

CITY OF LEBANON
BOARD OF PUBLIC WORKS REGULAR MEETING MINUTES
APRIL 2, 2025

BE IT REMEMBERED that the Board of Public Works of the City of Lebanon, Missouri, met in Regular Session on April 2, 2025 at 12:00 PM in the meeting room at the Public Works Facility located at 1401 West Commercial.

CALL TO ORDER, ROLL CALL, AND DECLARATION OF QUORUM

Upon roll call, the following Officers were present: Don Anderson, Ted Dahl, Jeremy Goforth, LeAnn Mather. Absent: None.

A quorum was declared.

Staff members and others in attendance: Public Works Director/Board of Public Works General Manager Richard Shockley, Electric Superintendent Travis Long, Environmental Services Superintendent Eric Mork, Public Works Analyst Kelly Roberts, and City Clerk Lacey Brackett.

PUBLIC COMMENTS

None.

APPROVAL OF MINUTES

March 19, 2025, Regular Meeting

Don Anderson moved and Jeremy Goforth seconded that the Board approve the minutes as presented. Motion carried as follows: Yea: (4) Don Anderson, Ted Dahl, Jeremy Goforth, LeAnn Mather; Nay: (0) None; Abstain: (0) None; Absent: (0) None.

DISCUSSIONS AND PRESENTATIONS

Cost of Service Study Update- Toth and Associates

Board of Public Works General Manager Richard Shockley introduced Craig Woycheese, Manager of Utility Rates and Financial Analysis for Toth and Associates.

Mr. Woycheese distributed copies of the Electric, Water, and Wastewater Study to the Board. (The study has been attached and made part of the permanent record.) He explained that the study covers a four-year window of projected revenues and expenses. Woycheese walked the Board through the financial forecast, including a scenario illustrating the impact if no rate changes are made. Woycheese presented a proposal that includes an initial rate increase, which would be higher than in the two subsequent years. The proposed increase varies by customer type such as residential, commercial, and industrial. Woycheese shared that costs have increased since Covid.

Following Woycheese's presentation of the cost-of-service study, Shockley shared the Cost of

Service Snapshot (also attached and made part of the permanent record), which outlined the average monthly increase for a typical customer. He stated that for an electrical usage of 1,300 kWh, the increase would be approximately \$10.03 per month. For water usage of 5,000 gallons, the average increase would be about \$1.35 per month, and for wastewater usage of 5,000 gallons, about \$3.40 per month. The snapshot also included a comparison of rates with those of other cities.

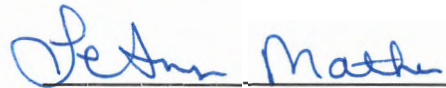
Shockley concluded by stating that a resolution to approve the new rates would be presented to the Board at the next meeting. Once approved, the rates would be incorporated into the budget and submitted to City Council for adoption as part of the FY2026 Budget.

BOARD MEMBER COMMENTS

It was announced that the next meeting would be held on April 16, 2025.

ADJOURNMENT

Chairwoman Mather declared the meeting adjourned at 1:04 p.m.



Chairwoman LeAnn Mather

April 16, 2025

Minutes Approved



Electric, Water, Wastewater Study

Test Year June 2024

Forecast Years 2026 | 2027 | 2028

Presented by:

Craig Woycheese, CPA

Manager of Utility Rates and Financial Analysis

cwoycheese@tothassociates.com





Electric Department Cost of Service



Electric Operating Revenues at Present Rates with No Annual Increases

Item	Adjusted Year 2025	Forecast Year 2026	Forecast Year 2027	Forecast Year 2028
Operating Revenues	\$ 25,944,858	\$ 25,944,858	\$ 25,944,858	\$ 25,944,858
Operating Income (Loss)	\$ (1,815,246)	\$ (1,996,888)	\$ (2,183,980)	\$ (2,376,684)
Nonoperating Revenues (Expenses)	\$ 193,613	\$ 193,613	\$ 193,613	\$ 193,613
Net Income (Loss)	\$ (1,621,633)	\$ (1,803,275)	\$ (1,990,367)	\$ (2,183,071)



