

Water Rate Analysis for Fiscal Year 2025 Budget

Pre-Council Meeting
Monday June 3rd, 2024

Water Utility Forecast -Base case with Projections

Projected Cash Reserve	<u>FY 2024</u> Projected	<u>FY 2025</u> Projected	<u>FY 2026</u> Projected	<u>FY 2027</u> Projected	<u>FY 2028</u> Projected	<u>FY 2029</u> Projected	<u>FY 2030</u> Projected
Beginning Available Cash	9,631,063	8,744,880	6,392,462	2,347,572	(556,334)	(3,237,353)	(6,668,869)
Total Revenue	33,318,225	33,671,770	34,012,191	34,356,090	34,686,095	35,019,476	35,356,270
Total Expenditure	(27,081,437)	(27,741,612)	(29,037,343)	(29,646,011)	(30,267,901)	(30,903,302)	(31,552,513)
Capital Outlay	(197,104)	(301,046)	(307,067)	(313,208)	(319,472)	(325,862)	(332,379)
Next Year CIP	(1,350,000)	(1,250,000)	(1,974,000)	(550,000)	(550,000)	(994,800)	(1,063,760)
Debt Service	(5,575,867)	(6,731,529)	(6,738,671)	(6,750,777)	(6,229,741)	(6,227,028)	(6,227,028)
Ending Available Cash	8,744,880	6,392,462	2,347,572	(556,334)	(3,237,353)	(6,668,869)	(10,488,280)
Total Expenses	32,854,408	34,774,188	36,083,081	36,709,997	36,817,114	37,456,192	38,111,920
Cash Reserve Target (20% of total current year expenses)	6,570,882	6,954,838	7,216,616	7,341,999	7,363,423	7,491,238	7,622,384
Cash above/below Target	2,173,999	(562,375)	(4,869,044)	(7,898,333)	(10,600,776)	(14,160,108)	(18,110,664)
Debt Service Ratio	1.12	0.88	0.74	0.70	0.71	0.66	0.61

Staff Proposed Rate Increase

Proposed Rate Change	2024	2025	2026	2027	2028	2029	2030
Base Fees	0%	4.5%	3.0%	2.0%	1.0%	1.0%	0%
Usages Fees							
Residential Tier 1	0%	4.5%	3.0%	2.0%	1.0%	1.0%	0%
Commercial Tier 1	0%	4.5%	3.0%	2.0%	1.0%	1.0%	0%
Summer Tier 2	0%	4.5%	3.0%	2.0%	1.0%	1.0%	0%
Summer Tier 3	0%	4.5%	3.0%	2.0%	1.0%	1.0%	0%
Airport	0%	4.5%	3.0%	2.0%	1.0%	1.0%	0%
Irrigation Summer	0%	4.5%	3.0%	2.0%	1.0%	1.0%	0%
Rate Change in \$	2024	2025	2026	2027	2028	2029	2030
Base Fees	\$12.00	\$12.54	\$12.92	\$13.17	\$13.31	\$13.44	\$13.44
Usages Fees							
Residential Tier 1	\$3.10	\$3.24	\$3.34	\$3.40	\$3.44	\$3.47	\$3.47
Commercial Tier 1	\$3.10	\$3.24	\$3.34	\$3.40	\$3.44	\$3.47	\$3.47
Summer Tier 2	\$4.25	\$4.44	\$4.57	\$4.67	\$4.71	\$4.76	\$4.76
Summer Tier 3	\$6.26	\$6.54	\$6.74	\$6.87	\$6.94	\$7.01	\$7.01
Airport	\$4.46	\$4.66	\$4.80	\$4.90	\$4.95	\$4.99	\$4.99
Irrigation Summer	\$6.26	\$6.54	\$6.74	\$6.87	\$6.94	\$7.01	\$7.01

