

On the attached sheets are the current Fiscal Year (2014/2015) and the previous 3 years of actual expenses plus the usages.

Each actual completed fiscal year includes “Depreciation” as an expense. Depreciation is a calculated amount given to us at the end of the fiscal year at audit time by our auditor.

As represented, our cost to pump a gallon of water has been hovering around \$.01/gallon.

A quick breakdown of **EXPENSES**:

Category	BUDGET FY14/15	FY13/14	FY12/13	FY11/12
Emergency Fund Repair	\$0			\$1,434
Refunds & Major Equipment Repair	\$0	\$823	\$4,071	\$433
Wages	\$55,634	\$52,192	\$49,943	\$46,690
Operations	\$75,291	\$62,534	\$43,971	\$52,775
Debt & System Improvements	\$26,733	\$9,911	\$10,557	\$20,798
Depreciation	\$0*	\$67,576	\$66,190	\$59,250
Total	\$157,658	\$193,036	\$174,259	\$181,380

***I am estimating an unbudgeted DEPRCIATION amount of approximately \$64,338 for FY14/15.**

A quick breakdown of **REVENUES**:

Category	BUDGET FY14/15	FY13/14	FY12/13	FY11/12
Collection Fees	\$127,430	\$128,440	\$123,888	\$127,189
Overage Charges	\$0	-\$121	\$30	\$0
Late Fees	\$2,000	\$2,897	\$780	\$6,773
Service Calls	\$154	\$469	\$1,030	-\$1,318
Deferral Collections	\$0	-\$143	\$6,959	-\$84
Hookup Fees	\$1,000	\$1,000	\$0	\$0
Capitalization Fee	\$0	\$0	\$0	\$0
Bond Fees	\$27,000	\$30,214	\$29,504	\$30,581
Interest	\$74	\$115	\$65	\$74
Water Grants		\$0	\$0	\$0
Total	\$157,658	\$162,871	\$162,256	\$163,215
Profit (LOSS)	TBD**	(\$30,165)	(\$12,003)	(\$18,165)

**** With the estimated unbudgeted DEPRECIATION amount, the city can anticipate rough estimate loss of \$59,216 for FY14/15. We averaged the previous three years revenue totals and subtracted the estimated Depreciation amount.**

The current BASE rate allows for 3,000 gallons of usage without an “upcharge”. See below

Category	Per Equivalent Dwelling Unit
Water	\$27.00 (Senior Discount \$2)
Water Bond	\$7.00
Over 3,000 Gallons	\$2.25 / 1,000 gallons
Late Fee (if not paid by the 25 th)	\$3.50
Service Call (Business Hours)	\$15.00 (split water/sewer)
Service Call (After Hours)	\$40.00 (split water/sewer)
BULK Water Sales over (Truck Sales)	\$20.00 < 2,500 gallons \$50.00 > 2,500 gallons
Utility Deposit for non-owner residential billed EDU's	\$150.00 (refunded after 12 months of consecutive no delinquencies)
Returned checks	\$25.00 (split water/sewer)
Water Connection Fee (per EDU)	\$2,900 (Current \$1,900 RESIDENTIAL Discount can be applied if connected to an occupied building within 1 year of pulling a building permit) Business / Commercial Connections will be reduced on a case by case basis, and financing may be allowed with City Council approval on a case by case basis.

Our average water bill is \$44.74 per account plus \$4.44 late fees.

Our average water customer is billed for 5,728 gallons

(This is for the billing period of October 2011 to March 2015)

However you decide to change the water rate, please keep the following in mind:

- Customers need to be able to calculate the bill easily.
- Rounding to the nearest dollar is most beneficial; otherwise we consistently have to go to the bank to get change.
- Staff has been advised and told previous administrations that ‘discounts’ are illegal.
- Any rate needs to be objective – fact based, **NOT** subjective – opinion.
- Ideally the rate will meet all costs, including depreciation and future capital improvements.
- Water is not free. Last year Idaho Power took an 18% increase, which we should have passed onto our customers.
- Inflation continues to rise.
- We bill for 321 “Accounts” a total of 325 EDUs (March 2015)
 - 52 “Commercial Accounts”
 - 42 “Lot or Un-occupiable Accounts” (**\$7 Bond Only**)
 - 186 “Standard Accounts”
 - 41 “Senior Citizen Accounts” (**Discount of \$2**)

Month/Year	Actual (Gallons)	FY Annual Expenses	AVG Cost / Gallon	100	1000	2000	3000	5000	10000	15000
Annual Average	15,697,715	\$176,583	0.011408861	\$1.14	\$11.41	\$22.82	\$34.23	\$57.04	\$114.09	\$171.13
FY14/15 MO AVG	1,095,353									
FY14/15 Usage YTD	6,572,116	\$157,658	0.023988925	\$2.40	\$23.99	\$47.98	\$71.97	\$119.94	\$239.89	\$359.83
FY 14/15 appears skewed because the values are not for a 12 month period.										
FY13/14 MO AVG	1,611,367									
FY13/14 Usage	19,336,407	\$193,036	0.009983034	\$1.00	\$9.98	\$19.97	\$29.95	\$49.92	\$99.83	\$149.75
FY12/13 MO AVG	1,507,883									
FY12/13 Usage	18,094,597	\$174,259	0.009630444	\$0.96	\$9.63	\$19.26	\$28.89	\$48.15	\$96.30	\$144.46
FY11/12 MO AVG	1,565,645									
2012 Annual Usage	18,787,740	\$181,380	0.009654168	\$0.97	\$9.65	\$19.31	\$28.96	\$48.27	\$96.54	\$144.81