

# 2023 Utility Rates



## Utility Rate Overview

### Water Utility Rate Impact Items:

- St. Paul Regional Water – 9.5% increase in 2023 & 2024, 8% increase in 2025, then 5% increases in 2026 & 2027
- Personnel Costs – 3% increases factored in
- Non personnel costs – 2% increases (assume normal amount of watermain breaks)
- Capital improvements were curtailed in 2023 and 2024, moved to 2026 and beyond.
- Under billing results in lower cash balance in Water Fund at the start of the year. As a result rates must provide cash flow to cover operations and debt service expenses.

## **Analyzed 2 different options for Water Rate increases**

- Alternate A = 8% increases for 2023-2027 and 7% in 2028
- Alternate B = 7% increase for 2023, then 8% increases for 2024-2028

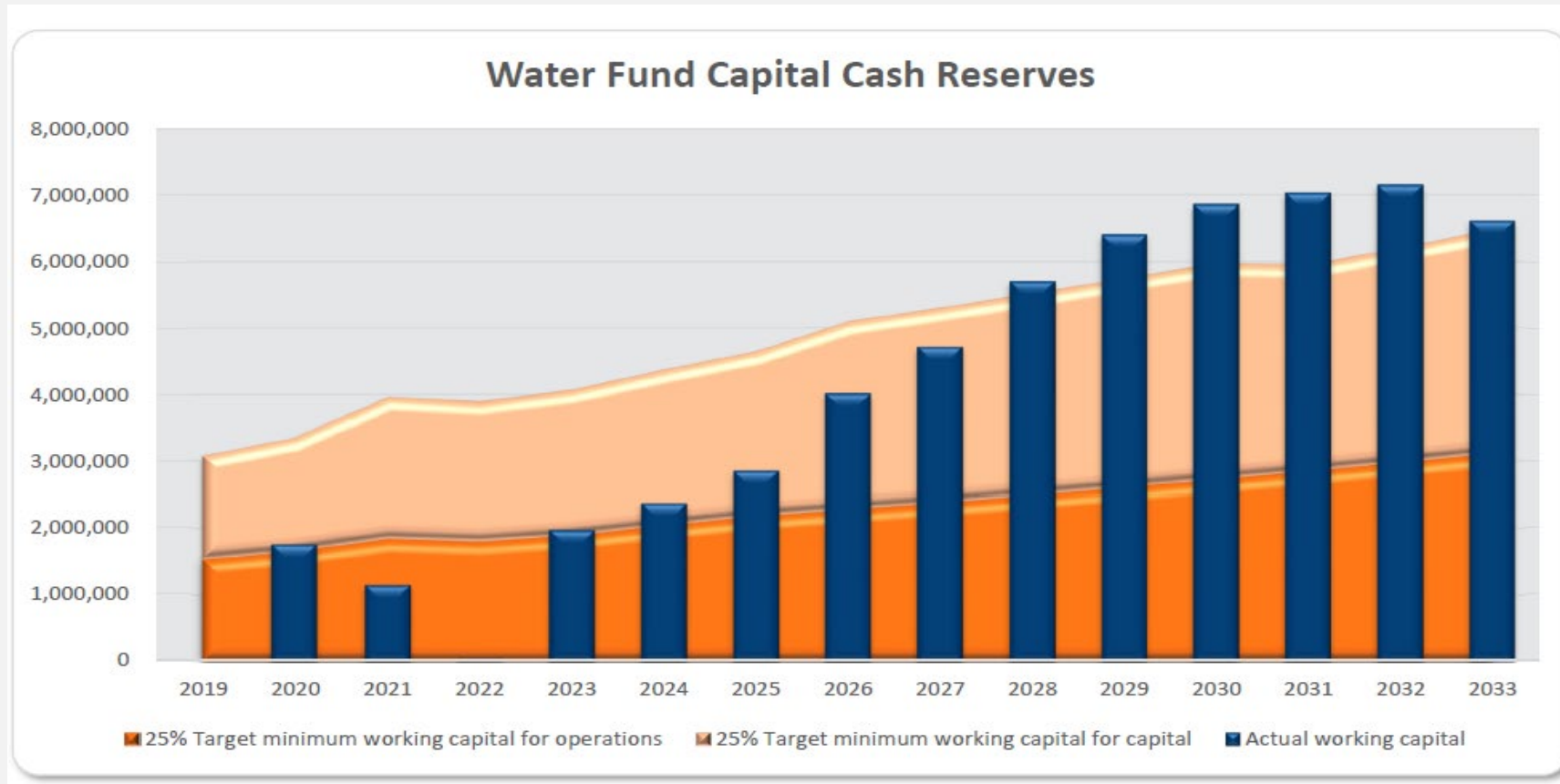
## Water Fund – 5 year Operating Expense Projections

