

RESOLUTION NO. R24-100

RESOLUTION OF THE CITY COUNCIL TO APPROVE THE PROPOSED INCREASE IN THE RATES AND CHARGES FOR THE USERS OF THE MUNICIPAL WATER AND SANITARY SEWER RATES AND CHARGES TO BECOME EFFECTIVE ON JANUARY 10, 2025.

WHEREAS, the current water and sanitary sewer rates and charges in effect at the present time are not adequate to provide revenues with which to defray the increased costs of operation, maintenance, and capital of the City's water and sanitary sewer distribution facilities and systems;

WHEREAS, the provision of the water and sanitary sewer systems and facilities is essential to the preservation of the public's health and welfare;

WHEREAS, the new rates must, before taking effect, be approved by the City Council after advertising and conducting a public rate hearing pursuant to the City's Charter at Article I, Section 1.03(2) and MCA Section 69-7-111;

WHEREAS, current budgetary requirements with respect to the operation of said facilities in addition to on-going and future projects require the proposed rates to become effective on or about January 10, 2025, to enable the City to proceed as expeditiously as possible to accomplish the objectives herein above recited;

WHEREAS, pursuant to its Charter and Montana law, the City Council determined that a public rate hearing must be advertised and held to gather documents, testimony, and other evidence regarding the proposed increases in water and sanitary sewer rates and charges;

WHEREAS, a notice of public hearing was mailed to all users of the City's water and sewer systems notifying them that, pursuant to Resolution No. R24-94, adopted on November 26, 2024, it was the intent of the City to increase the rates and charges for water and sanitary sewer services and Notice of the Public Hearing was published as required by Mont. Code Ann. § 69-7-111;

WHEREAS, a public hearing was held on the 17th day of December, 2024, at 6:30 p.m. in the City Council Chambers, at City Hall, Laurel, Montana, for the purpose of gathering public comments and evidence regarding the proposed rate and charge increase;

WHEREAS, every individual who attended the public hearing was given the opportunity to speak, present argument and/or to submit written comment into the hearing record; and

WHEREAS, based upon the record created, the City Council is prepared to issue its decision pursuant to Mont. Code Ann. § 69-7-112.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAUREL, MONTANA:

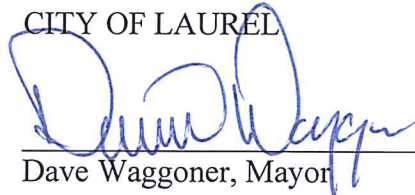
1. That the City Council considers it both advisable and necessary to increase the municipal water and sanitary sewer services rates and charges for all users in accordance with the rates and charges as specifically contained on the rate and charge schedule marked "Exhibit A" that is attached hereto and hereby incorporated into this Resolution by reference.
2. That the proposed increase in the rates and charges for the users of the Municipal Water and Sanitary Sewer System is hereby approved and attached hereto and fully incorporated herein as "Exhibit A," and
3. That this Resolution shall be immediately filed with the City Clerk/Treasurer and shall become final and effective not less than ten (10) days after such filing.

Introduced at a regular meeting of the City Council on the 23rd day of December 2024 by Council Member Klose.

PASSED and APPROVED by the City Council of the City of Laurel, Montana on the 23rd day of December 2024.

APPROVED by the Mayor on the 23rd day of December 2024.




CITY OF LAUREL

Dave Waggoner, Mayor

ATTEST:


Kelly Strecker, Clerk-Treasurer

APPROVED AS TO FORM:


Michele L. Braukmann, Civil City Attorney

Water and Wastewater Rate Study

DATE: December 13, 2024
TO: Kelly Strecker
City of Laurel
FROM: Todd Cristiano, Vice President
SUBJECT: Draft Water and Wastewater Rate Study Executive Summary

Introduction

The City of Laurel (City) retained Raftelis to complete a comprehensive financial plan, cost of service and rate design study for its water and wastewater utilities. Raftelis worked with City staff beginning in May 2024 to develop a plan for sustaining the water and wastewater utilities' financial health. Raftelis also worked closely with the engineering firm, Morrison-Maierle in reviewing capital projects, timing, and costs. Raftelis met weekly over this period to discuss project status and present interim results. These meetings included staff as well as the City's executive management team. The results presented in this executive summary are a culmination of these efforts between the City and Raftelis.

This memo summarizes the results of the study and is a supplemental document to the presentation materials from the November 4, 2024 City Council meeting.

The primary objectives of this study included:

- A 5-year financial plan identifying the annual revenue adjustments needed to fund operation and maintenance expenses, debt service, and capital projects while satisfying reserve requirements and debt service coverage;
- A detailed water cost of service analysis to determine the cost to provide service to customer classes. The principle concept of this analysis is to assign costs in a proportionate manner to each customer class based on their demand and customer characteristics;
- A rate structure which meets the pricing objectives of the City and equitably recovers the cost to provide service to the City's customer classes; residential, commercial, irrigation, and industrial customers.

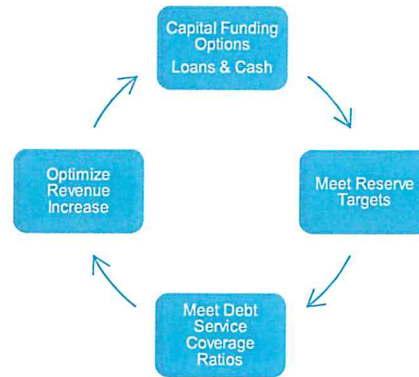
This memo includes water and wastewater financial plan results for the 5-year study period 2025 through 2029, water cost of service analysis, and rate design.

Financial Planning Approach

A primary consideration in developing an ‘optimal’ financial plan is minimizing annual revenue increases through balancing the use of reserves, rate revenues at current rates, plant investment fees, and loans. This balance is subject to the constraints of meeting the City’s target reserve policies and debt service coverage requirements on existing and proposed debt.

This approach is an iterative process. For example, issuing debt to fund a capital project may keep revenue increases low; however, new debt payments may decrease the debt service coverage (DSC) ratio¹ below the target level. As a result, a revenue increase may be needed to meet or maintain compliance with the target. The additional revenue generated from the increase now may meet debt service coverage and produce an ending balance more than the target reserve.

This excess can be used to partially cash-fund the capital project which, in turn, could reduce the proposed state loan amount.



Assumptions

This study is based on numerous assumptions. Changes in these assumptions could materially affect the study findings. Raftelis incorporated the following key assumptions into the study:

- The test year, or the year new rates will be in effect, is 2025.
- The study period forecast is for 2025 through 2029.²
- The study utilized an annual growth rate of 0.1% per year.
- Usage per account is based on historical data. Residential water usage per account is approximately 5,200 gallons per month, and sewer volume is about 3,200 gallons per month.
- Residential customers represent the majority of the utilities’ customers.
- Costs will change as follows:
 - Capital costs are projected to experience an annual increase of 4.5% due to inflation.
 - The expected inflation rates for operation and maintenance (O&M) expenses are:
 - Personnel services (2025 – 2026; 2027 – 2029): 4.5%; 4.0%
 - Professional and Contractual Services, Repairs and Maintenance, Operating Supplies and Equipment, Professional Development (2025 – 2026; 2027 – 2029): 4.0%, 3.5%
 - Water supply (2025 – 2029): 5.0%
 - General (2024 – 2029): 3.0%
 - Depreciation (2024 – 2029): 3.0%
- The City has set reserves for the water and wastewater utilities:

² The cash flow tables include 2024 as the base year, or the year in which the model was developed, and is based on a combination of budgetary information and estimated values. The study forecast is for 2025 through 2029.

WATER AND WASTEWATER RATE STUDY

- Water utility: Operating fund: 90 days annual O&M, capital reserve of 1 years depreciation expense, meter replacement reserve, water line reserve, and bond reserves
- Wastewater utility: Operating reserve of 60 days O&M, system development fee reserve, bind reserves and a capital replacement reserve
- Debt service
 - Coverage requirement is 1.20 x debt service based on the revenue bond issuance requirements
 - Bond terms: assumed State Loan, 2.5% interest rate, 20-year term

Table 1: Additional Assumptions

Description	Units
FY25 Beginning Balance	
Water	\$4,566,901
Wastewater	\$2,530,370
Water Utility Grants	
2026	\$207,500
2027	\$1,867,500
Water SRF Loans	
2027	\$18,556,701
2028	\$3,608,247

Water Utility

Financial Plan

The water utility financial plan is separated into two subfunds- the operating subfund and the capital subfund. The capital subfund tracks activities associated with capital projects and funding sources for the capital projects. The operating subfund tracks activities associated with the daily operations of the utility. The combined FY25 beginning fund balance is \$4.6 million. Water revenues consist primarily of rate revenues and nominal miscellaneous revenues. Rate revenues at current rates average \$3.3 million annually. Other rate revenue sources include water sales to CHS refinery. This includes potable water, raw water, and settled water. Rates for CHS are contractual. CHS rate revenue averages approximately \$199,000 annually.

