



# 2023 Water Rate Analysis



TABLE 1

| 2023 - 2032 Water Capital Forecast                                       |              |              |              |              |              |              |              |              |              |              |
|--------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Description                                                              | 2023         | 2024         | 2025         | 2026         | 2027         | 2028         | 2029         | 2030         | 2031         | 2032         |
| <b>2023 Capital Program</b>                                              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Water Meter Replacement Program                                          | \$ -         | \$ 136,990   | \$ 141,100   | \$ 145,333   | \$ 149,693   | \$ 154,183   | \$ 163,573   | \$ 168,480   | \$ 173,535   | \$ 178,741   |
| Watermain Rehabilitation-Casablanca Blvd, Livingstone Ave                | \$ 530,000   | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Watermain Rehabilitation Program                                         | \$ -         | \$ 2,060,000 | \$ 2,121,800 | \$ 2,185,454 | \$ 2,251,018 | \$ 2,318,548 | \$ 2,459,748 | \$ 2,533,540 | \$ 2,609,546 | \$ 2,687,833 |
| Watermain Rehabilitation-Olive St, lake St, Ontario St                   | \$ 2,150,000 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Watermain Rehabilitation-Robinson St N (8 lake St)                       | \$ 64,000    | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Watermain Rehabilitation-Governors Rd, Dorchester Dr                     | \$ 1,355,000 | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Growth Projects</b>                                                   | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Watermain Rehab - (Kelson Ave QEW Crossing)                              | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 1,817,742 | \$ -         | \$ -         | \$ -         | \$ -         |
| Watermain Improvemets - South Service Rd-Hunter Road to Industrial Drive | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 1,485,726 | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Non-TCA Capital</b>                                                   | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Flow monitoring                                                          | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Water System Financial Plan Update                                       | \$ -         | \$ 20,600    | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Backflow Prevention Program Enhancements                                 | \$ 10,000    | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Total Pre-Inflation Capital Program (2023 Dollars)</b>                | \$ 4,109,000 | \$ 2,153,000 | \$ 2,133,000 | \$ 2,133,000 | \$ 2,133,000 | \$ 4,982,600 | \$ 2,133,000 | \$ 2,133,000 | \$ 2,133,000 | \$ 2,133,000 |
| <b>Inflationary Impact</b>                                               | \$ -         | \$ 64,590    | \$ 129,900   | \$ 197,787   | \$ 267,710   | \$ 793,599   | \$ 490,321   | \$ 569,021   | \$ 650,081   | \$ 733,574   |
| <b>Total Capital Expenditures</b>                                        | \$ 4,109,000 | \$ 2,217,590 | \$ 2,262,900 | \$ 2,330,787 | \$ 2,400,710 | \$ 5,776,199 | \$ 2,623,321 | \$ 2,702,021 | \$ 2,783,081 | \$ 2,866,574 |
| <b>Capital Financing</b>                                                 |              |              |              |              |              |              |              |              |              |              |
| Regional Grant                                                           |              |              |              |              |              |              |              |              |              |              |
| External Contributions                                                   | \$ 32,000    |              |              |              |              |              |              |              |              |              |
| Development Charges                                                      | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Non-Growth Related Debenture Requirements                                | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Growth Related Debenture Requirements                                    | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 2,836,325 | \$ -         | \$ -         | \$ -         | \$ -         |
| Operating Contributions (Capital From Current)                           | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Water Capital Replacement Reserve Fund                                   | \$ 4,067,000 | \$ 2,196,990 | \$ 2,262,900 | \$ 2,330,787 | \$ 2,400,710 | \$ 2,939,874 | \$ 2,623,321 | \$ 2,702,021 | \$ 2,783,081 | \$ 2,866,574 |
| Water Operating Reserve                                                  | \$ 10,000    | \$ 20,600    | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| <b>Total Capital Financing</b>                                           | \$ 4,109,000 | \$ 2,217,590 | \$ 2,262,900 | \$ 2,330,787 | \$ 2,400,710 | \$ 5,776,199 | \$ 2,623,321 | \$ 2,702,021 | \$ 2,783,081 | \$ 2,866,574 |

