

Village of Yellow Springs

2022 WATER RATE ANALYSIS

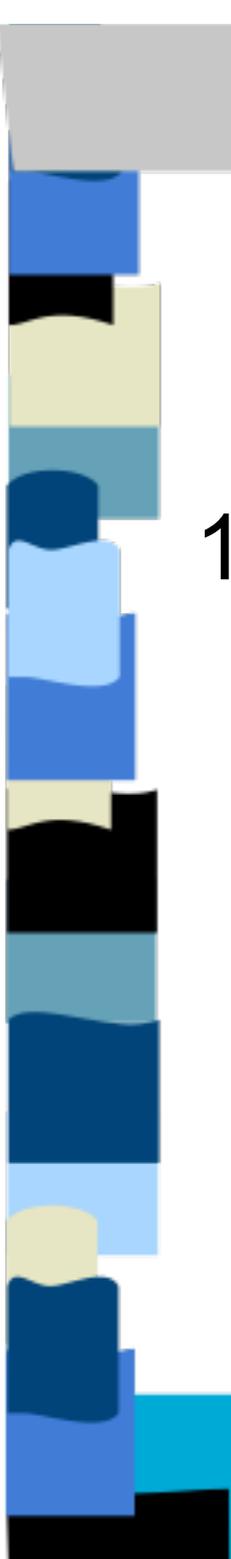
SCOPE OF SERVICES

- Data Acquisition/Verification
- Projected Revenue Requirements
- *Rate Review **
- Presentation of Results

** To Be Completed*

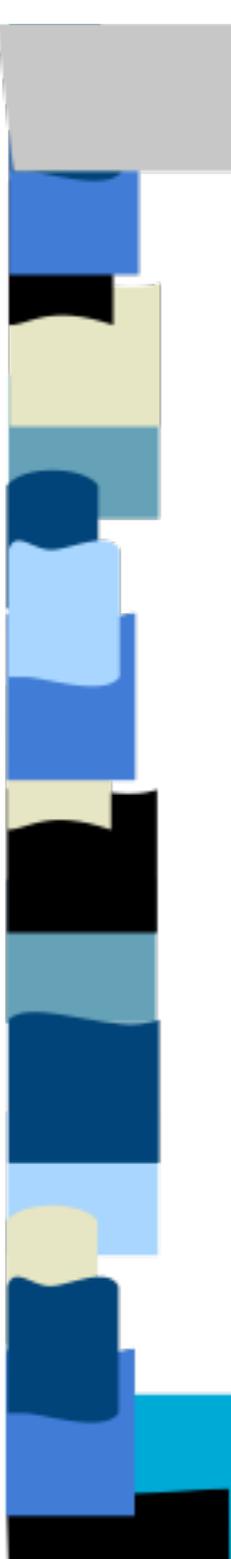
DATA ACQUISITION/VERIFICATION

- Identify Availability of Information
- Prepare and Submit Data Request
- Review Information and Data Provided
 - Billing Statistics
 - Operational Data
 - Financial Statements/Reports
- Verify the Accuracy of the Information Provided
- Data Provided was Accurate and Consistent



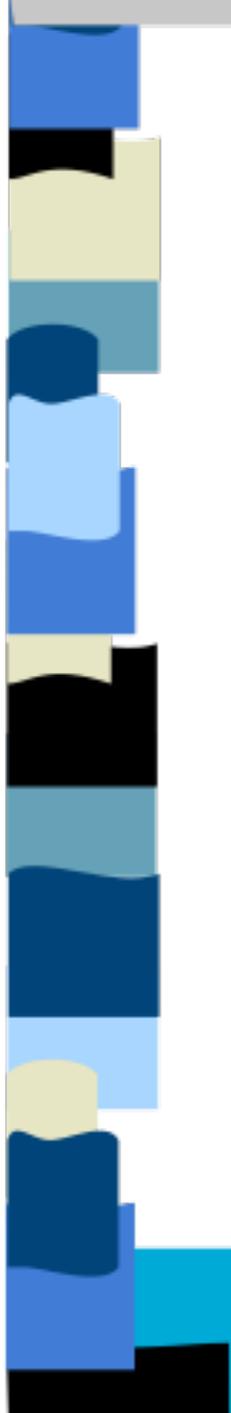
PROJECTED REVENUE REQUIREMENTS

1. Project Water Sales
2. Project Revenues at Current Rates
3. Project Revenue Requirements
4. Determine Overall Revenue Adjustment