Other non-rate revenue includes water line insurance which averages \$33,000 annually, and the 5/8" bypass revenue which averages \$28,600 annually. Other non-rate revenue includes sales of water supplies, fire line revenue, and other miscellaneous sources averaging in total approximately \$10,000 annually. The City anticipates receiving a grant of \$2,075,000 and a loan of \$18.6 million to fund the new water tank and booster station in FY26 and FY27. A proposed loan of \$3.6 million is also projected in FY28 to fund water treatment filter replacement.

O&M expenses include costs to treat and deliver water to customers. O&M is projected to increase from \$3.0 million to \$3.5 million by FY29. Other expenditures include payments on existing and proposed debt service. Existing debt service averages \$429,000 annually. Proposed debt service is projected at \$1.2 million beginning in FY27. Transfers to the capital fund are \$1.2 million to assist in funding the annual capital program. Capital projects total \$31.2 million for the study period. Highlights of the capital program include:

WATER AND WASTEWATER RATE STUDY

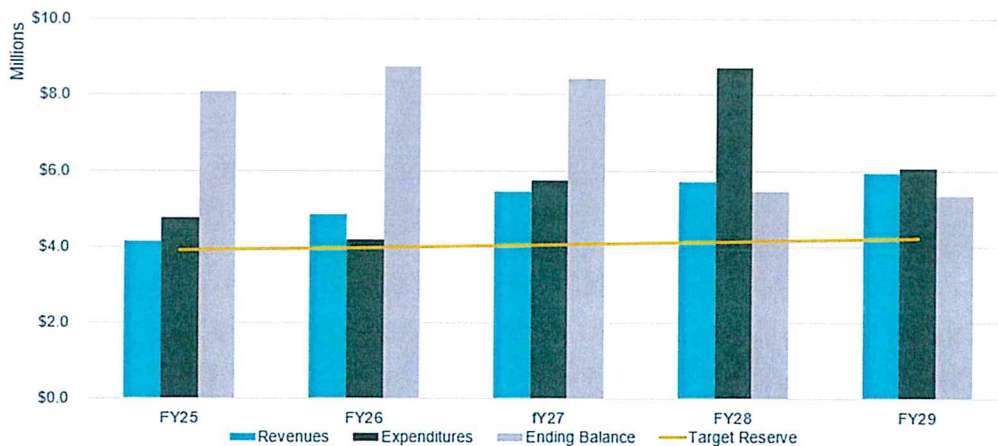
- A state revolving fund (SRF) loan of \$18.6 million is anticipated in FY27 to fund the majority of the new water tank and booster station project. This is in conjunction with anticipated grants totaling \$2.075 million. The total cost of the new water tank and booster station is \$20.6 million, including an inflation allowance.
- Another SRF loan of \$3,608,247 is planned for FY28 to significantly fund the new filters project with an estimated cost of \$5.7 million, which includes an inflation allowance.

The City has a total reserve target of \$3.9 million for FY25 and a debt service coverage requirement³ of 1.20x as part of the loan covenants.

Rate revenues should be sufficient to meet annual requirements, which includes O&M, debt, transfers to the capital fund, target reserves and debt service coverage. Revenues at current rates are insufficient to meet these requirements. Annual adjustments of 16% in FY25 through FY27 followed by 4% in FY28 and FY29 are needed. The initial 16% rate increase is required to meet the target debt service coverage. Future increases are required to the debt service coverage and the reserve targets. *It is recommended the financial plan be reviewed annually to ensure that rate revenue is sufficient to meet projected revenue requirements.*

Figure 1 illustrates revenue and expenditures for the operating fund, as well as ending fund balances, and target reserves. Figure 2 shows the projected FY25 increase of 16% effective from FY25-FY27, followed by a 4% increase in FY28 and FY29. Figure 3 illustrates the target and calculated debt service coverage between FY25-FY29.

Figure 1: Water Revenue and Expenditures



³ Debt service coverage = [Revenues less expenses (excluding depreciation)] / annual debt service

Figure 2: Proposed Annual Water Rate Increases

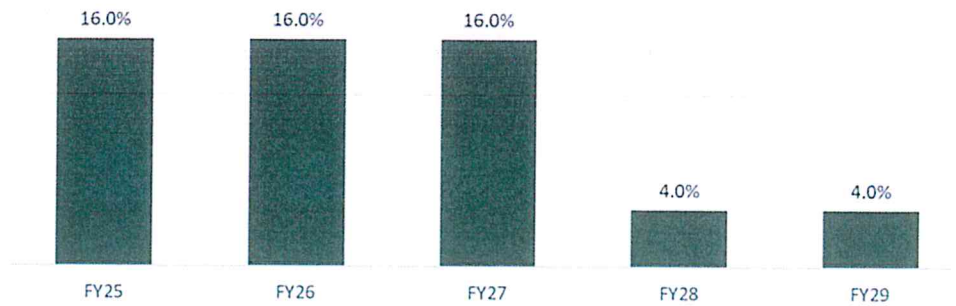
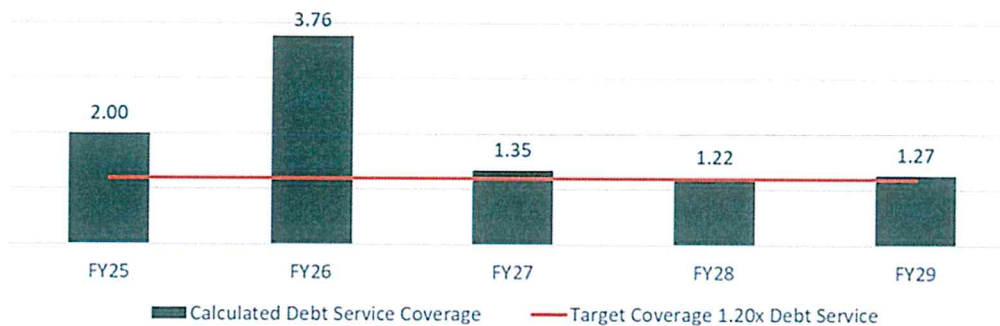


Figure 3: Debt Service Coverage



Cost of Service Analysis

Raftelis completed this comprehensive cost-of-service analysis by standard methods supported by the American Water Works Association (AWWA) in its M1 manual, *Principles of Water Rates, Fees, and Charges*. This analysis determines the cost of providing water service to each customer class and guides the design of the proposed rates. The general steps of the cost-of-service analysis are:

1. **Revenue requirement.** Determine the level of revenue required from rates. The revenue requirement includes expenditures in the operating fund: O&M, debt service, capital projects, reserves, and changes in fund balance.
2. **Cost functionalization.** Assigns the costs detailed in the revenue requirements (i.e. O&M, capital, revenue offsets) to functional areas in the system. Functional areas include water treatment, transmission and distribution, storage, source of supply, meters, and services, and billing and administrative costs. Costs are functionalized based on the facility that has the most influence on that expense. For example, chemical costs are most influenced by treatment processes so those costs would be allocated to the water treatment category.
3. **Allocation of Functionalized Costs to System Demand Parameters.** Functional costs can be allocated to demand parameters and customer characteristics. Demand parameters include average day demands and peak demands. Customer characteristics include the number of accounts by meter

size and bills. Each facility is designed to meet specific design requirements in the system. For example, water treatment facilities are designed and operated to meet maximum day demands. As a result, a portion of water treatment costs would be allocated to the average day demand category and a portion to the peak demand category. These assignments are completed for all the revenue requirement line items

4. **Units of service.** The units of service capture the demand and customer characteristics for each customer class. These characteristics include average day demand, peak demand, number of accounts by meter size, and the number of bills.
5. **Distribution of costs to customer classes.** Because customer classes are defined by their demand parameters (average day and peak demands) and the account makeup (meters by meter sizes), the allocated costs can be proportionately distributed to each class based on their specific demand and customer characteristics. For example, if the residential customer class represents 50% of total peak day demands, they would be allocated 50% of the allocated peak day demand costs.

Figure 4 illustrates the cost allocation process for a typical water utility. Figure 5 shows the change in the distribution of costs between the customer classes under existing rates and the cost of service analysis.