Electric Cash Flow Analysis with No Annual Increases

Description	Adjusted Year 2025	Forecast Year 2026	Forecast Year 2027	Forecast Year 2028
Net Income	\$ (1,621,633)	\$ (1,803,275)	\$ (1,990,367)	\$ (2,183,071)
Beginning Cash and Short-Term Investments	\$ 9,932,461	\$ 8,310,828	\$ 6,507,553	\$ 4,517,186
Change in Cash Position	\$ (1,621,633)	\$ (1,803,275)	\$ (1,990,367)	\$ (2,183,071)
Ending Cash and Short-Term Investments	\$ 8,310,828	\$ 6,507,553	\$ 4,517,186	\$ 2,334,114
Minimum Cash Reserve	30%	30%	30%	30%
Adjusted Revenues	\$ 25,944,858	\$ 25,944,858	\$ 25,944,858	\$ 25,944,858
Minimum Cash Reserve	\$ 7,783,457	\$ 7,783,457	\$ 7,783,457	\$ 7,783,457



Electric Operating Revenues at Proposed Rates with Annual Increases

Item	Adjusted Year 2025	Forecast Year 2026	Forecast Year 2027	Forecast Year 2028
Total Operating Revenues	\$ 25,944,858	\$ 27,747,046	\$ 28,202,076	\$ 28,481,508
Operating Expenses	<u>\$ 27,760,104</u>	<u>\$ 27,941,746</u>	<u>\$ 28,128,838</u>	<u>\$ 28,321,542</u>
Operating Income (Loss)	\$ (1,815,246)	\$ (194,701)	\$ 73,238	\$ 159,966
Nonoperating Revenues (Expenses)	<u>\$ 193,613</u>	<u>\$ 193,613</u>	<u>\$ 193,613</u>	<u>\$ 193,613</u>
Net Income (Loss)	\$ (1,621,633)	\$ (1,088)	\$ 266,851	\$ 353,579

*Proposed increases effective July 1, 2026



Electric Cash Flow Analysis With Annual Increases

Description	Adjusted Year 2025	Forecast Year 2026	Forecast Year 2027	Forecast Year 2028
Net Income	\$ (1,621,633)	\$ (1,088)	\$ 266,851	\$ 353,579
Beginning Cash and Short-Term Investments	\$ 9,932,461	\$ 8,310,828	\$ 8,309,740	\$ 8,576,591
Change in Cash Position	\$ (1,621,633)	\$ (1,088)	\$ 266,851	\$ 353,579
Ending Cash and Short-Term Investments	\$ 8,310,828	\$ 8,309,740	\$ 8,576,591	\$ 8,930,170
Minimum Cash Reserve	30%	30%	30%	30%
Adjusted Revenues	\$ 25,944,858	\$ 27,747,046	\$ 28,202,076	\$ 28,481,508
Minimum Cash Reserve	\$ 7,783,457	\$ 8,324,114	\$ 8,460,623	\$ 8,544,452

*Proposed increases effective July 1, 2026



Electric Cost of Service Summary Based on 2025 Revenues and Expenses

Margins at 2025 Rates	Residential Service	Commercial Service	Industrial Service	City Use & Lighting	Total
Total Revenue	\$ 9,559,764	\$ 8,875,943	\$ 6,959,752	\$ 549,399	\$ 25,944,858
Total Distribution Expenses	\$ 3,815,251	\$ 2,353,795	\$ 1,304,233	\$ 27,359	\$ 7,500,639
Total Wholesale Power Expenses	\$ 6,649,913	\$ 7,407,499	\$ 5,752,690	\$ 631,006	\$ 20,441,107
Nonoperating Revenues (Expenses)	\$ 104,386	\$ 59,495	\$ 29,732	\$ -	\$ 193,613
Net Income (Loss)	\$ (801,014)	\$ (825,856)	\$ (67,439)	\$ (108,966)	\$ (1,803,275)
Rate of Return	-9.5%	-17.1%	-2.8%	0.0%	-11.5%



Electric Cost of Service Summary

2026 Revenues and 2025 Expenses

Margins at 2026 Rates	Residential Service	Commercial Service	Industrial Service	City Use & Lighting	Total
Total Revenue	\$ 10,211,074	\$ 9,532,150	\$ 7,346,038	\$ 667,702	\$ 27,756,963
Total Distribution Expenses	\$ 3,815,251	\$ 2,353,795	\$ 1,304,233	\$ 27,359	\$ 7,500,639
Total Wholesale Power Expenses	\$ 6,649,913	\$ 7,407,499	\$ 5,752,690	\$ 631,006	\$ 20,441,107
Nonoperating Revenues (Expenses)	\$ 104,386	\$ 59,495	\$ 29,732	\$ -	\$ 193,613
Net Income (Loss)	\$ (149,704)	\$ (169,649)	\$ 318,847	\$ 9,336	\$ 8,830
Rate of Return	-1.8%	-3.5%	13.2%	0.0%	0.1%