1. Project Water Sales

- Separate Sales by Rate Class
- Normalize Historical Data
- Project Sales Growth Rates



SALES GROWTH RATES

Residential 0.0%

Commercial 0.0%

Large Power 0.0%

PROJECTED WATER SALES (Mgal)

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Residential	56,772	56,772	56,772	56,772
Commercial	9,960	9,960	9,960	9,960
Large Power	3,860	3,860	3,860	3,860
Totals	<u>70,572</u>	<u>70,572</u>	<u>70,572</u>	<u>70,572</u>

2. Project Revenues at Current Rates

- Project Average Revenues by Rate Class

Residential - \$ 16.23/Mgal

- \$ 15.24/Mgal

Commercial - \$ 15.63/Mgal

Large Power

- Multiply Water Sales by Average Rates

PROJECTED REVENUES AT CURRENT RATES

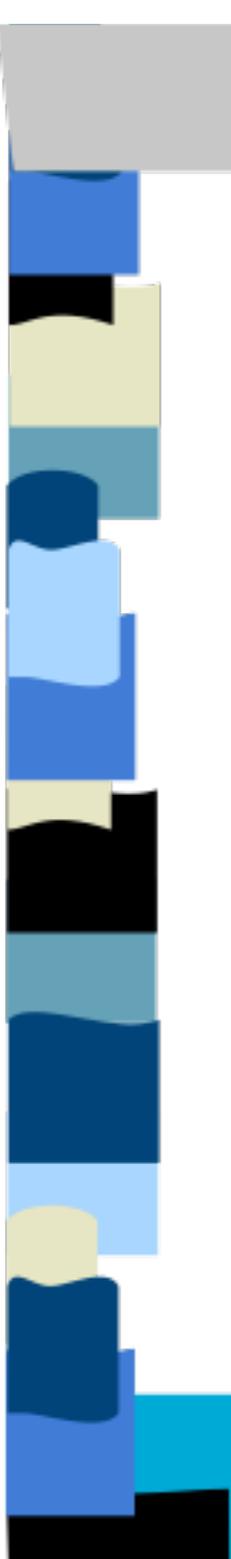
	<u>Mgal</u>	<u>\$/Mgal</u>	<u>Amount</u>
Residential	56,772	\$ 16.23	\$ 921,480
	9,960	15.24	151,816
Commercial	3,840	15.63	60,030
Industrial			
	<u>70,572</u>	<u>\$ 16.06</u>	<u>\$ 1,133,326</u>
Totals			

3. Project Revenue Requirements

- Cash Basis vs. Rate of Return
- Normalize Historical Data
- Changes in Operation
- Current Budget (2022)
- Inflation (3% Per Year)
- Debt Service
 - Distribution
 - Treatment
- Transfer to Capital Improvement Fund
- Other Income Credits

PROJECTED REVENUE REQUIREMENTS

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Personnel Services	\$ 557,485	\$ 574,210	\$ 591,436	\$ 609,179
Travel	2,884	2,971	3,060	3,151
Contractual Services	197,709	203,640	209,749	216,041
Supplies and Materials	155,479	160,143	164,947	169,896
Other	2,060	2,122	2,185	2,251
Transfer to Capital Fund	206,000	212,180	218,545	225,102
Debt Service - Distribution	52,049	52,049	52,049	52,049
Debt Service - Treatment	324,455	324,455	324,455	324,455
Other Income	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>
NET REVENUE REQUIREMENTS	\$ 1,493,120	\$ 1,526,769	\$ 1,561,427	\$ 1,597,124



4. Determine Overall Revenue Adjustment

- Compare Projected Revenue Requirements to Projected Revenues at Current Rates

DETERMINATION OF OVERALL REVENUE ADJUSTMENT

	<u>Revenue Requirements</u>	<u>Revenues at Current Rates</u>	<u>Revenue Adjustment Amount</u>	<u>%</u>
2023	1,493,120	1,133,326	359,794	31.8%
2024	1,526,769	1,133,326	393,442	34.7%
2025	1,561,427	1,133,326	428,100	37.8%
2026	1,597,124	1,133,326	463,798	41.0%

Conclusions & Recommendations

- Revenues at Current Rates are **NOT** Sufficient to Meet Projected Revenue Requirements.
- Revenues Would Need to be Increased by Approximately 41% in Order to Meet the 2026 Projected Revenue Requirements.
- Consider Phasing-In the Rate Increase Over a Four -Year Period.