Figure 4: The Standard Cost Allocation Process

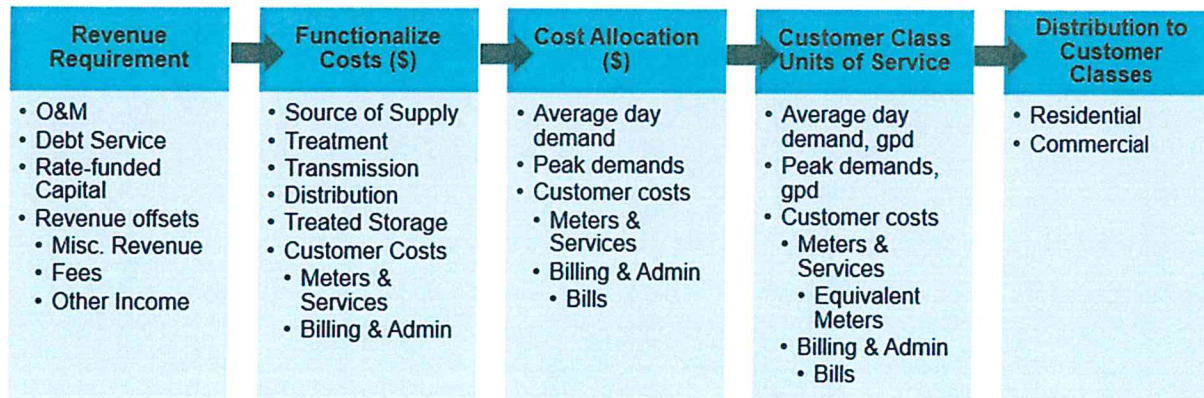
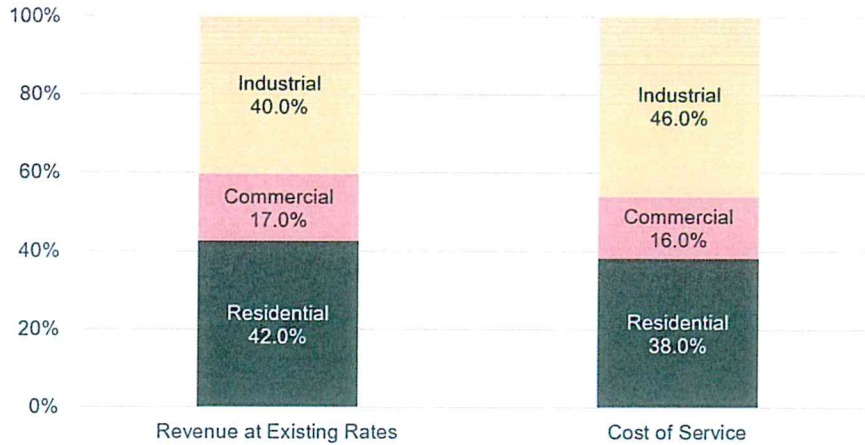


Figure 5: Allocation of Water Utility Costs Under Current Rates Compared to the Allocated Cost of Service



Rate Design

A basic consideration in developing water rate schedules is to establish equitable charges to customers that are commensurate with the cost of providing service. Raftelis developed rates for each customer class based on the customer class cost developed in the cost-of-service analysis. Figure 6 compares the existing and FY25 proposed rates.

Existing structure

- Monthly minimum charge which varies by meter size
 - 1,000 gallons volume allowance
 - Capital charge which varies by meter size (per EDU)
- Uniform volume rate same for all customer classes

Proposed

- Monthly base charge which varies by meter size
 - No volume allowance
 - Capital charge which varies by meter size
- Residential volume rate: 4-tiered rate structure
- Commercial, industrial, and irrigation volume rate: uniform rate

Figure 6: Existing and proposed water utility base charges

Residential				Combined Commercial and Irrigation				Industrial			
Meter Size		Monthly Base Rate [1]		Meter Size		Monthly Base Rate [1]		Meter Size		Monthly Base Rate [1]	
Inches				Inches				Inches			
3/4"		\$32.61		3/4"		\$32.61		3/4"		\$32.61	
1"		\$56.11		1"		\$56.11		1"		\$56.11	
1.25"		\$85.57		1.25"		\$85.57		1.25"		\$85.57	
1.5"		\$121.86		1.5"		\$121.86		1.5"		\$121.86	
2"		\$215.28		2"		\$215.28		2"		\$215.28	
3"		\$478.86		3"		\$478.86		3"		\$478.86	
4"		\$852.82		4"		\$852.82		4"		\$852.82	
6"		\$1,915.49		6"		\$1,915.49		6"		\$1,915.49	
10"		\$5,291.82		10"		\$5,291.82		10"		\$5,291.82	

Residential				Combined Commercial and Irrigation				Industrial			
Threshold	% Vol	Price Ratio	Rate, \$ per Kgal	Threshold	% Vol	Price Ratio	Rate, \$ per Kgal	Threshold	% Vol	Price Ratio	Rate, \$ per Kgal
5	57.3%	1.00	\$2.17	All Usage	100.0%	1.00	3.27	All Usage	100.0%	1.00	4.02
10	17.6%	1.25	\$2.71								
20	15.0%	1.50	\$3.26								
> 20	10.0%	2.00	\$4.34								

[1] Base Rate includes the \$8.00 per EDU charge

Wastewater Utility

Financial Plan

The FY25 beginning balance is projected at \$2.5 million. Wastewater revenues consist primarily of rate revenues and nominal non-rate revenue. Rate revenues at current rates are estimated at \$1.948 million. Other non-rate revenue includes interest income and other miscellaneous sources which in total averages \$100,000 annually. The City is currently paying down balances on four SRF loans; no additional loans or grants are anticipated in the wastewater utility for the study period of FY25-FY29. Total debt service payments in FY25 equal \$512,000; debt service payments in FY26- FY29 are \$468,000 annually. Capital projects in the wastewater utility will be funded by exiting revenue streams. Capital costs in FY25 are estimated at \$994,000 and future years average \$474,000 annually. The 5-year CIP during this same period totals \$3.17 million.

The City has a reserve target of \$2.66 million for FY25 and a debt service coverage requirement⁴ of 1.20x as part of the loan covenants.

Rate revenues should be sufficient to meet annual requirements, including target reserves and debt service coverage. Revenues at current rates are insufficient to meet these requirements. Annual adjustments of 25% in the second half of FY25 followed by annual increases of 9% in FY26 through FY28, and 5% in FY29 are needed. The initial 25% rate increase is required to meet the target debt service coverage. Future increases are required to the debt service coverage and the reserve targets. The FY25 increase is anticipated to be effective for 6 months of the fiscal year.

Figure 7 shows the cash flow for the operating fund, as well as ending fund balances, and target reserves. Figure 8 shows the projected revenue increases for the study period and Figure 9 shows the calculated debt service for the study period.

⁴ Debt service coverage = [Revenues less expenses (excluding depreciation)] / annual debt service