Electric Revenue by Rate Class

Rate Class	Present Rates	Proposed Rates 2026	% Increase	Proposed Rates 2027	% Increase	Proposed Rates 2028	% Increase
Residential Service	\$9,094,924	\$9,746,234	7.2%	\$9,930,771	1.9%	\$10,030,308	1.0%
Commercial Service - Rate 1	\$2,214,790	\$2,385,894	7.7%	\$2,432,209	1.9%	\$2,457,067	1.0%
Commercial Service - Rate 2	\$3,218,550	\$3,460,253	7.5%	\$3,547,265	2.5%	\$3,587,814	1.1%
Commercial Service - Industrial	\$3,350,683	\$3,594,083	7.3%	\$3,680,446	2.4%	\$3,717,038	1.0%
Industrial Service - Rate 1	\$1,881,620	\$1,984,237	5.5%	\$1,996,162	0.6%	\$2,015,407	1.0%
Industrial Service - Rate 2	\$5,077,245	\$5,360,914	5.6%	\$5,386,336	0.5%	\$5,438,261	1.0%
City Use	\$549,399	\$657,784	19.7%	\$671,239	2.0%	\$677,966	1.0%
Revenue Totals	\$25,387,211	\$27,189,399	7.1%	\$27,644,429	1.7%	\$27,923,861	1.0%

Electric Rates by Rate Class

Rate Class	Present Rates	Proposed Rates 2026	Proposed Rates 2027	Proposed Rates 2028
Residential Service				
Service Availability Charge	\$17.00	\$23.00	\$24.00	\$25.00
All kWh	\$0.1026	\$0.1057	\$0.1072	\$0.1076
Commercial Service - Rate 1				
Service Availability Charge	\$21.00	\$28.50	\$30.00	\$31.50
All kW	\$0.00	\$0.00	\$0.00	\$0.00
All kWh	\$0.1013	\$0.1057	\$0.1072	\$0.1076
Commercial Service - Rate 2				
Service Availability Charge	\$45.00	\$61.00	\$64.00	\$66.00
All kW	\$8.35	\$9.35	\$9.70	\$10.05
All kWh	\$0.0758	\$0.0794	\$0.0809	\$0.0809
Commercial Service - Industrial				
Service Availability Charge	\$125.00	\$61.00	\$64.00	\$66.00
All kW	\$8.75	\$9.35	\$9.70	\$10.05
All kWh	\$0.0731	\$0.0794	\$0.0809	\$0.0809



Electric Rates by Rate Class

Rate Class	Present Rates	Proposed Rates 2026	Proposed Rates 2027	Proposed Rates 2028
Industrial Service - Rate 1				
Service Availability Charge	\$250.00	\$300.00	\$315.00	\$325.00
All kW	\$10.10	\$11.10	\$11.30	\$11.65
All kWh	\$0.0731	\$0.0756	\$0.0756	\$0.0756
Industrial Service - Rate 2				
Service Availability Charge	\$490.00	\$590.00	\$620.00	\$640.00
All kW	\$10.68	\$11.68	\$11.88	\$12.30
First 1,400,000 kWh	\$0.0731	\$0.0759	\$0.0759	\$0.0759
Excess kWh	\$0.0551	\$0.0579	\$0.0579	\$0.0579
City Use				
All kWh	\$0.0735	\$0.0880	\$0.0898	\$0.0907



Water Department Cost of Service



Water Operating Revenues at Present Rates with No Annual Increases

Item	Adjusted Year 2025	Forecast Year 2026	Forecast Year 2027	Forecast Year 2028
Operating Revenues	\$ 2,285,166	\$ 2,285,166	\$ 2,285,166	\$ 2,285,166
Operating Income (Loss)	\$ (93,080)	\$ (164,428)	\$ (237,915)	\$ (313,608)
Nonoperating Revenues (Expenses)	\$ (89,052)	\$ (89,052)	\$ (89,052)	\$ (89,052)
Net Income (Loss)	\$ (93,080)	\$ (164,428)	\$ (237,915)	\$ (313,608)

