

Water Budget Assumptions

Fiscal Year Oct 1, 2020 – September 30, 2021

In consultation with Northwest Water Systems and their subsequent suggestions, the Lake Limerick Water Committee is recommending a revised and updated water system rate plan. Per this plan, the initial recommendations are: raising the base charge for each metered lot to \$35.00 per month, lowering excess usage included in the minimum charge to 6000 gallons, and incrementally increasing the charge per 1000 gallons of water usage above that minimum as noted in Items 1, a-d below. The increased revenue brings the LLCC Water system closer to covering operational costs and asset replacement for our nearly 60-year-old water system as it approaches its useful service life.

Due to the current economic situation caused by COVID-19, the Committee has considered that many of our members are already suffering a financial hardship at this time. However, minimally increasing water system rates is necessary to continue essential maintenance, repairs, and replacement of worn-out parts of our system.

The fees for this year are based on covering our current operating expenses. We have not included additional monies to go into reserve accounts (although recommended by the Northwest Water systems study), other than the current \$8.00 per lot per month that has been ongoing since 2012.

Future rate increases can be anticipated as the system ages, demands for water usage increase, and maintenance costs rise.

- 1) Full lots, metered water rates increase as follows:
 - a. \$35.00 per lot for 6000 gallons
 - b. 6001 gallons – 10,000 gallons \$2.75 per 1000 gallons
 - c. 10,001 – 15,000 gallons \$3.75 per 1000 gallons
 - d. 15,001 and over \$4.75 per 1000 gallons
- 2) Non metered lots increase from \$16.00 per month to \$18.00 per month
- 3) Locked Metered lots increase from \$16.00 per month to \$18.00 per month
- 4) Non-metered ½ Lots increase from \$8.00 per month to \$9.00 per month
- 5) All water revenue rates include \$8.00 per month to reserves for full lots and \$4.00 per month to half lots
- 6) New meter installation fee increases from \$1,000 to \$1,500 and does not include a water spigot.
- 7) Anticipate revenue from possible future excess usage charges to drop 20 to 30 percent as people fix leaks and control usage due to increased excess water-usage rates.
- 8) Interest income from current reserves/savings dropped to “zero” as interest rates have declined.
- 9) Current interest expense rate on Well #6 loan is 1.5% and will be paid off by 2024. Outstanding balance \$72,490.99
- 10) Utility tax – current rate of 5% based on water usage and included in the base water rate.
- 11) Staffing increased from 2 to 3 full time staff; 2 operational and 1 office.
- 12) Navy Railroad water line move. Estimated between \$10,000 and \$50,000 if we must move the water line on Mason Lake Road under the current Navy railroad trestle. As this is pending legal resolution the cost is shown on the capital budget for the upcoming fiscal year as notated.