Figure 7: Wastewater Cash Flow Summary

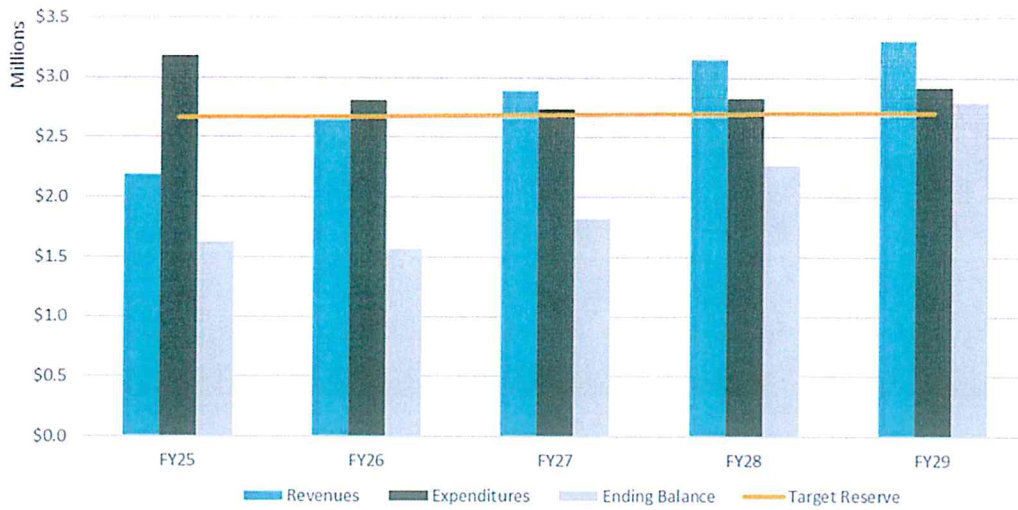


Figure 8: Proposed Annual Water Rate Increases

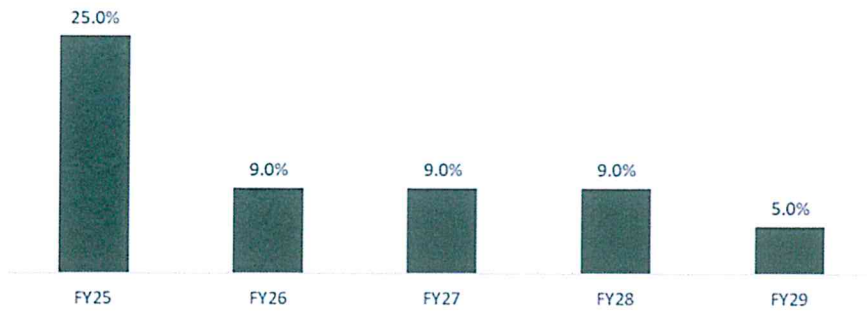
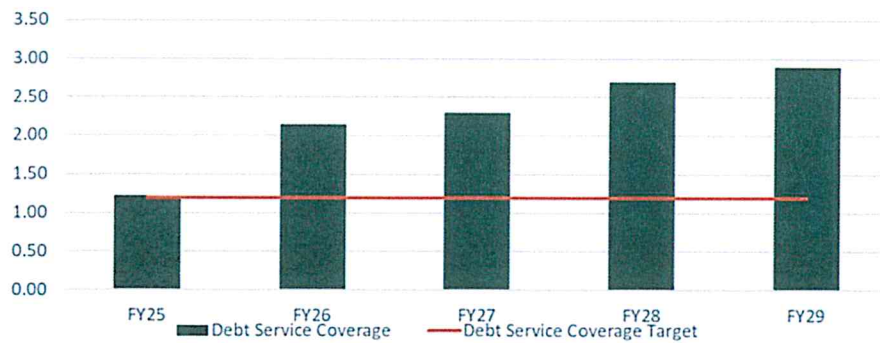


Figure 9: Debt Service Coverage



Cost of Service

Raftelis completed a modified cost-of-service analysis based on standard methods supported by the *Water Environment Federation Manual of Practice 27 (MOP27)*. This analysis determines the cost of providing wastewater service to each customer class and guides the design of the proposed rates. The rate structures developed for this study are based on normal strength contributions of biochemical oxygen

demand (BOD) and total suspended solids (TSS). As a result, Raftelis did not complete a cost allocation analysis to determine high strength surcharges. The cost of service analysis focused on customer related costs and volume related costs only. Customer costs recover the cost of billing, general administrative costs, and a portion of capital related costs. The volume rate recovers the cost to collect and convey wastewater to the wastewater treatment plant. Figure 10 illustrates the minor shift in wastewater utility costs across customer classes with current rates compared to cost of service rates.

Figure 10: : Allocation of Wastewater Utility Costs Under Current Rates Compared to the Allocated Cost of Service



Rate Design

A basic consideration in developing wastewater rate schedules is the establishment of fair charges to customers commensurate with the cost of providing their service. Based on review of the cost of service analysis, Raftelis proposes making some changes to the existing rate structure, as summarized below in Figure 11:

Figure 11: Comparison of Existing and Proposed FY25 Rates

Monthly Minimum Charge/Base Charge, \$ per Bill

Meter Size Inches	Existing	Proposed
3/4"	\$29.24	\$29.24
1"	52.34	52.34
1.25"	81.29	81.29
1.5"	116.96	116.96
2"	208.77	208.77
3"	467.84	467.84
4"	835.39	835.39
6"	1,879.84	1,879.84
10"	5,198.29	5,198.29

Volume Rate, \$ per 1,000 Gallons

	Existing	Proposed
All Usage	\$5.27	\$8.45

Includes capital charge of \$10.00 per EDU

Table A-1
City of Laurel
Water Utility
Operating Subfund Cash Flow Analysis

Table A-1

Line No.	Description	For the Fiscal Year Ending June 30				
		Budget	Projected			
		2025	2026	2027	2028	2029
		\$	\$	\$	\$	\$
Sources of Funds						
Water Sales Revenue						
1	Total Revenue from Existing Water Rates RateRev_Projected	3,312,915	3,313,322	3,313,322	3,313,322	3,313,322
2	Additional Water Sales Revenue from Rate Increases	265,033	1,145,084	1,858,429	2,065,299	2,280,444
3	Total Water Rate Revenue	3,577,948	4,458,406	5,171,751	5,378,621	5,593,765
Other Operating Revenue						
4	Water Line Insurance (\$1/month)	33,000	33,000	33,000	33,000	33,000
5	Sales of Water Supplies	2,000	2,000	2,000	2,000	2,000
6	Fire Line	6,300	6,300	6,300	6,300	6,300
7	5/8" Bypass	28,600	28,600	28,600	28,600	28,600
8	System Development Fees	0	0	0	0	0
9	Miscellaneous Water	2,000	2,000	2,000	2,000	2,000
CHS Revenue						
10	Raw Water-CHS	172,400	172,400	172,400	172,400	172,400
11	Settled Water-CHS	26,300	26,300	26,300	26,300	26,300
12	Rate Increase (2027 and 2032 per Contract)	0	0	0	0	0
13	Total CHS Non-Potable Revenues	198,700	198,700	198,700	198,700	198,700
14	Total Sources	3,848,548	4,729,006	5,442,351	5,649,221	5,864,365
Uses of Funds						
15	Operation and Maintenance Expense	2,997,500	3,127,420	3,262,541	3,387,503	3,517,285
Debt Service						
Existing Debt Service						
16	WRF-19431	305,285	305,290	306,171	306,918	307,529
17	WRF-17371	121,125	121,021	120,973	121,668	121,406
18	Proposed State Loans	0	0	1,190,359	1,421,818	1,421,818
19	Proposed Revenue Bonds	0	0	0	0	0
20	Total Debt Service	426,410	426,311	1,617,503	1,850,403	1,850,753
21	Transfer to Capital Fund	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
22	Total Uses	4,623,910	4,753,731	6,080,043	6,437,906	6,568,038
23	Annual Surplus (Deficiency)	(775,362)	(24,725)	(637,693)	(788,686)	(703,673)
24	Beginning Balance	4,566,901	3,791,539	3,766,814	3,129,121	2,340,436
25	Ending Balance	3,791,539	3,766,814	3,129,121	2,340,436	1,636,763
Target Reserves						
26	90 Days O&M	739,110	771,145	804,462	835,275	867,276
27	Meter Deposits	250,709	250,709	250,709	250,709	250,709
28	Total Target Reserves	989,819	1,021,854	1,055,171	1,085,984	1,117,985
29	Unrestricted Funds	2,801,721	2,744,961	2,073,950	1,254,452	518,778
30	Debt Service Coverage	2.00	3.76	1.35	1.22	1.27
31	Target	1.20	1.20	1.20	1.20	1.20
30	Annual Water Service Revenue Increase	16.0%	16.0%	16.0%	4.0%	4.0%
32	Cumulative Revenue Increase	16.0%	34.6%	56.1%	62.3%	68.8%
33	CHS Settled Water/Non-Potable Revenue Increase	0	0	56.1%		

Table A-2
City of Laurel
Water Utility
Capital Subfund Cash Flow Analysis

Table A-2

Line No	Description	For the Fiscal Year Ending June 30				
		Budget	Projected			
		2025	2026	2027	2028	2029
1	Transfer from OP	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
2	Proposed Revenue Bonds	0	0	0	0	0
3	Proposed State Loans (30-Year, 2.5% Int)	0	0	18,556,701	3,608,247	0
4	Grants	0	207,500	1,867,500	0	0
5	Connection Fees	0	0	0	0	0
6	Interest Income	316,040	117,887	0	54,012	83,875
7	Total Sources	1,516,040	1,525,387	21,624,201	4,862,260	1,283,875
Uses of Funds						
8	PAYGO Capital Projects	1,341,000	831,820	21,295,580	7,070,665	692,853
9	Total Uses	1,341,000	831,820	21,295,580	7,070,665	692,853
10	Annual Surplus/(Deficiency)	175,040	693,567	328,622	(2,208,406)	591,022
11	Beg Balance (Restricted)	4,111,503	4,286,543	4,980,111	5,308,732	3,100,326
12	Ending Balance	4,286,543	4,980,111	5,308,732	3,100,326	3,691,348
Target Reserves						
13	Target Reserve (1-Year RC Depreciation Expense)	1,500,000	1,545,000	1,591,350	1,639,091	1,688,263
14	Cash - Meter replacement	137	137	137	137	137
15	Cash - Restricted - Water Line	276,439	276,439	276,439	276,439	276,439
16	Cash - Refinanced Bonds	736,505	736,505	736,505	736,505	736,505
17	Cash - Bond Reserve SFR SED	169,546	169,546	169,546	169,546	169,546
18	Cash - Bond Reserve DNRC IV	95,903	95,903	95,903	95,903	95,903
19	Cash - Bond Reserve DNRC IV	133,828	133,828	133,828	133,828	133,828
20	Total Target Reserves	2,912,357	2,957,357	3,003,707	3,051,448	3,100,621
21	<i>Unrestricted Cash</i>	<i>1,374,186</i>	<i>2,022,753</i>	<i>2,305,025</i>	<i>48,879</i>	<i>590,728</i>