Staff Forecast Scenario Rate increase + Projections

Projected Cash Reserve	<u>FY 2024</u> Projected	<u>FY 2025</u> Projected	<u>FY 2026</u> Projected	<u>FY 2027</u> Projected	<u>FY 2028</u> Projected	<u>FY 2029</u> Projected	<u>FY 2030</u> Projected
Beginning Available Cash	9,631,063	8,744,880	7,696,429	6,340,223	7,109,809	8,799,555	10,239,733
Total Revenue	33,318,225	34,975,736	36,700,875	38,029,583	39,056,860	39,891,170	40,286,457
Total Expenditure	(27,081,437)	(27,741,612)	(29,037,343)	(29,646,011)	(30,267,901)	(30,903,302)	(31,552,513)
Capital Outlay	(197,104)	(301,046)	(307,067)	(313,208)	(319,472)	(325,862)	(332,379)
Next Year CIP	(1,350,000)	(1,250,000)	(1,974,000)	(550,000)	(550,000)	(994,800)	(1,063,760)
Debt Service	(5,575,867)	(6,731,529)	(6,738,671)	(6,750,777)	(6,229,741)	(6,227,028)	(6,227,028)
Ending Available Cash	8,744,880	7,696,429	6,340,223	7,109,809	8,799,555	10,239,733	11,350,510
Total Expenses	32,854,408	34,774,188	36,083,081	36,709,997	36,817,114	37,456,192	38,111,920
Cash Reserve Target (20% of total current year expenses)	6,570,882	6,954,838	7,216,616	7,341,999	7,363,423	7,491,238	7,622,384
Cash above/below Target	2,173,999	741,591	(876,393)	(232,190)	1,436,133	2,748,495	3,728,125
Debt Service Ratio	1.12	1.07	1.14	1.24	1.41	1.44	1.40

Staff Proposed Sample Bill - Residential No Tier 3

2024



City of Columbia, Missouri

Utilities Department
701 E. Broadway
P.O. Box 1676
Columbia, MO 65205

Billing Questions:
(573) 874-7380 or ucs@como.gov
Online Portal: MyUtilityBill.CoMo.gov

Pay Bill: (573) 874-7694
Online: Pay.CoMo.gov

Utility after-hours emergency: (573) 875-2555

NEW CHARGES DETAIL

	Usage	Rate	Charge
Winter Average Consumption	6.68		
Customer Base Charge			\$12.00
Water CCF Tier 1 Summer	4.68	\$3.10	\$14.50
Water CCF Tier 2 Summer	6.68	\$4.25	\$28.39
Water CCF Tier 3 Summer	0	\$6.26	\$0
Water - PILOT Fee			\$4.28
State Regulatory Fee - Water			\$0.35
Fire Flow Charge			\$1.59
Water Tax			\$1.51
Water Total			\$62.61

4.5% Rate Increase - 2025



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NEW CHARGES DETAIL

	Usage	Rate	Charge
Winter Average Consumption	6.68		
Customer Base Charge			\$12.54
Water CCF Tier 1 Summer	4.68	\$3.24	\$15.15
Water CCF Tier 2 Summer	6.68	\$4.44	\$29.67
Water CCF Tier 3 Summer	0	\$6.54	\$0
Water - PILOT Fee			\$4.47
State Regulatory Fee - Water			\$0.35
Fire Flow Charge			\$1.59
Water Tax			\$1.58
Water Total			\$65.37

Avg. monthly bill increase for 11.36 ccf usage would increase by \$2.76

Staff Proposed Sample Bill - Residential All Tiers

2024



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Customer Base Charge			\$12.00
Water CCF Tier 1 Summer	4.68	\$3.10	\$14.50
Water CCF Tier 2 Summer	6.68	\$4.25	\$28.39
Water CCF Tier 3 Summer	8.64	\$6.26	\$54.11
Water - PILOT Fee			\$8.35
State Regulatory Fee - Water			\$0.35
Fire Flow Charge			\$1.59
Water Tax			\$2.95
Water Total			\$122.24

4.5% Rate Increase - 2025



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NEW CHARGES DETAIL

	Usage	Rate	Charge
Winter Average Consumption	6.68		
Customer Base Charge			\$12.54
Water CCF Tier 1 Summer	4.68	\$3.24	\$15.15
Water CCF Tier 2 Summer	6.68	\$4.44	\$29.67
Water CCF Tier 3 Summer	8.64	\$6.54	\$56.55
Water - PILOT Fee			\$8.72
State Regulatory Fee - Water			\$0.35
Fire Flow Charge			\$1.59
Water Tax			\$3.08
Water Total			\$127.65