TABLE 2-A

| Water Capital Replacement Reserve Fund |              |              |              |              |              |              |              |              |              |              |
|----------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Description                            | 2023         | 2024         | 2025         | 2026         | 2027         | 2028         | 2029         | 2030         | 2031         | 2032         |
| Opening Balance                        | \$ 5,138,603 | \$ 3,394,393 | \$ 3,602,776 | \$ 3,798,325 | \$ 4,001,927 | \$ 4,213,880 | \$ 3,955,667 | \$ 4,094,959 | \$ 4,238,946 | \$ 4,387,781 |
| Transfer from Operating                | \$ 2,230,000 | \$ 2,296,900 | \$ 2,365,807 | \$ 2,436,781 | \$ 2,509,885 | \$ 2,585,181 | \$ 2,662,737 | \$ 2,742,619 | \$ 2,824,897 | \$ 2,909,644 |
| Transfer to Capital                    | \$ 4,067,000 | \$ 2,196,990 | \$ 2,262,900 | \$ 2,330,787 | \$ 2,400,710 | \$ 2,939,874 | \$ 2,623,321 | \$ 2,702,021 | \$ 2,783,081 | \$ 2,866,574 |
| <b>Closing Balance</b>                 | \$ 3,311,603 | \$ 3,514,903 | \$ 3,705,683 | \$ 3,904,319 | \$ 4,111,102 | \$ 3,859,187 | \$ 3,995,082 | \$ 4,135,557 | \$ 4,280,762 | \$ 4,430,851 |
| Interest                               | \$ 82,790    | \$ 87,873    | \$ 92,642    | \$ 97,608    | \$ 102,778   | \$ 96,480    | \$ 99,877    | \$ 103,389   | \$ 107,019   | \$ 110,771   |

TABLE 2-B

| Water Development Charges Reserve Fund |            |            |            |            |            |              |              |              |            |            |
|----------------------------------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|------------|------------|
| Description                            | 2023       | 2024       | 2025       | 2026       | 2027       | 2028         | 2029         | 2030         | 2031       | 2032       |
| Opening Balance                        | \$ 475,352 | \$ 571,909 | \$ 673,420 | \$ 780,085 | \$ 892,112 | \$ 1,009,715 | \$ 1,133,117 | \$ 1,057,994 | \$ 984,025 | \$ 906,170 |
| Development Charge Proceeds            | \$ 82,608  | \$ 85,086  | \$ 87,639  | \$ 90,268  | \$ 92,976  | \$ 95,765    | \$ 98,638    | \$ 101,597   | \$ 99,611  | \$ 98,733  |
| Transfer to Capital                    | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -         | \$ -         | \$ -         | \$ -       | \$ -       |
| Transfer to Operating                  | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -         | \$ 199,567   | \$ 199,567   | \$ 199,567 | \$ 199,567 |
| <b>Closing Balance</b>                 | \$ 557,960 | \$ 656,995 | \$ 761,059 | \$ 870,353 | \$ 985,088 | \$ 1,105,480 | \$ 1,032,189 | \$ 960,024   | \$ 884,068 | \$ 805,336 |
| Interest                               | \$ 13,949  | \$ 16,425  | \$ 19,026  | \$ 21,759  | \$ 24,627  | \$ 27,637    | \$ 25,805    | \$ 24,001    | \$ 22,102  | \$ 20,133  |
| Required from Development Charges      | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ 2,836,325 | \$ -         | \$ -         | \$ -       | \$ -       |