City of Laurel
 Water Utility
 Annual Operation and Maintenance Expense

Table A-3

Line No.	Fund	Fund Description	Account Description	For the Fiscal Year Ending June 30				
				Budget	Projected			
				2025	2026	2027	2028	2029
				\$	\$	\$	\$	\$
			5210-430500 WATER - PURIFICATION AND TREATMENT					
1			392 ADMINISTRATIVE SERVICES	121,000	126,445	132,135	137,420	142,917
			5210-430540 WATER - PURIFICATION AND TREATMENT					
2	500	Water Plant	110 SALARIES AND WAGES	570,000	595,650	622,454	647,352	673,247
3	500	Water Plant	111 OVERTIME	15,800	16,511	17,254	17,944	18,662
4	500	Water Plant	138 VISION INSURANCE	600	627	655	681	709
5	500	Water Plant	139 DENTAL INSURANCE	4,500	4,703	4,914	5,111	5,315
6	500	Water Plant	141 UNEMPLOYMENT INSURANCE	1,800	1,881	1,966	2,044	2,126
7	500	Water Plant	142 WORKERS' COMPENSATION	18,000	18,810	19,656	20,443	21,260
8	500	Water Plant	143 HEALTH INSURANCE	97,000	101,365	105,926	110,163	114,570
9	500	Water Plant	144 LIFE INSURANCE	1,200	1,254	1,310	1,363	1,417
10	500	Water Plant	145 FICA	42,000	43,890	45,865	47,700	49,608
11	500	Water Plant	146 PERS	47,000	49,115	51,325	53,378	55,513
12	500	Water Plant	149 ST/LT DISABILITY	4,500	4,703	4,914	5,111	5,315
13	500	Water Plant	194 FLEX MEDICAL	6,500	6,793	7,098	7,382	7,677
14	500	Water Plant	220 OPERATING SUPPLIES	25,000	26,000	27,040	27,986	28,966
15	500	Water Plant	221 CHEMICALS	165,000	171,600	178,464	184,710	191,175
16	500	Water Plant	222 LABORATORY & MEDICAL SUPP	8,000	8,320	8,653	8,956	9,269
17	500	Water Plant	226 CLOTHING AND UNIFORMS	1,200	1,254	1,310	1,363	1,417
18	500	Water Plant	231 GAS, OIL, DIESEL FUEL, GR	7,000	7,315	7,644	7,950	8,268
19	500	Water Plant	232 MOTOR VEHICLE PARTS	2,000	2,080	2,163	2,239	2,317
20	500	Water Plant	233 MACHINERY & EQUIPMENT PAR	16,000	16,640	17,306	17,911	18,538
21	500	Water Plant	241 CONSUMABLE TOOLS	1,000	1,040	1,082	1,119	1,159
22	500	Water Plant	263 SAFETY SUPPLIES	2,000	2,080	2,163	2,239	2,317
23	500	Water Plant	312 NETWORKING FEES	5,000	5,200	5,408	5,597	5,793
24	500	Water Plant	335 MEMBERSHIPS & DUES	1,500	1,560	1,622	1,679	1,738
25	500	Water Plant	337 ADVERTISING	2,500	2,600	2,704	2,799	2,897
26	500	Water Plant	339 CERTIFICATION RENEWAL	2,000	2,080	2,163	2,239	2,317
27	500	Water Plant	341 ELECTRIC UTILITY SERVICES	200,000	208,000	216,320	223,891	231,727
28	500	Water Plant	343 CELLULAR TELEPHONE	1,200	1,254	1,310	1,363	1,417
29	500	Water Plant	344 GAS UTILITY SERVICE	35,000	36,400	37,856	39,181	40,552
30	500	Water Plant	345 TELEPHONE	1,100	1,150	1,201	1,249	1,299
31	500	Water Plant	349 QUALITY TESTING	10,000	10,400	10,816	11,195	11,586
32	500	Water Plant	350 PROFESSIONAL SERVICES	15,000	15,600	16,224	16,792	17,380
33	500	Water Plant	351 MEDICAL, DENTAL, VETERINARY	1,000	1,045	1,092	1,136	1,181
34	500	Water Plant	355 DATA PROCESSING SERVICES	-	-	-	-	-
35	500	Water Plant	360 REPAIR & MAINTENANCE SERVICES	3,000	3,120	3,245	3,358	3,476
36	500	Water Plant	364 WATER / SEWER STRUCTURE & EQUIP	250,000	260,000	270,400	279,864	289,659
37	500	Water Plant	366 BUILDING MAINTENANCE	50,000	52,000	54,080	55,973	57,932
38	500	Water Plant	370 TRAVEL	4,000	4,160	4,326	4,478	4,635
39	500	Water Plant	380 TRAINING SERVICES	3,000	3,120	3,245	3,358	3,476
40	500	Water Plant	397 CONTRACTED SERVICES	16,000	16,640	17,306	17,911	18,538
41	500	Water Plant	511 INSURANCE ON BLDGS/IMPRVM	9,500	9,880	10,275	10,635	11,007
42	500	Water Plant	513 LIABILITY	22,155	23,041	23,963	24,802	25,670
43	500	Water Plant	514 VEHICLE / EQUIPMENT INSURANCE	-	-	-	-	-
44	500	Water Plant	519 POLLUTION INSURANCE	-	-	-	-	-
45	500	Water Plant	533 MACHINERY & EQUIPMENT RENTAL	20,000	20,800	21,632	22,389	23,173
46	500	Water Plant	544 DISCHARGE PERMIT FEE	3,000	3,120	3,245	3,358	3,476
47	900	Water Plant	900 CAPITAL OUTLAY	-	-	-	-	-
48	900	Water Plant	920 BUILDINGS	-	-	-	-	-
49	900	Water Plant	930 IMPROVEMENTS OTHER THAN B	-	-	-	-	-
50	900	Water Plant	940 MACHINERY & EQUIPMENT	-	-	-	-	-
51		Water Plant	943 NEW VEHICLE	-	-	-	-	-
52	900	Water Plant	946 COMPUTER EQ/SOFTWARE	-	-	-	-	-
			5210-430550 WATER - TRANSMISSION AND DISTRIBUTION					
53	540	Water System	110.00 SALARIES AND WAGES	335,000	350,075	365,828	380,462	395,680
54	540	Water System	111.00 OVERTIME	3,500	3,658	3,822	3,975	4,134
55	540	Water System	138.00 VISION INSURANCE	325	340	355	369	384
56	540	Water System	139.00 DENTAL INSURANCE	2,100	2,195	2,293	2,385	2,480
57	540	Water System	141.00 UNEMPLOYMENT INSURANCE	1,000	1,045	1,092	1,136	1,181
58	540	Water System	142.00 WORKERS' COMPENSATION	9,200	9,614	10,047	10,448	10,866
59	540	Water System	143.00 HEALTH INSURANCE	42,500	44,413	46,411	48,268	50,198
60	540	Water System	144.00 LIFE INSURANCE	500	523	546	568	591
61	540	Water System	145.00 FICA	18,000	18,810	19,656	20,443	21,260
62	540	Water System	146.00 PERS	21,000	21,945	22,933	23,850	24,804

