

Cash Flow

6.1 Methodology

The revenue needs to support operations, debt, and capital improvements while solving to cash balance. The City would like to avoid issuing more debt and pay for as many capitals improvement projects with cash as possible. City officials determined that a one-time increase followed by a consistent rate track with manageable annual inflationary increases is the best option for their customer base. The one-time increase is implemented to assist in the systems immediate needs.

6.2 Proposed/Potential Rates

The rate track below demonstrates a one-time increase of \$2.85 to the City’s Commodity Charge and a \$3.14 to the Capital Reserve Fee. Then, an inflationary increase of \$0.25 to the City’s Service Ready Fee and \$0.10 to the City’s Commodity Charge thereafter.

TABLE 6-2A: PROPOSED RATES ADJUSTMENTS

Adjustment	2021/23	2022/23	2023/24	2024/25	2025/26	2026/27
Commodity Charge (per 1,000 gallons)	\$4.65	\$7.50	\$7.60	\$7.70	\$7.80	\$7.90
Service Ready Fee (Monthly)	2.23	2.23	2.48	2.73	2.98	3.23
Capital Reserve Fee (Monthly)	6.86	10.00	10.00	10.00	10.00	10.00

The City bills customers every month. The table below is an estimate of a typical homeowner’s monthly bill based on 4,500 gallons of usage.

TABLE 6-2B: TYPICAL HOMEOWNER MONTHLY BILL

Billing Item	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Commodity Charge [1]	\$20.93	\$33.75	\$34.20	\$34.65	\$35.10	\$35.55
Service Ready Fee	2.23	2.23	2.48	2.73	2.98	3.23
Capital Reserve Fee	6.86	10.00	10.00	10.00	10.00	10.00
Total	\$30.02	\$45.98	\$46.68	\$47.38	\$48.08	\$48.78

[1] Assumes 4,500 gallons per month.