Avg. monthly bill increase for 20.00 ccf usage would increase by \$5.41

W&L Advisory Board Proposed Rate Increase

Proposed Rate Change	2024	2025	2026	2027	2028	2029	2030
Base Fees	0%	4.0%	0%	0%	0%	0%	0%
Usages Fees							
Residential Tier 1	0%	4.0%	0%	0%	0%	0%	0%
Commercial Tier 1	0%	4.5%	0%	0%	0%	0%	0%
Summer Tier 2	0%	4.5%	0%	0%	0%	0%	0%
Summer Tier 3	0%	10.0%	0%	0%	0%	0%	0%
Airport	0%	4.5%	0%	0%	0%	0%	0%
Irrigation Summer	0%	10.0%	0%	0%	0%	0%	0%
Rate Change in \$	2024	2025	2026	2027	2028	2029	2030
Base Fees	\$12.00	\$12.48	\$12.48	\$12.48	\$12.48	\$12.48	\$12.48
Usages Fees							
Residential Tier 1	\$3.10	\$3.22	\$3.22	\$3.22	\$3.22	\$3.22	\$3.22
Commercial Tier 1	\$3.10	\$3.24	\$3.24	\$3.24	\$3.24	\$3.24	\$3.24
Summer Tier 2	\$4.25	\$4.44	\$4.44	\$4.44	\$4.44	\$4.44	\$4.44
Summer Tier 3	\$6.26	\$6.89	\$6.89	\$6.89	\$6.89	\$6.89	\$6.89
Airport	\$4.46	\$4.66	\$4.66	\$4.66	\$4.66	\$4.66	\$4.66
Irrigation Summer	\$6.26	\$6.89	\$6.89	\$6.89	\$6.89	\$6.89	\$6.89

W&L Advisory Board Recommended Rates Proposed Rate Increase

Projected Cash Reserve	<u>FY 2024</u> Projected	<u>FY 2025</u> Projected	<u>FY 2026</u> Projected	<u>FY 2027</u> Projected	<u>FY 2028</u> Projected	<u>FY 2029</u> Projected	<u>FY 2030</u> Projected
Beginning Available Cash	9,631,063	8,744,880	8,058,118	6,538,704	6,191,223	6,098,358	5,286,985
Total Revenue	33,318,225	35,337,426	36,537,666	36,912,516	37,274,250	37,639,619	38,009,483
Total Expenditure	(27,081,437)	(27,741,612)	(29,037,343)	(29,646,011)	(30,267,901)	(30,903,302)	(31,552,513)
Capital Outlay	(197,104)	(301,046)	(307,067)	(313,208)	(319,472)	(325,862)	(332,379)
Next Year CIP	(1,350,000)	(1,250,000)	(1,974,000)	(550,000)	(550,000)	(994,800)	(1,063,760)
Debt Service	(5,575,867)	(6,731,529)	(6,738,671)	(6,750,777)	(6,229,741)	(6,227,028)	(6,227,028)
Ending Available Cash	8,744,880	8,058,118	6,538,704	6,191,223	6,098,358	5,286,985	4,120,787
Total Expenses	32,854,408	34,774,188	36,083,081	36,709,997	36,817,114	37,456,192	38,111,920
Cash Reserve Target (20% of total current year expenses)	6,570,882	6,954,838	7,216,616	7,341,999	7,363,423	7,491,238	7,622,384
Cash above/below Target	2,173,999	1,103,281	(677,913)	(1,150,776)	(1,265,064)	(2,204,254)	(3,501,597)
Debt Service Ratio	1.12	1.13	1.11	1.08	1.12	1.08	1.04

W&L Advisory Board Proposed Sample Bill - Residential No Tier 3

2024



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Water CCF Tier 2 Summer	6.68	\$4.25	\$28.39
Water CCF Tier 3 Summer	0	\$6.26	\$0
Water - PILOT Fee			\$4.28
State Regulatory Fee - Water			\$0.35
Fire Flow Charge			\$1.59
Water Tax			\$1.51
Water Total			\$62.61

4.0% Base Rate & 10% Summer
Tier 3 Increase - 2025



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NEW CHARGES DETAIL

	Usage	Rate	Charge
Winter Average Consumption	6.68		
Customer Base Charge			\$12.48
Water CCF Tier 1 Summer	4.68	\$3.22	\$15.08
Water CCF Tier 2 Summer	6.68	\$4.44	\$29.67
Water CCF Tier 3 Summer	0	\$6.89	\$0
Water - PILOT Fee			\$4.45
State Regulatory Fee - Water			\$0.35
Fire Flow Charge			\$1.59
Water Tax			\$1.58
Water Total			\$65.19