Water Cash Flow Analysis with No Annual Increases

Description	Adjusted Year 2025	Forecast Year 2026	Forecast Year 2027	Forecast Year 2028
Net Income	\$ (93,080)	\$ (164,428)	\$ (237,915)	\$ (313,608)
Beginning Cash and Short-Term Investments	\$ 757,285	\$ 664,205	\$ 499,777	\$ 261,862
Change in Cash Position	\$ (93,080)	\$ (164,428)	\$ (237,915)	\$ (313,608)
Ending Cash and Short-Term Investments	\$ 664,205	\$ 499,777	\$ 261,862	\$ (51,746)
Minimum Cash Reserve	30%	30%	30%	30%
Adjusted Revenues	\$ 2,285,166	\$ 2,285,166	\$ 2,285,166	\$ 2,285,166
Minimum Cash Reserve	\$ 685,550	\$ 685,550	\$ 685,550	\$ 685,550



Water Operating Revenues at Proposed Rates with Annual Increases

Item	Adjusted Year 2025	Forecast Year 2026	Forecast Year 2027	Forecast Year 2028
Operating Revenues	\$ 2,285,166	\$ 2,477,128	\$ 2,553,444	\$ 2,629,760
Operating Expenses	<u>\$ 2,378,246</u>	<u>\$ 2,449,594</u>	<u>\$ 2,523,081</u>	<u>\$ 2,598,774</u>
Operating Income (Loss)	\$ (93,080)	\$ 27,535	\$ 30,363	\$ 30,986
Nonoperating Revenues (Expenses)	<u>\$ (89,052)</u>	<u>\$ (89,052)</u>	<u>\$ (89,052)</u>	<u>\$ (89,052)</u>
Net Income (Loss)	<u>\$ (182,132)</u>	<u>\$ (61,517)</u>	<u>\$ (58,689)</u>	<u>\$ (58,066)</u>

*Proposed increases effective July 1, 2026



Water Cash Flow Analysis with Annual Increases

Description	Adjusted Year 2025	Forecast Year 2026	Forecast Year 2027	Forecast Year 2028
Net Income	\$ (182,132)	\$ (61,517)	\$ (58,689)	\$ (58,066)
Beginning Cash and Short-Term Investments	\$ 757,285	\$ 575,153	\$ 513,635	\$ 454,946
Change in Cash Position	\$ (182,132)	\$ (61,517)	\$ (58,689)	\$ (58,066)
Ending Cash and Short-Term Investments	\$ 575,153	\$ 513,635	\$ 454,946	\$ 396,881
Minimum Cash Reserve	30%	30%	30%	30%
Adjusted Revenues	\$ 2,285,166	\$ 2,477,128	\$ 2,553,444	\$ 2,629,760
Minimum Cash Reserve	\$ 685,550	\$ 743,139	\$ 766,033	\$ 788,928

* Proposed increases take effect July 1, 2026. To have water rates more closely align to capture minimum cash reserves, the increases for 2027 and 2028 would need to be approximately **9%** each year instead of inflationary **3%** adjustments shown above.



Water Cost of Service Summary Based on 2025 Revenues and Expenses

Margins at 2025 Rates	Residential Service	Commercial Service	City Service	No Charge Service	Total
Total Revenue	\$ 1,312,661	\$ 959,406	\$ 13,099	\$ -	\$ 2,285,166
Total Expenses	\$ 1,385,962	\$ 1,003,358	\$ 43,744	\$ 16,530	\$ 2,449,594
Nonoperating Revenues (Expenses)	\$ (50,385)	\$ (36,476)	\$ (1,590)	\$ (601)	\$ (89,052)
Net Income (Loss)	\$ (123,685)	\$ (80,429)	\$ (32,235)	\$ (17,131)	\$ (253,480)
Rate of Return	-3.1%	-2.8%	-25.7%	-36.1%	-3.6%