TABLE 2-C

| Water Operating Reserve                           |              |              |              |              |              |              |              |              |              |              |
|---------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Description                                       | 2023         | 2024         | 2025         | 2026         | 2027         | 2028         | 2029         | 2030         | 2031         | 2032         |
| Stabilization Reserve Opening Balance             | \$ 1,017,709 | \$ 988,469   | \$ 987,098   | \$ 998,949   | \$ 1,025,100 | \$ 1,064,044 | \$ 1,044,739 | \$ 1,009,041 | \$ 1,050,575 | \$ 1,095,317 |
| Contributions from Operating Budget               | \$ -         | \$ 19,229    | \$ 11,851    | \$ 26,151    | \$ 38,945    | \$ -         | \$ -         | \$ 41,534    | \$ 44,742    | \$ 21,033    |
| Transfer to Capital Budget                        | \$ 10,000    | \$ 20,600    | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Contributions to Operating Budget                 | \$ 19,240    | \$ -         | \$ -         | \$ -         | \$ -         | \$ 19,305    | \$ 35,698    | \$ -         | \$ -         | \$ -         |
| <b>Rate Stabilization Reserve Closing Balance</b> | \$ 988,469   | \$ 987,098   | \$ 998,949   | \$ 1,025,100 | \$ 1,064,044 | \$ 1,044,739 | \$ 1,009,041 | \$ 1,050,575 | \$ 1,095,317 | \$ 1,116,350 |
| 10% of Operating Revenues - Lower Target Level    | \$ 788,023   | \$ 818,069   | \$ 849,208   | \$ 881,480   | \$ 914,923   | \$ 940,361   | \$ 975,925   | \$ 1,022,610 | \$ 1,057,331 | \$ 1,094,574 |
| 15% of Operating Revenues - Upper Target Level    | \$ 1,182,034 | \$ 1,227,103 | \$ 1,273,812 | \$ 1,322,219 | \$ 1,372,385 | \$ 1,410,541 | \$ 1,463,888 | \$ 1,533,914 | \$ 1,585,996 | \$ 1,641,861 |