City of Laurel
Water Utility
Annual Operation and Maintenance Expense

Table A-3

Line No.	Fund	Fund Description	Account Description	For the Fiscal Year Ending June 30					
				Budget	Projected				
				2025	2026	2027	2028	2029	
				\$	\$	\$	\$	\$	
63	540	Water System	149.00	ST/LT DISABILITY	2,500	2,613	2,730	2,839	2,953
64	540	Water System	194.00	FLEX MEDICAL	2,800	2,926	3,058	3,180	3,307
65	540	Water System	220.00	OPERATING SUPPLIES	26,000	27,170	28,393	29,528	30,709
66	540	Water System	221.00	CLOTHING AND UNIFORMS	1,800	1,881	1,966	2,044	2,126
67	540	Water System	226.00	REPAIR & MAINTENANCE SUPP	15,000	15,600	16,224	16,792	17,380
68	540	Water System	231.00	GAS, OIL, DIESEL FUEL, GR	16,000	16,640	17,306	17,911	18,538
69	540	Water System	232.00	MOTOR VEHICLE PARTS	5,000	5,200	5,408	5,597	5,793
70	540	Water System	233.00	MACHINERY & EQUIPMENT PAR	30,000	31,200	32,448	33,584	34,759
71	540	Water System	239.00	TIRES/TUBES/CHAINS	3,000	3,120	3,245	3,358	3,476
72	540	Water System	241.00	CONSUMABLE TOOLS	-	-	-	-	-
73	540	Water System	263.00	SAFETY SUPPLIES	1,500	1,560	1,622	1,679	1,738
74	540	Water System	311.00	POSTAGE	6,400	6,656	6,922	7,165	7,415
75	540	Water System	312.00	NETWORKING FEES	1,000	1,040	1,082	1,119	1,159
76	540	Water System	337.00	ADVERTISING	1,000	1,045	1,092	1,136	1,181
77	540	Water System	339.00	CERTIFICATION RENEWAL	1,200	1,254	1,310	1,363	1,417
78	540	Water System	341.00	ELECTRIC UTILITY SERVICES	15,600	16,302	17,036	17,717	18,426
79	540	Water System	343.00	CELLULAR TELEPHONE	3,000	3,135	3,276	3,407	3,543
80	540	Water System	350.00	PROFESSIONAL SERVICES	50,000	52,250	54,601	56,785	59,057
81	540	Water System	351.00	MEDICAL, DENTAL, VETERINARY	1,000	1,045	1,092	1,136	1,181
82	540	Water System	355.00	DATA PROCESSING SERVICES	2,500	2,613	2,730	2,839	2,953
83	540	Water System	360.00	REPAIR & MAINTENANCE SERV	20,000	20,900	21,841	22,714	23,623
84	540	Water System	362.00	OFFICE MACHINERY & EQUIP	25,000	26,125	27,301	28,393	29,528
85	540	Water System	367.00	WATER/SEWER LINES REPAIR	200,000	209,000	218,405	227,141	236,227
86	540	Water System	368.00	CURB BOX REPAIR/REPLACE	25,000	26,125	27,301	28,393	29,528
87	540	Water System	370.00	TRAVEL	3,000	3,135	3,276	3,407	3,543
88	540	Water System	380.00	TRAINING SERVICES	5,000	5,225	5,460	5,679	5,906
89	540	Water System	397.00	CONTRACTED SERVICES	16,000	16,720	17,472	18,171	18,898
90	540	Water System	452.00	GRAVEL AND SAND	-	-	-	-	-
91	540	Water System	511.00	INSURANCE ON BLDGS/IMPRVM	8,365	8,741	9,135	9,500	9,880
92	540	Water System	513.00	LIABILITY	8,989	9,394	9,816	10,209	10,617
93	540	Water System	514.00	VEHICLE/EQUIPMENT INSURAN	3,566	3,726	3,894	4,050	4,212
94	540	Water System	530.00	RENT	182,000	190,190	198,749	206,698	214,966
95	540	Water System	532.00	LAND RANTAL/EASEMENTS	11,800	12,331	12,886	13,401	13,937
96	540	Water System	533.00	MACHINERY & EQUIPMENT RENT	-	-	-	-	-
97	540	Water System	540.00	SPECIAL ASSESSMENTS	-	-	-	-	-
98	540	Water System	543.00	SERVICE CONNECTION FEE	6,100	6,375	6,661	6,928	7,205
99	540	Water System	811.00	LIABILITY DEDUCTIBLES	-	-	-	-	-
100	900	Water System	901	MISC CAPITAL PROJECTS	-	-	-	-	-
101	900	Water System	938	REPLACE WATER/SEWER LINE	-	-	-	-	-
102	900	Water System	949	VEHICLE(S)	-	-	-	-	-
103	901	Water System	950	MINI EXCAVATOR	-	-	-	-	-
5210-430551 MURRAY HEIGHTS SUBDIVISION - BOOSTER STATION									
104	540.00	Water System	220.00	Operating Supplies	500	523	543	565	588
105	540.00	Water System	231.00	Gas, Oil, Diesel Fuel, Gr	-	-	-	-	-
106	540.00	Water System	241.00	Consumable Tools	-	-	-	-	-
107	540.00	Water System	341.00	Electric Utility Services	15,000	15,675	16,302	16,954	17,632
108	540.00	Water System	344.00	Gas Utility Services	800	836	869	904	940
109	540.00	Water System	360.00	Repair & Maintenance Serv	5,000	5,225	5,434	5,651	5,877
110	540.00	Water System	366.00	Building Maintenance	5,000	5,225	5,225	5,225	5,225
5210-430552 WATER RESERVOIR									
111	540	Water System	220.00	Operating Supplies	300	314	326	339	353
112	540	Water System	341.00	Electric Utility Services	1,500	1,568	1,630	1,695	1,763
113	540	Water System	350.00	Professional Services	7,500	7,838	8,151	8,477	8,816
114	540	Water System	364.00	Water/Sewer Struct. & Equ	-	-	-	-	-
115	540	Water System	452.00	Gravel and Sand	-	-	-	-	-
116	900	Water System	920.00	Buildings	-	-	-	-	-
5210-430553 ELENA BOOSTER STATION									
117	540	Water System	220	Operating Supplies	100	105	109	113	118
118	540	Water System	231	Gas, Oil, Diesel Fuel, Gr	500	523	543	565	588
119	540	Water System	233	Machinery & Equipment Par	1,500	1,568	1,630	1,695	1,763
120	540	Water System	341	Electric Utility Services	7,500	7,838	8,151	8,477	8,816
121	540	Water System	350	Professional Services	500	523	543	565	588
122	540	Water System	360	Repair & Maintenance Serv	1,000	1,045	1,087	1,130	1,175
123	540	Water System	366	Building Maintenance	500	523	543	565	588

City of Laurel
 Water Utility
 Annual Operation and Maintenance Expense

Table A-3

Line No.	Fund	Fund Description	Account Description	For the Fiscal Year Ending June 30				
				Budget	Projected			
				2025	2026	2027	2028	2029
				\$	\$	\$	\$	\$
124	540	Water	5210-521000 INTERFUND OPERATING TRANSFERS OUT 820 Transfers to Other Funds	5,000	5,000	5,000	5,000	5,000
125	Total Operating Budget		Total Operation and Maintenance Expense	2,997,500	3,127,420	3,262,541	3,387,503	3,517,285
Total Operation and Maintenance Expenses				2,997,500	3,127,420	3,262,541	3,387,503	3,517,285
900.00	Capital Expenditures			0	0	0	0	0
Total Operating Budget				2,997,500	3,127,420	3,262,541	3,387,503	3,517,285

City of Laurel
 Water Utility
 Water Capital Improvement Plan Excluding Inflation

Table A-4

For the Fiscal Year Ending June 30

Line No.	Title	Budget	Projected				2025-2029
		2025	2026	2027	2028	2029	Total
		\$	\$	\$	\$	\$	\$
1	Bulk Water Sales Station - On Hold			400,000			400,000
2	West 7th St Wtr Replacement - Combined w/1st Ave	650,000					650,000
3	Riverside Park Water + Irrigation System	0	360,000				360,000
4	Water Treatment Plant Stormwater Improvements	125,000					125,000
5	New Wtr Tank, Booster Station & Piping Redun		210,000	18,675,000			18,885,000
6	1st Ave. Water Valve Installation w/ W 7th	170,000			170,000		340,000
7	City Wide Valve & Hydrant Replacement Project	145,000	145,000	145,000	145,000		580,000
8	Replacement of Water Lines (\$900 ft @ 450 lf)	81,000	81,000	81,000	81,000	81,000	405,000
9	Water Tank Painting			200,000	800,000		1,000,000
10	Filters				5,000,000		5,000,000
11	949-Mini Excavator	150,000					150,000
12	920-Buildings-Reserve	20,000					20,000
13	Miscellaneous Undesignated Projects					500,000	500,000
14	Total Capital Improvement Ex. Inflation	4,601,000	796,000	19,501,000	6,196,000	581,000	31,675,000

City of Laurel
 Water Utility
 Water Capital Improvement Plan (Inflated)

Table A-5

Annual Inflation	0.0%	4.5%	4.5%	4.5%	4.5%
Cumulative Inflation	0.0%	4.5%	9.2%	14.1%	19.3%