Water Cost of Service Summary

2026 Revenues and 2025 Expenses

Margins at 2026 Rates	Residential Service	Commercial Service	City Service	No Charge Service	Total
Total Revenue	\$ 1,420,243	\$ 1,042,651	\$ 14,234	\$ -	\$ 2,477,128
Total Expenses	\$ 1,385,962	\$ 1,003,358	\$ 43,744	\$ 16,530	\$ 2,449,594
Nonoperating Revenues (Expenses)	\$ (50,385)	\$ (36,476)	\$ (1,590)	\$ (601)	\$ (89,052)
Net Income (Loss)	\$ (16,103)	\$ 2,816	\$ (31,100)	\$ (17,131)	\$ (61,517)
Rate of Return	-0.4%	0.1%	-24.8%	-36.1%	-0.9%

Water Revenue by Rate Class

Rate Class	Present Rates	Proposed Rates 2026	% Increase	Proposed Rates 2027	% Increase	Proposed Rates 2028	% Increase
Residential Service less than 1" Meter	\$1,225,478	\$1,331,673	8.7%	\$1,366,775	2.6%	\$1,401,877	2.6%
Residential Service greater than 1" Meter	\$13,684	\$15,071	10.1%	\$15,830	5.0%	\$16,589	4.8%
Commercial Service less than 1" Meter	\$132,458	\$145,711	10.0%	\$150,625	3.4%	\$155,540	3.3%
Commercial Service 1" Meter	\$233,306	\$252,125	8.1%	\$261,744	3.8%	\$271,363	3.7%
Commercial Service Greater than 1" to 2" Meter	\$578,194	\$629,084	8.8%	\$654,437	4.0%	\$679,789	3.9%
Commercial Service Greater than 2" Meter	\$3,647	\$3,930	7.8%	\$4,062	3.4%	\$4,194	3.2%
City Service	\$13,099	\$14,234	8.7%	\$14,671	3.1%	\$15,108	3.0%
No Charge Service	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%
Revenue Totals	\$2,199,866	\$2,391,828	8.7%	\$2,468,144	3.2%	\$2,544,460	3.1%

Water Rates by Rate Class

Rate Class	Present Rates	Proposed Rates 2026	Proposed Rates 2027	Proposed Rates 2028
Residential Service less than 1" Meter				
User Fee	\$9.15	\$10.50	\$10.75	\$11.00
Meter Fee	\$0.00	\$0.00	\$0.00	\$0.00
First 7,000 gallons	\$2.21	\$2.21	\$2.25	\$2.29
Over 7,000 gallons	\$3.95	\$4.40	\$4.65	\$4.90
Residential Service greater than 1" Meter				
User Fee	\$9.15	\$10.50	\$10.75	\$11.00
Meter Fee	\$19.49	\$19.49	\$19.49	\$19.49
First 7,000 gallons	\$2.21	\$2.21	\$2.25	\$2.29
Over 7,000 gallons	\$3.95	\$4.40	\$4.65	\$4.90
Commercial Service less than 1" Meter				
User Fee	\$9.15	\$10.50	\$10.75	\$11.00
Meter Fee	\$0.00	\$0.00	\$0.00	\$0.00
First 7,000 gallons	\$2.21	\$2.21	\$2.25	\$2.29
Next 93,000 gallons	\$3.95	\$4.40	\$4.65	\$4.90
Over 100,000 gallons	\$1.18	\$1.28	\$1.33	\$1.38



Water Rates by Rate Class

Rate Class	Present Rates	Proposed Rates 2026	Proposed Rates 2027	Proposed Rates 2028
Commercial Service 1" Meter				
User Fee	\$9.15	\$10.50	\$10.75	\$11.00
Meter Fee	\$19.49	\$19.49	\$19.49	\$19.49
First 7,000 gallons	\$2.21	\$2.21	\$2.25	\$2.29
Next 93,000 gallons	\$3.95	\$4.40	\$4.65	\$4.90
Over 100,000 gallons	\$1.18	\$1.28	\$1.33	\$1.38
Commercial Service Greater than 1" to 2" Meter				
User Fee	\$9.15	\$10.50	\$10.75	\$11.00
Meter Fee	\$43.64	\$45.00	\$45.00	\$45.00
First 7,000 gallons	\$2.21	\$2.21	\$2.25	\$2.29
Next 93,000 gallons	\$3.95	\$4.40	\$4.65	\$4.90
Over 100,000 gallons	\$1.18	\$1.28	\$1.33	\$1.38
City Service				
All Usage (gallons)	\$1.50	\$1.63	\$1.68	\$1.73
No Charge Service				
All Usage (gallons)	\$0.00	\$0.00	\$0.00	\$0.00