TABLE 3

| Description                                                   | Water Operating Budget Forecast |                     |                     |                     |                     |                     |                      |                      |                      |                      |
|---------------------------------------------------------------|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
|                                                               | 2023                            | 2024                | 2025                | 2026                | 2027                | 2028                | 2029                 | 2030                 | 2031                 | 2032                 |
| Billing                                                       | \$ 34,000                       | \$ 34,680           | \$ 35,370           | \$ 36,077           | \$ 36,799           | \$ 37,535           | \$ 38,286            | \$ 39,051            | \$ 39,832            | \$ 40,629            |
| Fire Hydrant Maintenance                                      | \$ 18,000                       | \$ 18,360           | \$ 18,730           | \$ 19,105           | \$ 19,487           | \$ 19,876           | \$ 20,274            | \$ 20,679            | \$ 21,093            | \$ 21,515            |
| General Admin-Salaries and Benefits                           | \$ 1,190,310                    | \$ 1,238,070        | \$ 1,286,370        | \$ 1,312,097        | \$ 1,338,339        | \$ 1,365,106        | \$ 1,392,408         | \$ 1,420,256         | \$ 1,448,662         | \$ 1,477,635         |
| General Admin-Other                                           | \$ 23,000                       | \$ 23,460           | \$ 23,920           | \$ 24,398           | \$ 24,886           | \$ 25,384           | \$ 25,892            | \$ 26,410            | \$ 26,938            | \$ 27,477            |
| General Admin-Interfunctional Transfers                       | \$ 1,394,050                    | \$ 1,421,930        | \$ 1,450,370        | \$ 1,479,377        | \$ 1,508,965        | \$ 1,539,144        | \$ 1,569,927         | \$ 1,601,326         | \$ 1,633,352         | \$ 1,666,019         |
| QMS Program                                                   | \$ 12,000                       | \$ 12,240           | \$ 12,480           | \$ 12,730           | \$ 12,984           | \$ 13,244           | \$ 13,509            | \$ 13,779            | \$ 14,055            | \$ 14,336            |
| Licensing & Training                                          | \$ 7,500                        | \$ 7,650            | \$ 7,800            | \$ 7,956            | \$ 8,115            | \$ 8,277            | \$ 8,443             | \$ 8,612             | \$ 8,784             | \$ 8,960             |
| Meter Readings                                                | \$ 2,000                        | \$ 2,040            | \$ 2,080            | \$ 2,122            | \$ 2,164            | \$ 2,207            | \$ 2,251             | \$ 2,296             | \$ 2,342             | \$ 2,389             |
| QMS Program                                                   |                                 |                     |                     |                     |                     |                     |                      |                      |                      |                      |
| Safety Education                                              | \$ 5,800                        | \$ 5,920            | \$ 6,040            | \$ 6,161            | \$ 6,284            | \$ 6,410            | \$ 6,538             | \$ 6,669             | \$ 6,802             | \$ 6,938             |
| Regional Water Purchase Charge-Fixed                          | \$ 706,734                      | \$ 742,071          | \$ 779,174          | \$ 818,133          | \$ 859,040          | \$ 901,992          | \$ 947,091           | \$ 994,446           | \$ 1,044,168         | \$ 1,096,376         |
| Regional Water Purchase Charge-Variable                       | \$ 2,063,710                    | \$ 2,186,025        | \$ 2,315,395        | \$ 2,452,217        | \$ 2,596,913        | \$ 2,749,926        | \$ 2,911,726         | \$ 3,082,807         | \$ 3,259,514         | \$ 3,446,167         |
| Water Locates                                                 | \$ 6,500                        | \$ 6,670            | \$ 6,760            | \$ 6,895            | \$ 7,033            | \$ 7,174            | \$ 7,317             | \$ 7,464             | \$ 7,613             | \$ 7,765             |
| Water Main Maintenance                                        | \$ 116,000                      | \$ 118,300          | \$ 120,650          | \$ 123,063          | \$ 125,524          | \$ 128,035          | \$ 130,595           | \$ 133,207           | \$ 135,871           | \$ 138,589           |
| Water Samples                                                 | \$ 26,000                       | \$ 26,520           | \$ 27,050           | \$ 27,591           | \$ 28,143           | \$ 28,706           | \$ 29,280            | \$ 29,865            | \$ 30,463            | \$ 31,072            |
| Water Services Maintenance                                    | \$ 25,500                       | \$ 26,000           | \$ 26,500           | \$ 27,030           | \$ 27,571           | \$ 28,122           | \$ 28,684            | \$ 29,258            | \$ 29,843            | \$ 30,440            |
| Water Station Maintenance                                     | \$ 2,000                        | \$ 2,040            | \$ 2,080            | \$ 2,122            | \$ 2,164            | \$ 2,207            | \$ 2,251             | \$ 2,296             | \$ 2,342             | \$ 2,389             |
| Meter Maintenance                                             | \$ 27,000                       | \$ 27,540           | \$ 28,090           | \$ 28,652           | \$ 29,225           | \$ 29,809           | \$ 30,406            | \$ 31,014            | \$ 31,634            | \$ 32,267            |
| New Meter Install                                             | \$ 6,000                        | \$ 6,120            | \$ 6,240            | \$ 6,365            | \$ 6,492            | \$ 6,622            | \$ 6,754             | \$ 6,889             | \$ 7,027             | \$ 7,168             |
|                                                               | \$ -                            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| <b>Rate Stabilization Contributions</b>                       |                                 |                     |                     |                     |                     |                     |                      |                      |                      |                      |
| Transfer to Operating Reserve (Surplus)                       |                                 | \$ 19,229           | \$ 11,851           | \$ 26,151           | \$ 38,945           |                     |                      | \$ 41,534            | \$ 44,742            | \$ 21,033            |
|                                                               |                                 |                     |                     |                     |                     |                     |                      |                      |                      |                      |
