



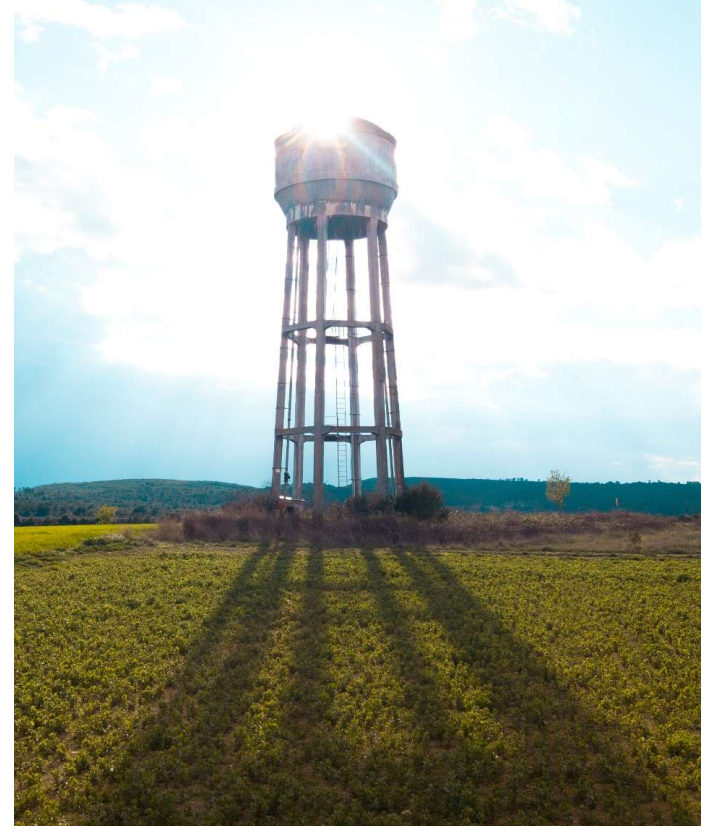
November 10, 2022

WATER RATE STUDY WELLBORN SPECIAL UTILITY DISTRICT



OVERVIEW

- Cash basis, embedded cost of service
- Based on FY 2022 Budget
- Cash capital outlay based on:
 - Depreciation expense to represent recurring renewal and replacement
 - Additional cash funding of a portion of discrete projects in the capital improvement plan
- Addition of 2022 debt issue
- New personnel positions



REVENUE REQUIREMENT SUMMARY

Revenue Requirement Forecast

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
O&M	\$ 4,824,615	\$ 5,133,480	\$ 5,436,877	\$ 5,700,085	\$ 5,979,898
Cash Capital – Renewals	1,412,640	1,469,146	1,527,911	1,589,028	1,652,589
Cash Capital – CIP	1,654,338	1,654,338	1,654,338	1,654,338	1,654,338
Debt Service	3,342,744	5,502,335	3,350,637	3,350,411	3,351,262
Debt Reserve Contributions	551,756	551,756	551,756	551,756	505,776
Total Cost	11,786,094	14,311,055	12,521,521	12,845,619	13,143,864
Miscellaneous Revenue	\$ 317,114	\$ 318,467	\$ 319,861	\$ 321,297	\$ 322,776
Impact Fee Offset to Debt	2,210,251	2,210,251	2,210,251	2,210,251	2,210,251
OSR Customer Revenues	135,621	90,414	45,207	-	-
Non-Standard Service	21,600	21,600	21,600	21,600	21,600
Total Revenue Offsets	2,684,586	2,640,733	2,596,920	2,553,148	2,554,627
Net Revenue Requirement	\$ 9,101,507	\$ 11,670,323	\$ 9,924,601	\$ 10,292,470	\$ 10,589,237

REVENUE RECOVERY – CURRENT RATES

Revenue Recovery Under Current Rates

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Rate Revenue	\$ 7,469,650	\$ 7,683,484	\$ 7,904,094	\$ 8,131,480	\$ 8,365,643
Revenue Requirement	(9,101,507)	(11,670,323)	(9,924,601)	(10,292,470)	(10,589,237)
Over/(Under)-Recovery	\$ (1,631,857)	\$ (3,986,839)	\$ (2,020,508)	\$ (2,160,990)	\$ (2,223,594)
Cumulative	(1,631,857)	(5,618,696)	(7,639,203)	(9,800,194)	(12,023,788)

BASE-EXTRA

Base-Extra Revenue Requirement

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Base	\$ 4,667,488	\$ 5,895,270	\$ 5,102,369	\$ 5,297,989	\$ 5,461,369
Extra	4,262,281	5,605,369	4,638,351	4,805,436	4,934,170
Customer	171,738	169,683	183,882	189,046	193,698
Revenue Requirement	\$ 9,101,507	\$ 11,670,323	\$ 9,924,601	\$ 10,292,470	\$ 10,589,237