Wastewater Department Cost of Service



Wastewater Operating Revenues at Present Rates with No Annual Increases

Item	Adjusted Year 2025	Forecast Year 2026	Forecast Year 2027	Forecast Year 2028
Operating Revenues	\$ 3,967,555	\$ 3,967,555	\$ 3,967,555	\$ 3,967,555
Operating Income (Loss)	\$ 258,185	\$ 146,904	\$ 32,284	\$ (37,914)
Nonoperating Revenues (Expenses)	\$ (918,082)	\$ (918,082)	\$ (918,082)	\$ (918,082)
Net Income (Loss)	\$ (659,897)	\$ (771,178)	\$ (885,798)	\$ (955,996)

Wastewater Cash Flow Analysis with No Annual Increases

Description	Adjusted Year 2025	Forecast Year 2026	Forecast Year 2027	Forecast Year 2028
Net Income	\$ (659,897)	\$ (771,178)	\$ (885,798)	\$ (955,996)
Beginning Cash and Short-Term Investments	\$ 2,477,259	\$ 1,817,362	\$ 1,046,184	\$ 160,386
Change in Cash Position	<u>\$ (659,897)</u>	<u>\$ (771,178)</u>	<u>\$ (885,798)</u>	<u>\$ (955,996)</u>
Ending Cash and Short-Term Investments	\$ 1,817,362	\$ 1,046,184	\$ 160,386	\$ (795,610)
Minimum Cash Reserve	30%	30%	30%	30%
Adjusted Revenues	\$ 3,967,555	\$ 3,967,555	\$ 3,967,555	\$ 3,967,555
Minimum Cash Reserve	\$ 1,190,266	\$ 1,190,266	\$ 1,190,266	\$ 1,190,266



Wastewater Operating Revenues at Proposed Rates with Annual Increases

Item	Adjusted Year 2025	Forecast Year 2026	Forecast Year 2027	Forecast Year 2028
Operating Revenues	\$ 3,967,555	\$ 4,389,455	\$ 4,739,741	\$ 4,924,916
Operating Income (Loss)	\$ 258,185	\$ 568,804	\$ 804,470	\$ 919,448
Nonoperating Revenues (Expenses)	\$ (918,082)	\$ (918,082)	\$ (918,082)	\$ (918,082)
Net Income (Loss)	\$ (659,897)	\$ (349,278)	\$ (113,612)	\$ 1,366

*Proposed increases effective July 1, 2026



Wastewater Cash Flow Analysis with Annual Increases

Description	Adjusted Year 2025	Forecast Year 2026	Forecast Year 2027	Forecast Year 2028
Net Income	\$ (659,897)	\$ (349,278)	\$ (113,612)	\$ 1,366
Beginning Cash and Short-Term Investments	\$ 2,477,259	\$ 1,817,362	\$ 1,046,184	\$ 160,386
Change in Cash Position	\$ (659,897)	\$ (349,278)	\$ (113,612)	\$ 1,366
Ending Cash and Short-Term Investments	\$ 1,817,362	\$ 1,468,084	\$ 932,572	\$ 161,752
Minimum Cash Reserve	30%	30%	30%	30%
Adjusted Revenues	\$ 3,967,555	\$ 4,389,455	\$ 4,739,741	\$ 4,924,916
Minimum Cash Reserve	\$ 1,190,266	\$ 1,316,836	\$ 1,421,922	\$ 1,477,475

* Proposed increases take effect July 1, 2026. To have wastewater rates more closely align to capture minimum cash reserves, the increases for 2027 and 2028 would need to be approximately 15% each year instead of 8.1% and 4.0% adjustments.