	2023	2024	2025	2026	2027
St. Paul Water	\$5,879,058	\$6,437,569	\$6,952,574	\$ 7,300,203	\$ 7,665,213
Personnel	735,580	757,647	780,377	803,768	827,902
Supplies	233,500	238,170	242,933	247,792	252,748
Other services & charges	300,947	306,966	313,105	319,367	325,755
Depreciation	432,142	440,785	449,601	458,593	467,765
Operating Expenses	7,581,227	8,181,137	8,738,590	9,129,723	9,539,383
Bond Principal & Interest	276,100	276,250	286,300	276,250	276,100
Operating & Debt Service	7,857,327	8,457,387	9,024,890	9,405,973	9,815,483

## Water Fund – Increase 8% 2023-2027, then 7% in 2028

	2023	2024	2025	2026	2027
Operating costs & Debt Service	7,425,185	8,016,602	8,575,289	8,947,380	9,347,718
Operating Revenues	(8,585,635)	(9,191,424)	(9,924,977)	(10,721,008)	(11,574,214)
Net operations (surplus)	(1,160,450)	(1,174,822)	(1,349,688)	(1,773,628)	(2,226,496)
Capital outlay costs	545,400	795,675	920,076	2,656,201	1,347,656
(Increase) decrease reserves	(615,050)	(379,147)	(429,612)	882,573	(878,840)
Other Sources:					
Delinquent collections	(814,270)				
Transfer in ARPA	(500,000)				
Bond Issuance proposed				(2,000,000)	
(Increase) decrease reserves	(1,929,320)	(379,147)	(429,612)	(1,117,427)	(878,840)
estimated 1/1/23 beginning cash is \$45,180					

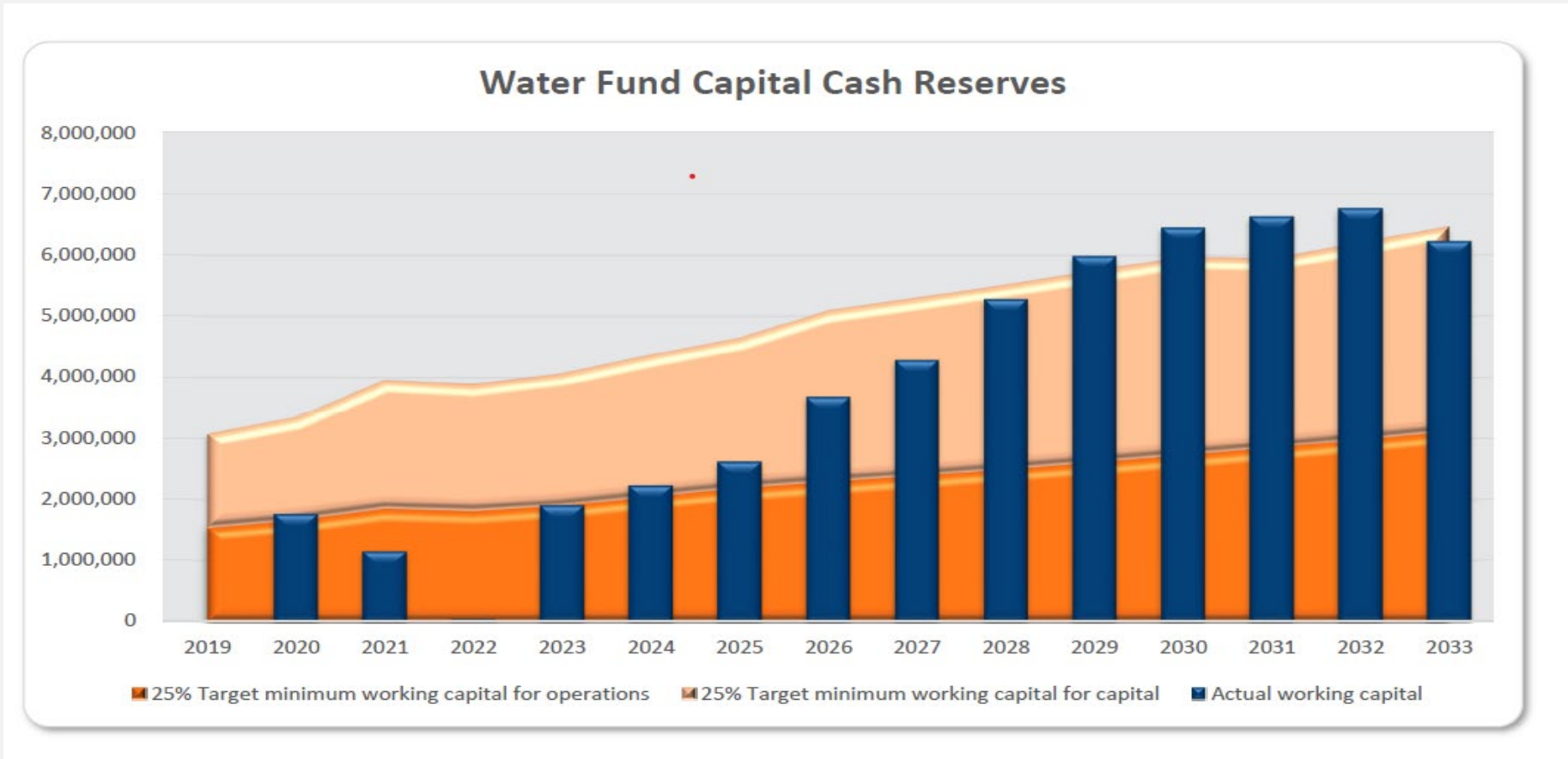
## Water Fund – 8% increase 2023-2027, 7% in 2028