| <b>Sub Total Operating Expenditures</b>                       | <b>\$ 5,666,104</b>             | <b>\$ 5,924,865</b> | <b>\$ 6,166,950</b> | <b>\$ 6,418,242</b> | <b>\$ 6,679,072</b> | <b>\$ 6,899,776</b> | <b>\$ 7,171,633</b>  | <b>\$ 7,497,859</b>  | <b>\$ 7,795,078</b>  | <b>\$ 8,079,162</b>  |
| <b>Capital-Related</b>                                        |                                 |                     |                     |                     |                     |                     |                      |                      |                      |                      |
| New Growth Related Debt (Principal)                           | \$ -                            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 100,296           | \$ 103,806           | \$ 107,439           | \$ 111,199           |
| New Growth Related Debt (Interest)                            | \$ -                            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 99,271            | \$ 95,761            | \$ 92,128            | \$ 88,367            |
| Transfer to Capital Reserves and Reserve Funds                | \$ 2,230,000                    | \$ 2,296,900        | \$ 2,365,807        | \$ 2,436,781        | \$ 2,509,885        | \$ 2,585,181        | \$ 2,662,737         | \$ 2,742,619         | \$ 2,824,897         | \$ 2,909,644         |
| <b>Sub Total Capital Related Expenditures</b>                 | <b>\$ 2,230,000</b>             | <b>\$ 2,296,900</b> | <b>\$ 2,365,807</b> | <b>\$ 2,436,781</b> | <b>\$ 2,509,885</b> | <b>\$ 2,585,181</b> | <b>\$ 2,862,304</b>  | <b>\$ 2,942,186</b>  | <b>\$ 3,024,464</b>  | <b>\$ 3,109,211</b>  |
| <b>Total Expenditures</b>                                     | <b>\$ 7,896,104</b>             | <b>\$ 8,221,765</b> | <b>\$ 8,532,757</b> | <b>\$ 8,855,023</b> | <b>\$ 9,188,957</b> | <b>\$ 9,484,957</b> | <b>\$ 10,033,936</b> | <b>\$ 10,440,045</b> | <b>\$ 10,819,542</b> | <b>\$ 11,188,373</b> |
| <b>Non-Rate Revenues</b>                                      |                                 |                     |                     |                     |                     |                     |                      |                      |                      |                      |
| Miscellaneous Revenue                                         | \$ -                            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Turn On/Off service Charges                                   | \$ 4,800                        | \$ 4,900            | \$ 5,000            | \$ 5,100            | \$ 5,202            | \$ 5,306            | \$ 5,412             | \$ 5,520             | \$ 5,631             | \$ 5,743             |
| Water Account Change Fee                                      | \$ 25,000                       | \$ 25,500           | \$ 26,010           | \$ 26,530           | \$ 27,061           | \$ 27,602           | \$ 28,154            | \$ 28,717            | \$ 29,291            | \$ 29,877            |
| Water Penalties                                               | \$ 36,000                       | \$ 36,720           | \$ 37,450           | \$ 38,199           | \$ 38,963           | \$ 39,742           | \$ 40,537            | \$ 41,348            | \$ 42,175            | \$ 43,018            |
| Water Service Installation Fee                                | \$ 300                          | \$ 310              | \$ 320              | \$ 326              | \$ 333              | \$ 340              | \$ 346               | \$ 353               | \$ 360               | \$ 368               |
| Water Account Transfer Fee                                    | \$ 15,250                       | \$ 15,560           | \$ 15,870           | \$ 16,187           | \$ 16,511           | \$ 16,841           | \$ 17,178            | \$ 17,522            | \$ 17,872            | \$ 18,230            |
| Water Meter Sales                                             | \$ 30,000                       | \$ 30,600           | \$ 31,210           | \$ 31,834           | \$ 32,471           | \$ 33,120           | \$ 33,783            | \$ 34,458            | \$ 35,148            | \$ 35,850            |
| Sales and Recovery                                            | \$ 2,000                        | \$ 2,040            | \$ 2,080            | \$ 2,122            | \$ 2,164            | \$ 2,207            | \$ 2,251             | \$ 2,296             | \$ 2,342             | \$ 2,389             |
|                                                               | \$ -                            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| <b>Total-Non Rate Revenues</b>                                | <b>\$ 113,350</b>               | <b>\$ 115,630</b>   | <b>\$ 117,940</b>   | <b>\$ 120,299</b>   | <b>\$ 122,705</b>   | <b>\$ 125,159</b>   | <b>\$ 127,662</b>    | <b>\$ 130,215</b>    | <b>\$ 132,820</b>    | <b>\$ 135,476</b>    |
| <b>Operating Subsidies</b>                                    |                                 |                     |                     |                     |                     |                     |                      |                      |                      |                      |
| Contributions from Development Charges Reserve Fund           | \$ -                            | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 199,567           | \$ 199,567           | \$ 199,567           | \$ 199,567           |
| Contributions from Operating Reserve (Deficit)                | \$ 19,240                       |                     |                     |                     |                     | \$ 19,305           | \$ 35,698            |                      |                      |                      |
| <b>Total Operating Revenue</b>                                | <b>\$ 132,590</b>               | <b>\$ 115,630</b>   | <b>\$ 117,940</b>   | <b>\$ 120,299</b>   | <b>\$ 122,705</b>   | <b>\$ 144,464</b>   | <b>\$ 362,927</b>    | <b>\$ 329,782</b>    | <b>\$ 332,386</b>    | <b>\$ 335,043</b>    |
| <b>Net Water Costs To Be Recovered From Users</b>             | <b>\$ 7,763,513</b>             | <b>\$ 8,106,135</b> | <b>\$ 8,414,817</b> | <b>\$ 8,734,724</b> | <b>\$ 9,066,252</b> | <b>\$ 9,340,494</b> | <b>\$ 9,671,009</b>  | <b>\$ 10,110,263</b> | <b>\$ 10,487,156</b> | <b>\$ 10,853,331</b> |
| Provision for Lost Revenue Due to Delayed Rate Implementation | \$ 116,712                      | \$ 74,550           | \$ 77,264           | \$ 80,072           | \$ 82,980           | \$ 63,116           | \$ 88,242            | \$ 115,834           | \$ 86,150            | \$ 92,408            |
| <b>Total Water Costs To Be Recovered From Users</b>           | <b>\$ 7,880,225</b>             | <b>\$ 8,180,685</b> | <b>\$ 8,492,081</b> | <b>\$ 8,814,796</b> | <b>\$ 9,149,232</b> | <b>\$ 9,403,610</b> | <b>\$ 9,759,251</b>  | <b>\$ 10,226,096</b> | <b>\$ 10,573,305</b> | <b>\$ 10,945,739</b> |
| <b>Percent Increase in Net Cost</b>                           | <b>6.3%</b>                     | <b>3.8%</b>         | <b>3.8%</b>         | <b>3.8%</b>         | <b>3.8%</b>         | <b>2.8%</b>         | <b>3.8%</b>          | <b>4.8%</b>          | <b>3.4%</b>          | <b>3.5%</b>          |