Wastewater Cost of Service Summary Based on 2025 Revenues and Expenses

Margins at 2025 Rates	Meter Size 5.8"	Greater than Meter Size 5.8"	Special (HOS)	No Charge (COL)	Flat Charge X	Flat Charge Z	Total
Total Revenue	\$ 2,673,641	\$ 1,260,908	\$ 22,192	\$ 4,341	\$ 5,885	\$ 588	\$ 3,967,555
Total Expenses	\$ 2,508,935	\$ 1,273,391	\$ 22,739	\$ 9,724	\$ 5,862	\$ -	\$ 3,820,651
Nonoperating Revenues (Expenses)	\$ (646,496)	\$ (262,693)	\$ (4,568)	\$ (2,916)	\$ (1,409)	\$ -	\$ (918,082)
Net Income (Loss)	\$ (481,791)	\$ (275,176)	\$ (5,115)	\$ (8,299)	\$ (1,386)	\$ 588	\$ (771,178)
Rate of Return	-3.4%	-4.8%	-5.1%	-13.0%	-4.5%	0.0%	-3.8%

Wastewater Cost of Service Summary

2026 Revenues and 2025 Expenses

Margins at 2026 Rates	Meter Size 5.8"	Greater than Meter Size 5.8"	Special (HOS)	No Charge (COL)	Flat Charge X	Flat Charge Z	Total
Total Revenue	\$ 2,926,329	\$ 1,425,996	\$ 25,181	\$ 4,775	\$ 6,525	\$ 648	\$ 4,389,455
Total Expenses	\$ 2,508,935	\$ 1,273,391	\$ 22,739	\$ 9,724	\$ 5,862	\$ -	\$ 3,820,651
Nonoperating Revenues (Expenses)	\$ (646,496)	\$ (262,693)	\$ (4,568)	\$ (2,916)	\$ (1,409)	\$ -	\$ (918,082)
Net Income (Loss)	\$ (229,102)	\$ (110,088)	\$ (2,126)	\$ (7,865)	\$ (746)	\$ 648	\$ (349,278)
Rate of Return	-1.6%	-1.9%	-2.1%	-12.3%	-2.4%	0.0%	-1.7%

Wastewater Revenue by Rate Class

Rate Class	Present Rates	Proposed Rates 2026	% Increase	Proposed Rates 2027	% Increase	Proposed Rates 2028	% Increase
Meter Size 5.8"	\$2,610,124	\$2,862,812	9.7%	\$3,086,999	7.8%	\$3,201,274	4.0%
Greater than Meter Size 5.8"	\$1,256,953	\$1,422,041	13.1%	\$1,544,841	8.6%	\$1,613,939	4.9%
Special (HOS)	\$22,182	\$25,170	13.5%	\$27,336	8.6%	\$28,571	4.9%
No Charge (COL)	\$4,341	\$4,775	10.0%	\$5,209	9.1%	\$5,426	4.5%
Flat Charge X	\$5,738	\$6,378	11.2%	\$7,018	10.0%	\$7,338	5.0%
Flat Charge Z	\$588	\$648	10.2%	\$708	9.3%	\$738	4.6%
Revenue Totals	\$3,899,925	\$4,321,825	10.8%	\$4,672,111	8.1%	\$4,857,286	4.0%

Wastewater Rates by Rate Class

Rate Class	Present Rates	Proposed Rates 2026	Proposed Rates 2027	Proposed Rates 2028
Meter Size 5.8"				
Meter Fee	\$25.21	\$27.21	\$29.21	\$30.21
First 7,000 gallons (/1,000 gal)	\$2.13	\$2.41	\$2.59	\$2.70
Next 18,000 gallons (/1,000 gal)	\$5.12	\$5.87	\$6.52	\$6.80
Over 25,001 gallons (/1,000 gal)	\$6.74	\$7.74	\$8.64	\$9.04
Greater than Meter Size 5.8"				
Meter Fee	\$45.69	\$50.69	\$55.69	\$58.19
First 7,000 gallons (/1,000 gal)	\$2.13	\$2.41	\$2.59	\$2.70
7,001 to 25,000 (/1,000 gal)	\$5.12	\$5.87	\$6.52	\$6.80
25,001 to 200,000 (/1,000 gal)	\$6.74	\$7.74	\$8.64	\$9.04
200,001 and above (/1,000 gal)	\$2.13	\$2.35	\$2.35	\$2.45
Special (HOS)				
Meter Fee	\$45.69	\$50.69	\$55.69	\$58.19
First 7,000 gallons (/1,000 gal)	\$2.13	\$2.41	\$2.59	\$2.70
7,001 to 25,000 (/1,000 gal)	\$5.12	\$5.87	\$6.52	\$6.80
25,001 to 200,000 (/1,000 gal)	\$6.74	\$7.74	\$8.64	\$9.04
200,001 and above (/1,000 gal)	\$2.13	\$2.35	\$2.35	\$2.45



