

## March 2022 Director Questions – Rachel

Re: rate model

Which option is the best option to match the Social Security increase?  
Social Security increase is 5.9% this year

The revenue program is a documented determination of a user charge system developed by the District. It is designed to provide a source of revenues for operation, maintenance, and replacement costs of the system. In addition, debt service, revenue for establishing a capital reserve fund, and an operating reserve fund may be collected by the system of charges based on actual use.

The District has the option of “tweaking” the rate model if it wishes. It can do this by making cuts to the O&M budget or decreasing contributions to reserve accounts. The options presented in the Board packet are an example of “tweaking” the rate model by changing the O&M budget and the reserve accounts.

Attached is an additional supplemental example of what it might potentially look like if the Residential fee was 5.69%. In this example the capital reserve is reduced to \$2.225M and the contingency to \$0

Summary Rate Model History

User Group	Count	Units	Model 22-23										Proposed Rates						
			Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Annual Rates	Monthly % Change	Annual Est. Revenue				
			2011-12	2012-13	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	% Change	Rates	% Change	Est. Revenue			
Veterinary Offices	3	each	724.00	776.80	1,242.32	1,406.20	1,496.16	1,621.48	1,748.92	1,892.64	1,938.78	2,043.50	2,109.74	2,109.74	175.81	3.24%	6,329.23	3.24%	6,329.23
Animal Hosp & Board	1	each	1,750.00	1,876.00	3,549.50	4,017.72	4,277.74	4,636.04	5,000.44	5,411.36	5,543.28	5,608.98	6,002.37	6,002.37	500.20	7.01%	6,002.37	7.01%	6,002.38
Bakery	4	each	1,170.00	1,255.00	2,198.30	2,369.08	2,487.40	2,726.44	3,002.30	3,163.94	3,339.10	3,351.22	3,454.51	3,454.51	287.88	3.08%	13,818.06	3.08%	13,818.10
Bar	28	each	605.82	650.50	864.82	981.04	1,049.60	1,136.96	1,225.20	1,327.44	1,358.00	1,374.58	1,455.98	1,455.98	40,767.42	5.92%	40,767.42	5.92%	40,767.42
Beauty Salon	32	each	452.00	486.00	717.46	819.78	867.32	937.98	1,012.12	1,100.86	1,121.26	1,136.28	1,226.94	1,226.94	39,262.20	7.98%	39,262.20	7.98%	39,262.20
Business/Gov/Retail	935	per 10 employees	230.42	247.70	311.50	355.02	391.92	424.10	456.10	485.42	505.36	511.94	564.50	564.50	527,806.68	10.27%	527,806.68	10.27%	527,806.68
Camera/Photo	2	each	318.92	343.00	456.96	515.96	540.98	586.62	633.34	677.20	736.58	750.24	710.04	710.04	1,473.32	3.75%	1,473.32	3.75%	1,473.32
Church/Synagogue/M	33	FRU = 150	330.00	355.80	478.50	546.72	582.88	630.36	677.20	736.58	750.24	760.26	818.34	818.34	27,004.76	7.64%	27,004.76	7.64%	27,005.09
Conv. Hospital	9	beds	182.26	196.00	260.20	295.10	309.36	335.34	361.40	391.50	400.58	405.48	435.40	435.40	3,918.58	7.38%	3,918.58	7.38%	3,918.58
Dental Office	15	each Dentist	350.00	367.16	485.80	561.02	588.36	634.78	678.92	742.66	751.60	763.14	842.65	842.65	12,639.78	10.42%	12,639.78	10.42%	12,639.93
Gym/Health Spa	3	each	431.12	462.00	612.82	699.50	752.92	814.44	875.36	951.58	969.84	982.70	1,070.46	1,070.46	3,211.37	8.93%	3,211.37	8.93%	3,211.37
Hotel/Motel	1,256	room	194.78	209.40	260.68	295.60	320.50	347.20	381.48	413.22	422.82	428.08	440.26	440.26	552,963.00	2.84%	552,963.00	2.84%	552,963.00
Laundromats	29	per machine	334.60	360.00	587.30	676.40	727.10	784.92	840.48	918.06	930.62	944.46	1,054.18	1,054.18	30,571.29	11.62%	30,571.29	11.62%	30,571.29
Laundry	3	each	1,553.00	1,666.66	2,262.74	2,514.96	2,691.76	2,929.36	3,183.98	3,411.96	3,533.92	3,564.90	3,659.68	3,659.68	10,979.05	2.66%	10,979.05	2.66%	10,979.05
Market	19	each	571.32	614.00	1,053.90	1,143.46	1,200.06	1,313.28	1,442.00	1,525.26	1,603.04	1,610.36	1,698.03	1,698.03	32,262.66	5.44%	32,262.66	5.44%	32,262.85
Medical Office	21	each Physician	196.00	202.00	247.18	283.18	299.62	318.16	334.26	364.94	364.94	359.92	409.46	409.46	8,598.65	13.76%	8,598.65	13.76%	8,598.65
Residential	7,113	each	388.00	417.10	514.32	575.46	647.14	703.18	767.84	825.78	851.84	877.58	927.52	927.52	6,597,454.16	5.69%	6,597,454.16	5.69%	6,597,454.16
Restaurants	14,400	Seat/Meal	27.54	28.90	43.36	46.98	49.36	54.02	59.36	62.74	65.98	66.32	68.64	68.64	988,471.61	3.50%	988,471.61	3.50%	988,471.61
Schools	2,500	Population	14.90	15.94	20.76	23.88	26.84	28.98	31.04	33.90	34.36	34.88	38.91	38.91	97,281.22	11.56%	97,281.22	11.56%	97,306.22
Service Stations	26	per pump	1,256.94	1,346.20	1,619.06	1,830.54	1,940.98	2,104.06	2,270.46	2,455.60	2,517.14	2,546.00	2,716.94	2,716.94	70,640.40	6.71%	70,640.40	6.71%	70,640.40
Supermarkets	2	each	12,013.78	12,918.34	14,152.08	15,350.08	16,915.86	18,513.28	20,330.52	21,500.58	21,601.64	22,703.94	23,528.79	23,528.80	47,057.58	3.63%	47,057.58	3.63%	47,057.60
SPECIAL	57	ERU=150	338.02	363.50	480.32	548.60	594.48	642.96	690.84	751.26	765.36	775.56	844.35	844.35	48,127.90	8.87%	48,127.90	8.87%	48,128.47
<b>TOTALS</b>																			<b>\$9,166,641.30</b>

Straight Rate Model - \$2,225M Capital Replacement

26.31

Proposed vs. Model

Model	5.69%	Proposed	5.69%
\$ Change	\$77.29	Monthly Change	\$77.29
Monthly Change	\$4.16	\$ Increase	\$4.16