

Indicated Revenue Increases

<u>Year</u>	<u>Water</u>	<u>Wastewater</u>	<u>Combined</u>
2005	4.0%	9.0%	6.6%
2006	4.0%	9.0%	6.7%
2007	4.0%	9.0%	6.7%
2008	4.0%	9.0%	6.8%
2009	4.0%	9.0%	6.9%

Cost of Service Allocations

11. The annual cost of service for the water system to be met from water rates during the projected 2005 test year is as follows:

Total Revenue Requirements for Water Utility:

Operation and Maintenance Expense	\$7,692,000	
Debt Service Requirements	1,488,800	
Routine Capital Additions	384,900	
Operating Reserve	162,100	
Cash Financed Capital Improvements	<u>3,700,000</u>	
Total		\$13,427,800

Revenue Requirements Met from Other Sources:

Other Revenue	\$348,000	
System Development Charge Revenue	400,000	
Interest Income	290,200	
Use of Available Reserves	<u>1,229,700</u>	
Total		<u>\$2,267,900</u>

Net Cost of Service to be Recovered

by Treated Water Rates	\$11,159,900
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12. The annual cost of service for the wastewater system to be met from wastewater rates during the projected 2005 test year is as follows:

Total Revenue Requirements for Wastewater Utility:

Operation and Maintenance Expense	\$6,464,800	
Debt Service Requirements	4,846,500	
Routine Capital Additions	390,300	
Operating Reserve	0	
Cash Financed Capital Improvements	<u>2,600,000</u>	
Total		\$14,301,600

“normal” residential block will be initially set at 20,000 gallons, the same usage block established by the existing declining block rate structure. The usage allowance for this first block will decrease to 15,000 gallons in 2008 and to 10,000 gallons in 2009 and subsequent years. All residential customers using more water than the first block allowance will be charged at a higher rate as shown by Table B. This proposed plan results in a three-year phase-in period of the new residential rate structure to give affected residential customers ample time to adjust to the new inverted block rate structure. The proposed wastewater rates consist of a flat service charge and a single volume charge for all customers plus a set of surcharge rates for high-strength customers.

16. Projected revenues under proposed rates are compared with adjusted costs of service in Tables 17 and 33 of the report.
17. Typical bills for combined water and wastewater service under rates proposed to become effective January 1, 2005, are shown in Table D. Identical information for each utility is shown in Table 37 of the report.

Rural Water District Charges

18. Water charges to rural water district or wholesale customers will continue to consist of a uniform volume charge for all water usage. It is expected that all new or renegotiated wholesale water contracts will guarantee a minimum purchase amount to partially reduce the risk of serving these customers. The rates for existing wholesale customers are projected as shown below:

<u>Year</u>	<u>Indicated Rate \$/Mg</u>
2005	2.25
2006	2.41
2007	2.47
2008	2.63
2009	2.72

The projected wholesale water rates do not include any costs related to the maintenance or investment in small water mains serving only retail customers, costs for municipal water usage, public fire protection related costs, or any costs related to