## BASE RATE CALCULATION - FLAT FEE

TABLE 4-A

| Projected Annual Uniform Water Rates & Revenues |              |              |              |              |              |              |              |              |              |              |
|-------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                 | 2023         | 2024         | 2025         | 2026         | 2027         | 2028         | 2029         | 2030         | 2031         | 2032         |
| Annual %Increase                                | 4.0%         | 3.0%         | 3.0%         | 3.0%         | 3.0%         | 2.0%         | 3.0%         | 4.0%         | 3.0%         | 3.0%         |
| Annual charge                                   | \$ 326.35    | \$ 336.14    | \$ 346.23    | \$ 356.61    | \$ 367.31    | \$ 374.66    | \$ 385.90    | \$ 401.33    | \$ 413.37    | \$ 425.78    |
| Number of Accounts                              | 10,440       | 10,506       | 10,572       | 10,639       | 10,705       | 10,771       | 10,837       | 10,903       | 10,928       | 10,952       |
| Total Base Charge Revenue                       | \$ 3,407,180 | \$ 3,531,615 | \$ 3,660,449 | \$ 3,793,834 | \$ 3,931,929 | \$ 4,035,332 | \$ 4,181,900 | \$ 4,375,704 | \$ 4,517,197 | \$ 4,663,241 |

## UNIFORM RATE CALCULATION

TABLE 4-B

| Projected Annual Uniform Water Rates & Revenues |              |              |              |              |              |              |              |              |              |              |
|-------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                 | 2023         | 2024         | 2025         | 2026         | 2027         | 2028         | 2029         | 2030         | 2031         | 2032         |
| Annual %Increase                                | 4.0%         | 3.0%         | 3.0%         | 3.0%         | 3.0%         | 2.0%         | 3.0%         | 4.0%         | 3.0%         | 3.0%         |
| Rates                                           | \$ 1.54      | \$ 1.59      | \$ 1.63      | \$ 1.68      | \$ 1.73      | \$ 1.77      | \$ 1.82      | \$ 1.89      | \$ 1.95      | \$ 2.01      |
| Consumption                                     | 2,776,177    | 2,802,565    | 2,828,952    | 2,855,339    | 2,881,727    | 2,908,114    | 2,934,501    | 2,960,889    | 2,983,151    | 3,005,414    |
| Total Volumetric Revenue                        | \$ 4,273,092 | \$ 4,443,119 | \$ 4,619,501 | \$ 4,802,468 | \$ 4,992,255 | \$ 5,138,727 | \$ 5,340,915 | \$ 5,604,498 | \$ 5,816,038 | \$ 6,035,225 |