Revenue Requirement by Customer Class

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Residential	\$ 8,876,438	\$ 11,382,473	\$ 9,678,959	\$ 10,037,612	\$ 10,326,869
Commercial	225,069	287,850	245,643	254,859	262,368
Revenue Requirement	\$ 9,101,507	\$ 11,670,323	\$ 9,924,601	\$ 10,292,470	\$ 10,589,237

PROPOSED RATES

Fixed Charges

Meter Size	Current	Proposed
	Fixed Charge (per month)	
Standard Meter Size	\$ 29.00	\$ 37.50
1 – inch Meter	58.00	75.00
1 ½ – inch Meter	145.00	187.50
2 – inch Meter	232.00	300.00
3 – inch Meter	522.00	675.00

Volumetric Charges

Rate Blocks (in gallons)	Current	Proposed
	Volumetric Rate (per 1,000 gallons)	
Residential		
0 - 2,000	\$ 3.55	\$ 4.40
2,001 - 10,000	3.85	4.80
10,001 - 20,000	4.30	5.30
20,001 - 30,000	4.80	6.10
30,001 - 40,000	5.95	7.00
40,001 - 50,000	6.65	8.10
50,001 - 90,000	7.35	9.30
> 90,000	7.35	14.00
Commercial		
0 - 2,000	\$ 3.55	\$ 4.40
2,001 - 10,000	3.85	4.80
10,001 - 20,000	4.30	5.30
20,001 - 30,000	4.80	6.10
30,001 - 40,000	5.95	7.00
40,001 - 50,000	6.65	7.70
50,001 - 90,000	7.35	7.70
> 90,000	7.35	7.70

REVENUE RECOVERY – PROPOSED RATES

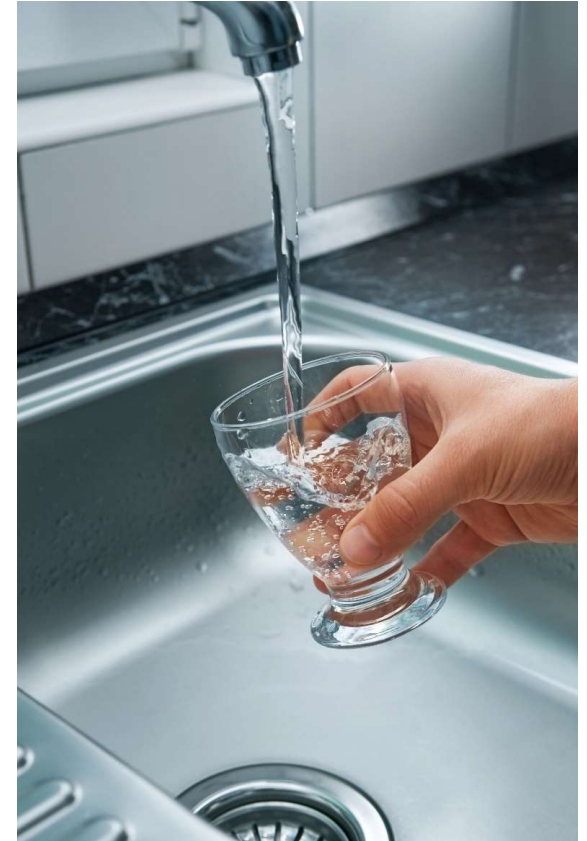
Revenue Recovery Under Proposed Rates

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Rate Revenue	\$ 9,538,385	\$ 9,812,188	\$ 10,094,668	\$ 10,385,824	\$ 10,685,658
Revenue Requirement	(9,101,507)	(11,670,323)	(9,924,601)	(10,292,470)	(10,589,237)
Over/(Under)-Recovery	\$ 436,878	\$ (1,858,135)	\$ 170,067	\$ 93,354	\$ 96,421
Cumulative	436,878	(1,421,257)	(1,251,190)	(1,157,836)	(1,061,415)

BILL IMPACTS – PROPOSED RATES

Residential Bill Impacts

Consumption	Current	Proposed	Increase
2,000 gallons	\$ 36.10	\$ 46.30	\$ 10.20
5,000 gallons	47.65	60.70	13.05
10,000 gallons	66.90	84.70	17.80
30,000 gallons	157.90	198.70	40.80
100,000 gallons	651.40	861.70	210.30





QUESTIONS AND DISCUSSION

GRANT RABON, PARTNER

(512) 900-8232

GRABON@NEWGENSTRATEGIES.NET

SUPPLEMENTAL INFORMATION

WATER DEMANDS BY CLASS

Water Demands

	Max Month	Average Month	Peak-to-Average	Base %	Excess Month	Extra %	Customers	Customer %
Residential	134,897,900	70,775,658	1.91	96.8%	64,122,242	98.2%	8,989	99.3%
Commercial	3,480,700	2,333,475	1.49	3.2%	1,147,225	1.8%	62	0.7%
	138,378,600	73,109,133		100.0%	65,269,467	100.0%	9,051	100.0%