Table 1
Water Rate Structure
Uniform Volume Charge by Class

	Existing Rates	Proposed Water Rates				
		2005	2006	2007	2008	2009
Inside City Limits						
Volume Charge - \$1,000/gal						
First 2,000 gallons	Minimum					
Next 18,000 gallons	2.52					
Next 480,000 gallons	1.92					
Over 500,000 gallons	1.78					
Residential		2.67	2.78	2.89	2.99	3.12
Multifamily		2.31	2.40	2.49	2.57	2.69
Commercial		2.05	2.13	2.22	2.30	2.39
Industrial		1.88	1.94	2.03	2.11	2.18
Monthly Charge - \$/Bill						
5/8" & 3/4"	6.55	1.95	1.95	2.10	2.20	2.25
1"	8.90	2.35	2.35	2.50	2.60	2.70
1 1/2"	9.70	2.80	2.80	2.90	3.00	3.20
2"	12.30	3.90	3.90	4.10	4.20	4.40
3"	31.00	12.00	12.00	12.50	13.00	13.00
4"	39.00	15.00	15.00	15.50	16.00	16.50
6"	58.00	22.00	22.00	23.00	23.00	24.00
8"	79.00	30.00	30.00	31.00	32.00	33.00
10"	96.00	39.00	39.00	41.00	42.00	43.00
12"	120.00	46.00	46.00	48.00	49.00	51.00
Outside City Limits						
Monthly Volume Charge - \$/1,000 gallons						
First 2,000 gallons	Minimum					
Next 18,000 gallons	3.15					
Next 480,000 gallons	2.65					
Over 500,000 gallons	2.12					
Residential						
First Block (a)		3.26	3.46	3.54	3.62	3.70
All Other Usage		3.26	3.46	4.08	4.71	5.33
Multifamily		2.50	2.99	3.15	3.31	3.46
Commercial		2.43	2.58	2.65	2.79	2.89
Industrial		2.23	2.36	2.43	2.56	2.65
Rural Water Districts	2.11	2.25	2.41	2.47	2.63	2.72
Meter Size - Inches						
5/8 and 3/4	9.20	2.10	2.15	2.25	2.35	2.40
1	10.10	2.55	2.60	2.70	2.80	2.90
1 1/2	11.10	3.00	3.10	3.20	3.30	3.40
2	16.90	4.30	4.30	4.50	4.60	4.80
3	48.00	13.50	13.50	14.00	14.50	15.00
4	59.00	17.00	17.00	17.50	18.00	18.50
6	89.00	25.00	25.00	26.00	27.00	27.00
8	115.00	34.00	34.00	36.00	36.00	37.00
10	147.00	44.00	45.00	46.00	47.00	48.00
12	166.00	52.00	53.00	55.00	56.00	57.00
(a)	First block is set at 20,000 gallons in 2007; 15,000 gallons in 2008; and 10,000 gallons in 2009 and subsequent years.					
19-312(2)	Multiple Living Units Customers served by a single meter shall be charged for water and sewer service according to the number of units served by the single meter, i.e., total usage will be divided by the number of living units served by the single meter to determine the charge per living unit, with the charge per living unit multiplied by the total number of living units served by the single meter to determine total charge. (Ord. 5701)					

Table C
Wastewater Utility
Existing and Proposed
Wastewater Service Charges

		Existing	Proposed Wastewater Service Charges				
		Rates	2005	2006	2007	2008	2009
Inside City Limits							
Monthly Volume Charge - \$/1,000 gallons							
First 2,000 gallons	Minimum	3.87	4.25	4.64	5.08	5.57	
Over 2,000 gallons	3.03	3.87	4.25	4.64	5.08	5.57	
Monthly Charge - \$/Bill							
Meter Size - Inches							
5/8 and 3/4	14.60	7.30	7.80	8.50	9.20	9.90	
1	14.80	7.30	7.80	8.50	9.20	9.90	
1 1/2	15.20	7.30	7.80	8.50	9.20	9.90	
2	15.80	7.30	7.80	8.50	9.20	9.90	
3	17.00	7.30	7.80	8.50	9.20	9.90	
4	21.00	7.30	7.80	8.50	9.20	9.90	
6	26.50	7.30	7.80	8.50	9.20	9.90	
8	32.00	7.30	7.80	8.50	9.20	9.90	
10	43.00	7.30	7.80	8.50	9.20	9.90	
12	51.00	7.30	7.80	8.50	9.20	9.90	
Excess Strength Surcharges - \$/pound							
BOD (in excess of 300 mg/l)	0.3700	0.3910	0.4242	0.4560	0.4877	0.5307	
TSS (in excess of 300 mg/l)	0.2010	0.2525	0.2766	0.2951	0.3176	0.3488	
Outside City Limits							
Monthly Volume Charge - \$/1,000 gallons							
First 2,000 gallons	Minimum	4.41	4.66	5.07	5.53	6.05	
Over 2,000 gallons	4.10	4.41	4.66	5.07	5.53	6.05	
Monthly Charge - \$/Bill							
Meter Size - Inches							
5/8 and 3/4	16.50	9.10	9.60	10.50	11.40	12.30	
1	17.00	9.10	9.60	10.50	11.40	12.30	
1 1/2	18.50	9.10	9.60	10.50	11.40	12.30	
2	19.00	9.10	9.60	10.50	11.40	12.30	
3	20.50	9.10	9.60	10.50	11.40	12.30	
4	24.00	9.10	9.60	10.50	11.40	12.30	
6	30.00	9.10	9.60	10.50	11.40	12.30	
8	36.00	9.10	9.60	10.50	11.40	12.30	
10	47.00	9.10	9.60	10.50	11.40	12.30	
12	54.00	9.10	9.60	10.50	11.40	12.30	
Excess Strength Surcharges - \$/pound							
BOD (in excess of 300 mg/l)	0.4560	0.4560	0.4714	0.5047	0.5390	0.5900	
TSS (in excess of 300 mg/l)	0.2710	0.2990	0.3129	0.3326	0.3572	0.3945	

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