Avg. monthly bill increase for 11.36 ccf usage would increase by \$2.58

W&L Advisory Board Proposed Sample Bill - Residential All Tiers

2024



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NEW CHARGES DETAIL

	Usage	Rate	Charge
Winter Average Consumption	6.68		
Customer Base Charge			\$12.00
Water CCF Tier 1 Summer	4.68	\$3.10	\$14.50
Water CCF Tier 2 Summer	6.68	\$4.25	\$28.39
Water CCF Tier 3 Summer	8.64	\$6.26	\$54.11
Water - PILOT Fee			\$8.35
State Regulatory Fee - Water			\$0.35
Fire Flow Charge			\$1.59
Water Tax			\$2.95
Water Total			\$122.24

4.0% Base Rate & 10% Summer
Tier 3 Increase - 2025



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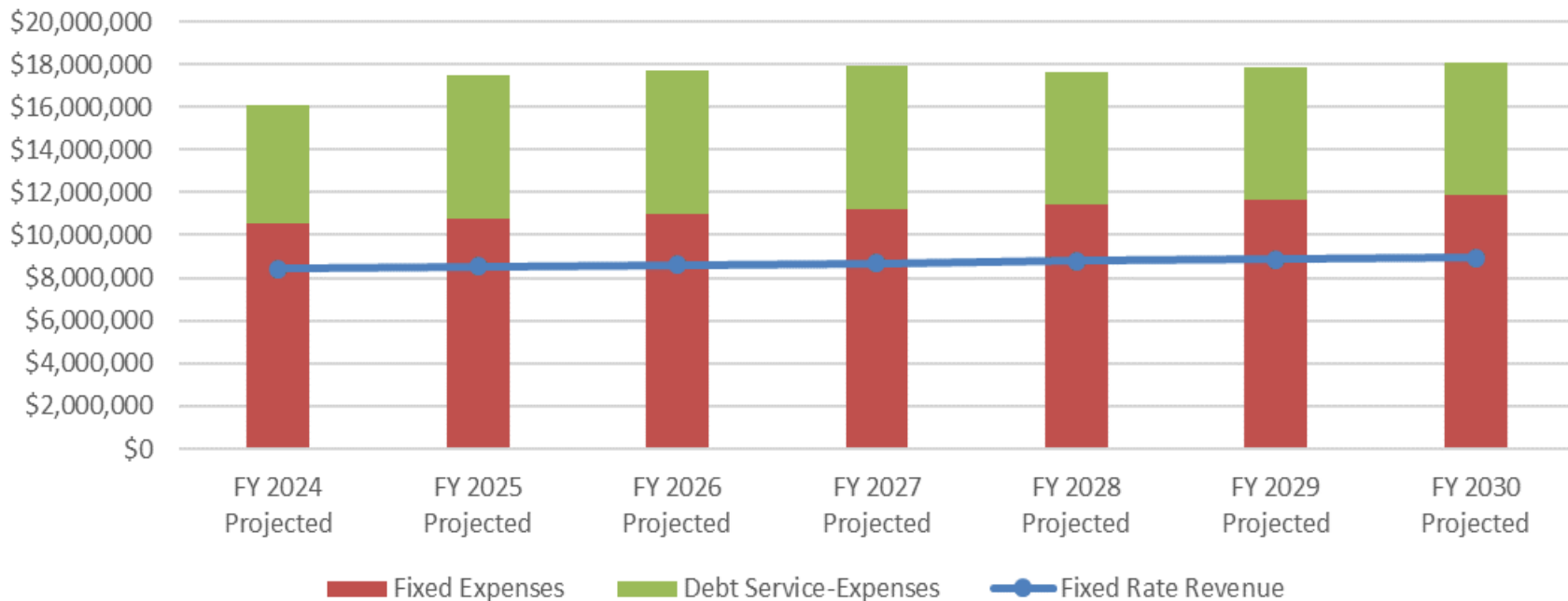
NEW CHARGES DETAIL