Line No.	Title	For the Fiscal Year Ending June 30					2025-2029 Total
		Budget	Projected				
		2025	2026	2027	2028	2029	
		\$	\$	\$	\$	\$	
1	Bulk Water Sales Station - On Hold	-	-	436,810	-	-	436,810
2	West 7th St Wtr Replacement - Combined w/1st Ave	650,000	-	-	-	-	650,000
3	Riverside Park Water + Irrigation System	-	376,200	-	-	-	376,200
4	Water Treatment Plant Stormwater Improvements	125,000	-	-	-	-	125,000
5	New Wtr Tank, Booster Station & Piping Redun	-	219,450	20,393,567	-	-	20,613,017
6	1st Ave. Water Valve Installation w/ W 7th	170,000	-	-	193,998	-	363,998
7	City Wide Valve & Hydrant Replacement Project	145,000	151,525	158,344	165,469	-	620,338
8	Replacement of Water Lines (\$900 ft @ 450 lf)	81,000	84,645	88,454	92,434	96,594	443,127
9	Water Tank Painting	-	-	218,405	912,933	-	1,131,338
10	Filters	-	-	-	5,705,831	-	5,705,831
11	Settling Pond (2011 Great Westen MP)	-	-	-	-	-	-
12	920-Buildings-Reserve	20,000	-	-	-	-	20,000
13	Miscellaneous Undesignated Projects	-	-	-	-	596,259	596,259
14	Total Capital Improvement Program Including Inflation	1,341,000	831,820	21,295,580	7,070,665	692,853	31,231,918

City of Laurel
Water Utility
Test Year 2025 Revenue Requirement

Table A-6

Line No.	Description	Operating Expense	Capital Expense	Total
Revenue Requirement				
1	Operation and Maintenance Expense	2,997,500		2,997,500
2	Repair and Replacement Capital		1,200,000	1,200,000
3	Debt Service		426,410	426,410
4	Total Revenue Requirements	2,997,500	1,626,410	4,623,910
Less Revenue Offsets				
5	Water Line Insurance (\$1/month)	(33,000)		(33,000)
6	Sales of Water Supplies	(2,000)		(2,000)
7	Fire Line	(6,300)		(6,300)
8	5/8" Bypass	(28,600)		(28,600)
9	System Development Fees	0		0
10	Miscellaneous Water	(2,000)		(2,000)
				0
	CHS Revenue			0
11	Raw Water-CHS	(172,400)		(172,400)
12	Settled Water-CHS	(26,300)		(26,300)
13	Rate Increase (2027 and 2032 per Contract)	0		0
14	Change in Fund Balance	(330,826)	(179,502)	(510,328)
15	Subtotal Revenue Offsets	(601,426)	(179,502)	(780,928)
16	Net Revenue Requirement	2,396,074	1,446,908	3,842,982

Line No.	Description	O&M Costs	Volume			Customer Related			Total
			Base	Maximum Day Demand	Maximum Hour Demand	Meters & Services	Billing	Indirect	
Water System Assets									
1	Source of Supply		100.0%						100.0%
2	Treatment		55.6%	44.4%					100.0%
3	Transmission & Distribution		16.7%	13.3%	20.0%	50.0%			100.0%
4	Customer/Billing						100.0%		100.0%
5	Meters & Services					100.0%			100.0%
6	Public Fire					100.0%			100.0%
7	Not Used							100.0%	100.0%
8	Not Used							100.0%	100.0%
9	General & Admin							100.0%	100.0%
10	Pump Station		55.6%	44.4%					100.0%
11	Treated Storage		33.3%	26.7%	40.0%				100.0%
12	Land		100.0%						100.0%
13	Total								100.0%

City of Laurel
 Water Utility
 Allocation of Water System Assets and Annual Capital Costs

Table A-8

Line No.	Description	Replacement Cost	Volume		Customer Related		Indirect	General & Admin	Total
			Base	Maximum Day Demand	Maximum Hour Demand	Meters & Services			
		\$	\$	\$	\$	\$	\$	\$	\$
Water System Assets									
1	Source of Supply	2,841,754	2,841,754	0	0	0	0	0	2,841,754
2	Treatment	39,991,420	22,217,456	17,773,965	0	0	0	0	39,991,420
3	Transmission & Distribution	33,042,881	5,507,147	4,405,717	6,608,576	16,521,440	0	0	33,042,881
4	Customer/Billing	0	0	0	0	0	0	0	0
5	Meters & Services	2,544,987	0	0	0	2,544,987	0	0	2,544,987
6	Public Fire	184,685	0	0	0	184,685	0	0	184,685
7	Not Used	0	0	0	0	0	0	0	0
8	Not Used	0	0	0	0	0	0	0	0
9	General & Admin	18,474	0	0	0	0	0	18,474	18,474
10	Pump Station	53,810	29,895	23,916	0	0	0	0	53,810
11	Treated Storage	969,401	323,134	258,507	387,761	0	0	0	969,401
12	Land	0	0	0	0	0	0	0	0
13	0	0	0	0	0	0	0	0	0
14	Total Water System Assets	79,647,413	30,919,385	22,462,105	6,996,337	19,251,113	0	18,474	79,647,413
		TRUE							
15	General & Admin, %		38.8%	28.2%	8.8%	24.2%			
16	General & Admin Allocation, \$	18,474	7,173	5,211	1,623	4,466			
17	Total Reallocated Assets		30,926,558	22,467,316	6,997,960	19,255,579			
18	Percent of Total		38.8%	28.2%	8.8%	24.2%			
19	Annual Capital Costs (with Rev Req Adjustments)	1,446,908	561,825	408,150	127,128	349,805			

City of Laurel
Water Utility
Operation and Maintenance Expense Functional Category Allocations

Table A-9

Line No.	Test Year 2025	1 Source of Supply	2 Treatment	3 Trans / Dist	4 Customer / Billing	5 Meters & Services	Total			
79	540	343	CELLULAR TELEPHONE	3,000			100%			
80	540	350	PROFESSIONAL SERVICES	50,000			100%			
81	540	351	MEDICAL, DENTAL, VETERINARY	1,000			100%			
82	540	355	DATA PROCESSING SERVICES	2,500		100%	100%			
83	540	360	REPAIR & MAINTENANCE SERV	20,000			100%			
84	540	362	OFFICE MACHINERY & EQUIP	25,000			100%			
85	540	367	WATER/SEWER LINES REPAIR	200,000			100%			
86	540	368	CURB BOX REPAIR/REPLACE	25,000			100%			
87	540	370	TRAVEL	3,000			100%			
88	540	380	TRAINING SERVICES	5,000			100%			
89	540	397	CONTRACTED SERVICES	16,000			100%			
90	540	452	GRAVEL AND SAND	-			100%			
91	540	511	INSURANCE ON BLDGS/IMPRVM	8,365			100%			
92	540	513	LIABILITY	8,989			100%			
93	540	514	VEHICLE/EQUIPMENT INSURAN	3,566			100%			
94	540	530	RENT	182,000			100%			
95	540	532	LAND RANTAL/EASEMENTS	11,800			100%			
96	540	533	MACHINERY & EQUIPMENT RENT	-			100%			
97	540	540	SPECIAL ASSESSMENTS	-			100%			
98	540	543	SERVICE CONNECTION FEE	6,100			100%			
99	540	811	LIABILITY DEDUCTIBLES	-			100%			
100	540	901	MISC CAPITAL PROJECTS	-			100%			
101	540	938	REPLACE WATER/SEWER LINE	-			100%			
102	540	943	VEHICLE(S)	-			100%			
103	540	949	MINI EXCAVATOR	-			100%			
5210-430551 MURRAY HEIGHTS SUBDIVISION - BOOSTER STATION										
104	540	220	Operating Supplies	500			100%			
105	540	231	Gas, Oil, Diesel Fuel, Gr	-			100%			
106	540	241	Consumable Tools	-			100%			
107	540	341	Electric Utility Services	15,000			100%			
108	540	344	Gas Utility Services	800			100%			
109	540	360	Repair & Maintenance Serv	5,000			100%			
110	540	366	Building Maintenance	5,000			100%			
5210-430552 WATER RESERVOIR										
111	540	220	Operating Supplies	300	100%		100%			
112	540	231	Electric Utility Services	1,500	100%		100%			
113	540	241	Professional Services	7,500	100%		100%			
114	540	341	Water/Sewer Struct. & Equ	-	100%		100%			
115	540	344	Gravel and Sand	-	100%		100%			
116	540	360	Buildings	-	100%		100%			
5210-430553 ELENA BOOSTER STATION										
117	540	220	Operating Supplies	100			100%			
118	540	231	Gas, Oil, Diesel Fuel, Gr	500			100%			
119	540	233	Machinery & Equipment Par	1,500			100%			
120	540	341	Electric Utility Services	7,500			100%			
121	540	350	Professional Services	500			100%			
122	540	360	Repair & Maintenance Serv	1,000			100%			
123	540	366	Building Maintenance	500			100%			
5210-521000 INTERFUND OPERATING TRANSFERS OUT										
124	540	820	Transfers to Other Funds	5,000		100%	100%			
125	Total			2,997,500	9,300	1,691,055	1,168,645	68,000	60,500	2,997,500