Wastewater Rates by Rate Class

Rate Class	Present Rates	Proposed Rates 2026	Proposed Rates 2027	Proposed Rates 2028
No Charge (COL)				
Meter Fee	\$0.00	\$0.00	\$0.00	\$0.00
First 7,000 gallons	\$2.00	\$2.20	\$2.40	\$2.50
Next 93,000 gallons	\$2.00	\$2.20	\$2.40	\$2.50
Over 100,000 gallons	\$2.00	\$2.20	\$2.40	\$2.50
200,001 and above (/1,000 gal)	\$2.00	\$2.20	\$2.40	\$2.50
Flat Charge X				
Meter Fee	\$35.86	\$39.86	\$43.86	\$45.86
Flat Charge Z				
Meter Fee	\$49.00	\$54.00	\$59.00	\$61.50

Bill Comparison for Residential Electric, Water, and Wastewater

Electric

Average kWh	Existing Rates	2026 Rates	Dollar Change	Percent Change	2027 Rates	Dollar Change	Percent Change	2028 Rates	Dollar Change	Percent Change
1,300	\$150.38	\$160.41	\$10.03	6.67%	\$163.36	\$2.95	1.84%	\$164.88	\$1.52	0.93%

Water

Average Gallons	Existing Rates	2026 Rates	Dollar Change	Percent Change	2027 Rates	Dollar Change	Percent Change	2028 Rates	Dollar Change	Percent Change
5,000	\$20.20	\$21.55	\$1.35	6.68%	\$22.00	\$0.45	2.09%	\$22.45	\$0.45	2.05%

Wastewater

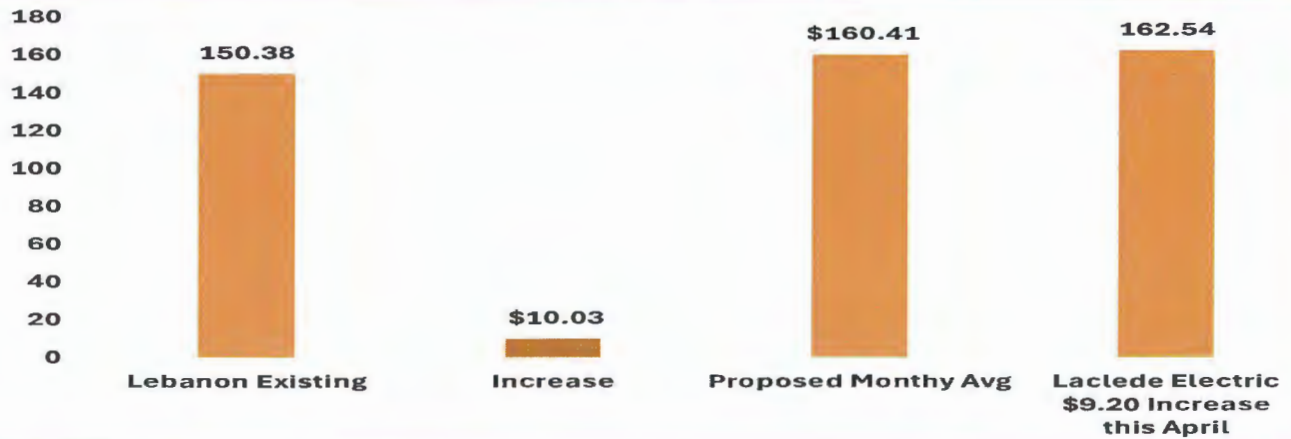
Average Gallons	Existing Rates	2026 Rates	Dollar Change	Percent Change	2027 Rates	Dollar Change	Percent Change	2028 Rates	Dollar Change	Percent Change
5,000	\$35.86	\$39.26	\$3.40	9.48%	\$42.16	\$2.90	7.39%	\$43.71	\$1.55	3.68%
Total	\$206.44	\$221.22	\$14.78	7.16%	\$227.52	\$6.30	2.85%	\$231.04	\$3.52	1.55%



THANK YOU

2025 Cost of Service Study Snapshot

ELECTRIC 1,300Kwh



WATER 5,000G



WASTEWATER 5,000G



2025 Cost of Service Study Snapshot

BUNDLE COST

