89	FY19-20
Replaced breaker (well pump)	$ 6,034.54	FY19-20
Filter cartridges (4)	$ 1,703.34	FY19-20

Projected Maintenance Schedule (5yr)

5 Year	Total	Annual
Replace Meters	$14,000	$2,800
Backwash Filter Automation	$25,000	$5,000
Clean Finished Water Tank	$3,500	$700
Repair leaks in system	$10,000	$2,000
Clean/Swab Wells	$5,000	$1,000
	$57,500	**$11,500***

* 25% Capital Replacement Budget/Planning ($11,500*25% = $2,875)

Rates - 5yr projection (2% CPI)

Freestone	5 Year Projection (CPI 2% increase)					
	FY 21-22 eff 7/1/21	**FY 21-22** eff 1/1/22	**FY 22-23** eff 7/1/22	**FY 23-24** eff 7/1/23	**FY 24-25** eff 7/1/24	**FY 25-26** eff 7/1/25
Meter Charge						
5/8" meter	$ 76.84	$ 77.00	$ 78.54	$ 80.11	$ 81.71	$ 83.35
1" meter	$ 79.44	$ 77.00	$ 78.54	$ 80.11	$ 81.71	$ 83.35
1-1/2" meter	$ 82.05	$ 77.00	$ 78.54	$ 80.11	$ 81.71	$ 83.35
2" meter	$ 84.65	$ 77.00	$ 78.54	$ 80.11	$ 81.71	$ 83.35
Water Usage Charges						
1 to 6,000 gal/ESD	$ 27.80	$ 32.03	$ 32.67	$ 33.32	$ 33.99	$ 34.67
6,001 to 12,000 gal/ESD	$ 30.50	$ 39.53	$ 40.32	$ 41.13	$ 41.95	$ 42.79
Over 12,000 gal/ESD	$ 42.49	$ 48.96	$ 49.94	$ 50.94	$ 51.96	$ 53.00

Rates - 5yr projection (2% CPI + 4%)

Freestone	5 Year Projection (CPI 2% + 4% increase)					
	FY 21-22 eff 7/1/21	**FY 21-22** eff 1/1/22	**FY 22-23** eff 7/1/22	**FY 23-24** eff 7/1/23	**FY 24-25** eff 7/1/24	**FY 25-26** eff 7/1/25
Meter Charge						
5/8" meter	$ 76.84	$ 77.00	$ 81.68	$ 86.65	$ 91.92	$ 97.50
1" meter	$ 79.44	$ 77.00	$ 81.68	$ 86.65	$ 91.92	$ 97.50
1-1/2" meter	$ 82.05	$ 77.00	$ 81.68	$ 86.65	$ 91.92	$ 97.50
2" meter	$ 84.65	$ 77.00	$ 81.68	$ 86.65	$ 91.92	$ 97.50
Water Usage Charges						
1 to 6,000 gal/ESD	$ 27.80	$ 32.03	$ 33.98	$ 36.04	$ 38.23	$ 40.56
6,001 to 12,000 gal/ESD	$ 30.50	$ 39.53	$ 41.93	$ 44.48	$ 47.19	$ 50.06
Over 12,000 gal/ESD	$ 42.49	$ 48.96	$ 51.94	$ 55.09	$ 58.44	$ 62.00

Average Monthly Increase

- Customers paying Tier 1: 9% increase
- Customers paying Tier 1 and Tier 2: 14% increase
- Customers paying Tier 1, Tier 2 and Tier 3: 22% increase