## OTHER WATER BILLING REVENUE

TABLE 4-C

| Projected Annual Waterbillings - Builders Flat Rate |           |           |           |           |           |           |           |           |           |           |
|-----------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                                     | 2023      | 2024      | 2025      | 2026      | 2027      | 2028      | 2029      | 2030      | 2031      | 2032      |
| Annual %Increase                                    | 4.0%      | 3.0%      | 3.0%      | 3.0%      | 3.0%      | 2.0%      | 3.0%      | 4.0%      | 3.0%      | 3.0%      |
| Rates                                               | \$ 251.90 | \$ 259.46 | \$ 267.24 | \$ 275.26 | \$ 283.51 | \$ 289.18 | \$ 297.86 | \$ 309.77 | \$ 319.07 | \$ 328.64 |
| Number of New Units                                 | 66        | 66        | 66        | 66        | 66        | 66        | 66        | 66        | 25        | 25        |
| Total Volumetric Revenue                            | \$ 16,650 | \$ 17,150 | \$ 17,664 | \$ 18,194 | \$ 18,740 | \$ 19,115 | \$ 19,689 | \$ 20,476 | \$ 7,890  | \$ 8,126  |

TABLE 4-D

| Projected Annual Waterbillings - Hamilton Water Sales |            |            |            |            |            |            |            |            |            |            |
|-------------------------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|                                                       | 2023       | 2024       | 2025       | 2026       | 2027       | 2028       | 2029       | 2030       | 2031       | 2032       |
| Annual %Increase                                      | 4.0%       | 3.0%       | 3.0%       | 3.0%       | 3.0%       | 2.0%       | 3.0%       | 4.0%       | 3.0%       | 3.0%       |
| Rates                                                 | \$ 2.90    | \$ 2.99    | \$ 3.08    | \$ 3.17    | \$ 3.27    | \$ 3.33    | \$ 3.43    | \$ 3.57    | \$ 3.68    | \$ 3.79    |
| Consumption                                           | 63,173     | 63,173     | 63,173     | 63,173     | 63,173     | 63,173     | 63,173     | 63,173     | 63,173     | 63,173     |
| Total Volumetric Revenue                              | \$ 183,303 | \$ 188,802 | \$ 194,466 | \$ 200,300 | \$ 206,309 | \$ 210,435 | \$ 216,748 | \$ 225,418 | \$ 232,181 | \$ 239,146 |

## TOTAL WATER USER REVENUES

TABLE 5

| Projected Annual Water Revenues and Expenses |              |              |              |              |              |              |              |               |               |               |
|----------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|
|                                              | 2023         | 2024         | 2025         | 2026         | 2027         | 2028         | 2029         | 2030          | 2031          | 2032          |
| Base Charge Revenues                         | \$ 3,407,180 | \$ 3,531,615 | \$ 3,660,449 | \$ 3,793,834 | \$ 3,931,929 | \$ 4,035,332 | \$ 4,181,900 | \$ 4,375,704  | \$ 4,517,197  | \$ 4,663,241  |
| Builders Flat Rate Revenue                   | \$ 16,650    | \$ 17,150    | \$ 17,664    | \$ 18,194    | \$ 18,740    | \$ 19,115    | \$ 19,689    | \$ 20,476     | \$ 7,890      | \$ 8,126      |
| City of Hamilton Water Sales                 | \$ 183,303   | \$ 188,802   | \$ 194,466   | \$ 200,300   | \$ 206,309   | \$ 210,435   | \$ 216,748   | \$ 225,418    | \$ 232,181    | \$ 239,146    |
| Volumetric Revenues                          | \$ 4,273,092 | \$ 4,443,119 | \$ 4,619,501 | \$ 4,802,468 | \$ 4,992,255 | \$ 5,138,727 | \$ 5,340,915 | \$ 5,604,498  | \$ 5,816,038  | \$ 6,035,225  |
| Total Water Revenues                         | \$ 7,880,226 | \$ 8,180,685 | \$ 8,492,080 | \$ 8,814,796 | \$ 9,149,233 | \$ 9,403,609 | \$ 9,759,251 | \$ 10,226,097 | \$ 10,573,305 | \$ 10,945,739 |
| Total Water Expenses                         | \$ 7,880,225 | \$ 8,180,685 | \$ 8,492,081 | \$ 8,814,796 | \$ 9,149,232 | \$ 9,403,610 | \$ 9,759,251 | \$ 10,226,096 | \$ 10,573,305 | \$ 10,945,739 |
| Annual Surplus/(Deficit)                     | \$ 0         | \$ 0         | \$ (0)       | \$ 0         | \$ 0         | \$ (0)       | \$ 0         | \$ 0          | \$ (0)        | \$ (0)        |