	Usage	Rate	Charge
Winter Average Consumption	6.68		
Customer Base Charge			\$12.48
Water CCF Tier 1 Summer	4.68	\$3.22	\$15.08
Water CCF Tier 2 Summer	6.68	\$4.44	\$29.67
Water CCF Tier 3 Summer	8.64	\$6.89	\$59.52
Water - PILOT Fee			\$8.93
State Regulatory Fee - Water			\$0.35
Fire Flow Charge			\$1.59
Water Tax			\$3.16
Water Total			\$130.78

Avg. monthly bill increase for 20 ccf
usage would increase by \$8.54

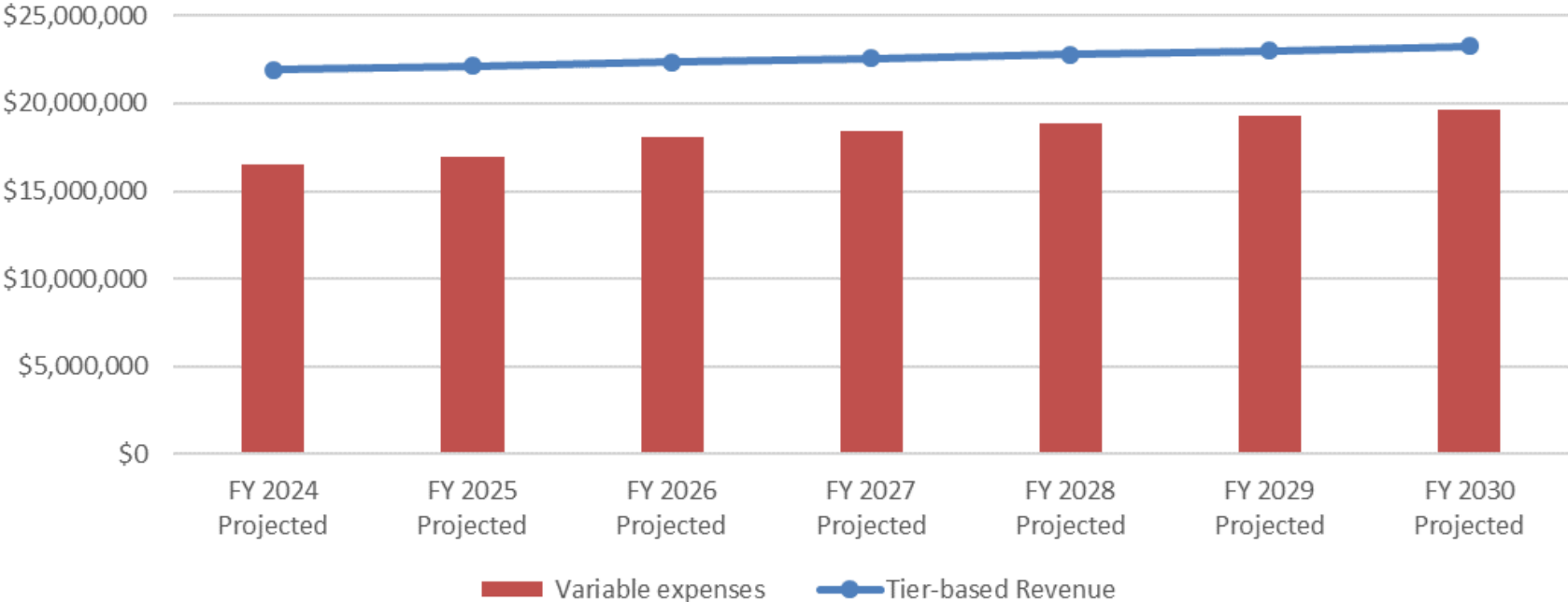
Additional Information

Fixed Charge-based Revenue vs Fixed Expenses

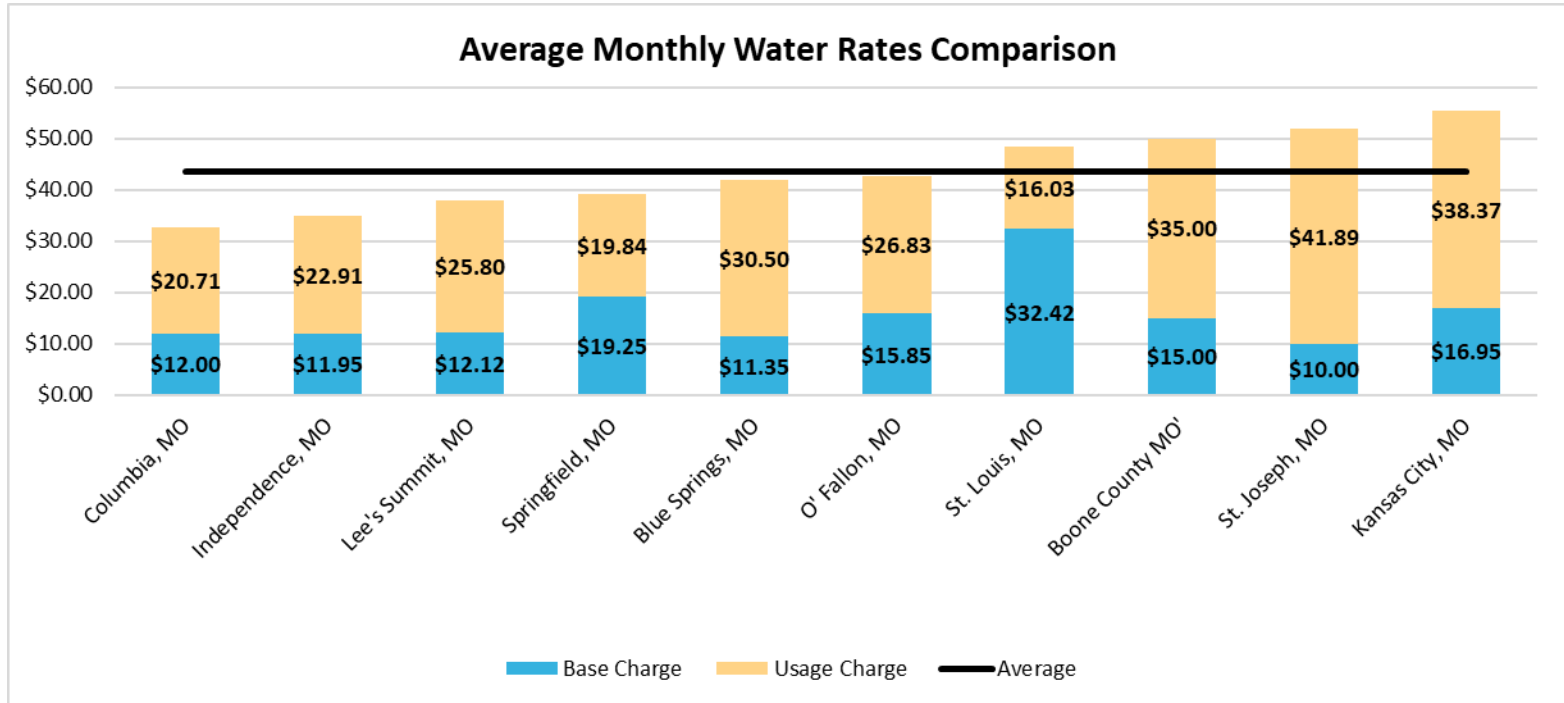


Additional Information

Tier-based Revenue vs Variable Expenses



Water Rates Comparison - Chart



Bill excludes other non-usage related charges

¹Consolidated Public Water Supply District No. 1 of Boone County

Water Rates Comparison - Table

Average Monthly Water Bill					
	Base	Usage			Total
City	Base Charge	Rate	Usage (ccf)	Usage Charge	Bill Amount*
Columbia, MO	\$12.00	\$3.10	6.68	\$20.71	\$32.71
Independence, MO	\$11.95	\$3.43	6.68	\$22.91	\$34.86
Lee's Summit, MO	\$12.12	\$3.86	6.68	\$25.80	\$37.92
Springfield, MO	\$19.25	\$2.97	6.68	\$19.84	\$39.09
Blue Springs, MO	\$11.35	\$4.57	6.68	\$30.50	\$41.85
O' Fallon, MO	\$15.85	\$4.02	6.68	\$26.83	\$42.68
St. Louis, MO	\$32.42	\$2.40	6.68	\$16.03	\$48.46
Boone County MO ¹	\$15.00	\$5.24	6.68	\$35.00	\$50.00
St. Joseph, MO	\$10.00	\$6.27	6.68	\$41.89	\$51.89
Kansas City, MO	\$16.95	\$5.68	6.68	\$38.37	\$55.32

*Bill excludes other non-usage related charges

¹Consolidated Public Water Supply District No. 1 of Boone County