## Water Fund – Increase 7% 2023, then 8% in 2024-2028

	2023	2024	2025	2026	2027
Operating costs & Debt Service	7,425,185	8,016,602	8,575,289	8,947,380	9,347,718
Operating Revenues	(8,511,755)	(9,114,909)	(9,845,108)	(10,629,411)	(11,477,851)
Net operations (surplus)	(1,086,570)	(1,098,307)	(1,269,819)	(1,682,031)	(2,130,133)
Capital outlay costs	545,400	795,675	920,076	2,656,201	1,347,656
(Increase) decrease reserves	(541,170)	(302,632)	(349,743)	974,170	(782,477)
Other Sources:					
Delinquent collections	(814,270)				
Transfer in ARPA	(500,000)				
Bond Issuance proposed				(2,000,000)	
(Increase) decrease reserves	(1,855,440)	(302,632)	(349,743)	(1,025,830)	(782,477)
estimated 1/1/23 beginning cash is \$45,180					

## Water Fund – Increase 7% 2023, then 8% in 2024-2028





# Utility Rate Overview

**Alternate A is 8% for 2023-2027, then 7% in 2028**

**Alternate B is 7% in 2023, then 8% for 2024-2028**

<b>Utility Rate Impact: Single Family Home (Quarterly)</b>				
				Difference
		Alternate A	Alternate B	Alternate A
<u>Service</u>	<u>2022</u>	<u>2023</u>	<u>2023</u>	<u>VS Alt. B</u>
Water - base fee	36.30	39.20	38.84	(0.36)
Water - usage fee	40.07	43.32	42.84	(0.48)
Sanitary Sewer - base fee	43.12	43.98	43.98	-
Sanitary Sewer - usage fee	29.70	30.25	30.25	-
Storm Sewer	15.12	20.11	20.11	-
Recycling	13.00	14.05	14.05	-
<b>Total per Quarter</b>	<b>\$ 177.30</b>	<b>\$ 190.91</b>	<b>\$ 190.07</b>	<b>\$ (0.84)</b>
per month	\$ 59.10	\$ 63.64	\$ 63.36	\$ (0.28)
per year	\$ 709.22	\$ 763.64	\$ 760.28	\$ (3.36)
2022 vs Alternate A - per year		\$ 54.42		
2022 vs Alternate B - per year			51.06	