Source: City of Laurel - Expenditure Budget by Org Report - MultiYear Actuals

0	0.3%	56.4%	39.0%	2.3%	2.0%	100.0%
0	0.3%	56.4%	39.0%	2.3%	2.0%	100.0%
0	9,300	1,691,055	1,168,645	68,000	60,500	

Town of Laurel
Water Utility
Summary Operation and Maintenance Expense Functional Category Allocations
Test Year 2025

Line No.	Description	Lookup Column->	1 Source of Supply	2 Treatment	3 Trans / Dist	4 Customer / Billing	5 Meters & Services	Total
1	Total Allocation		9,300	1,691,055	1,168,645	68,000	60,500	2,997,500
126	All Other Infrastructure Reallocation		0.3%	56.4%	39.0%	2.3%	2.0%	
127	Total All Other Infrastructure		-	-	-	-	-	0
128	All Other General Reallocation		0.3%	56.4%	39.0%	2.3%	2.0%	
129	Total Reallocated All Other General		-	-	-	-	-	0
130	Total After Reallocation		9,300	1,691,055	1,168,645	68,000	60,500	2,997,500
131	%		0.3%	56.4%	39.0%	2.3%	2.0%	100.0%

Line No.	Description	Total	Volume		Customer Related			General & Admin	Total
			Base	Maximum Day Demand	Maximum Hour Demand	Meters & Services	Billing		
Functions									
1	Source of Supply	9,300	100.0%						100.0%
2	Treatment	1,691,055	55.6%	44.4%					100.0%
3	Transmission & Distribution	1,168,645	16.7%	13.3%	20.0%	50.0%			100.0%
4	Customer/Billing	68,000					100.0%		100.0%
5	Meters & Services	60,500				100.0%			100.0%
6	Public Fire	0				100.0%			100.0%
7	Common to Irrigation	0					100.0%		100.0%
8	All Other Infrastructure	0					100.0%		100.0%
9	General & Admin	0						50.0%	100.0%
10	Pump Station	0		40.0%	60.0%				100.0%
11	Treated Storage	0		40.0%	60.0%				100.0%
12									100.0%
13									100.0%
14	Total	2,997,500							

City of Laurel
 Water Utility
 Allocation of Functionalized O&M Expenses to Cost Components

Table A-11

Line No.	Description	Volume			Customer Related		Indirect	General & Admin	Total
		Total	Base	Maximum Day Demand	Maximum Hour Demand	Meters & Services			
		\$	\$	\$	\$	\$	\$	\$	\$
Functions									
1	Source of Supply	9,300	9,300	0	0	0	0	0	9,300
2	Treatment	1,691,055	939,475	751,580	0	0	0	0	1,691,055
3	Transmission & Distribution	1,168,645	194,774	155,819	233,729	584,323	0	0	1,168,645
4	Customer Billing	68,000	0	0	0	0	68,000	0	68,000
5	Meters & Services	60,500	0	0	0	60,500	0	0	60,500
6	Public Fire	0	0	0	0	0	0	0	0
7	Common to Irrigation	0	0	0	0	0	0	0	0
8	All Other Infrastructure	0	0	0	0	0	0	0	0
9	Indirect	0	0	0	0	0	0	0	0
10	Pump Station	0	0	0	0	0	0	0	0
11	Treated Storage	0	0	0	0	0	0	0	0
12	Total Allocated O&M	2,997,500	1,143,549	907,399	233,729	644,823	68,000	0	2,997,500
13	<i>Percent of Total</i>		38.2%	30.3%	7.8%	21.5%	2.3%	0.0%	0.0%
14	<i>Indirect & G&A Allocation, %</i>		38.2%	30.3%	7.8%	21.5%	2.3%		
	<i>Settling Water and Raw Water Allocation</i>		55.6%	44.4%					
15	Indirect Allocation, \$	0	0	0	0	0	0	0	0
16	General & Admin Allocation, \$	0	0	0	0	0	0	0	0
17	Subtotal Reallocated O&M - %	2,997,500	1,143,549	907,399	233,729	644,823	68,000		
18	<i>Subtotal Reallocated O&M - %</i>		38.2%	30.3%	7.8%	21.5%	2.3%		
19	Miscellaneous Revenue Offsets	(71,900)	(27,430)	(21,765)	(5,606)	(15,467)	(1,631)		
20	Allocation of Change in Fund Balance	(330,826)	(126,210)	(100,147)	(25,796)	(71,167)	(7,505)		
21	Settling and Raw Water Revenue	(198,700)	(110,389)	(88,311)	0	0	0		
22	Total Revenue Offsets	(601,426)	(264,029)	(210,224)	(31,402)	(86,634)	(9,136)		
19	Annual O&M Expenses with Reallocations (with Rev Req Adjustme	2,396,074	879,520	697,176	202,327	558,188	58,864		

No.	Customer Class	Water Use		Maximum Day Demand			Maximum Hour Demand			Bills	3/4" Equivalent Meter Capacity Ratio
		Annual 1,000 gal	Average Day 1,000 gal	Demand Factor	Total Demand	Extra Capacity	Demand Factor	Total Demand	Extra Capacity		
1	Residential	162,482	445	3.81	1,694	1,249	6.34	2,823	1,129	31,114	31,234
2	Commercial	88,935	244	2.35	573	330	3.92	955	382	2,802	9,115
3	Irrigation	10,391	28	7.65	218	189	12.75	363	145	185	438
4	Industrial	434,162	1,189	2.51	2,984	1,795	4.18	4,974	1,990	72	3,326
5	Total	695,969	1,907		5,470	3,563		9,116	3,646	34,173	44,112

City of Laurel
Water Utility
Unit Costs of Service

Table A-13

Line No.	Description	Total	Volume		Customer Related		
			Annual	Maximum Day Demand	Maximum Hour Demand	Meters & Services	Billing
Cost of Service							
1	Operation and Maintenance Expense	\$2,997,500	\$1,143,549	\$907,399	\$233,729	\$644,823	\$68,000
2	Capital Cost	1,446,908	561,825	408,150	127,128	349,805	0
3	Total Cost of Service	\$4,444,408	\$1,705,374	\$1,315,550	\$360,857	\$994,627	\$68,000
4	Miscellaneous Revenue Offsets	(\$71,900)	(\$27,430)	(\$21,765)	(\$5,606)	(\$15,467)	(\$1,631)
5	Allocation of Change in Fund Balance	(330,826)	(126,210)	(100,147)	(25,796)	(71,167)	(7,505)
6	Settling and Raw Water Revenue	(198,700)	(110,389)	(88,311)	0	0	0
7	Net Allocated Revenue Requirement	\$3,842,982	\$1,441,344	\$1,105,326	\$329,454	\$907,993	\$58,864
8	<i>Percent of Total</i>	<i>100%</i>	<i>38%</i>	<i>30%</i>	<i>8%</i>	<i>22%</i>	<i>2%</i>
Units of Service							
	<u>Units of Service</u>		<u>1,000 gal</u>	<u>gpd</u>	<u>gpd</u>	<u>Equivalent Meter Capacity</u>	<u># Bills</u>
9	Common to All Customers (Table A-14, Line 5)		695,969	3,563	3,646	44,112	34,173
10	Common to Retail Customers (Table A-14, Lines 1-4)		261,808	1,768	1,657	40,786	34,101
Units of Service							
11	Common to All Customers (Lines 3 - 6 / Line 9)		\$2.23	\$335.03	\$90.35	\$20.58	\$1.72
12	Common to Retail Customers (Line 6 / Line 10)		(\$0.42)	(\$49.96)	\$0.00	\$0.00	\$0.00

City of Laurel
Water Utility
Distribution of Costs to Customer Classes

Table A-14

Line No.	Description	Total	Volume		Customer Related		
			Average Day	Maximum Day Demand	Maximum Hour Demand	Meters & Services	Billing
1	Unit Costs of Service - \$/unit						
	Common to All Customers (Lines 3 - 6 / Line 9)		\$2.23	\$335.03	\$90.35	\$20.58	\$1.72
	Common to Retail Customers (Line 6 / Line 10)		\$1.81	\$285.07	\$90.35	\$20.58	\$1.72
	Customer Class						
	Residential						
2	Units		162,482	1,249	1,129	31,234	31,114
3	Cost of Service - \$	\$1,448,292	\$293,761	\$355,995	\$102,033	\$642,907	\$53,595
	Commercial						
4	Units		88,935	330	382	9,115	2,802
5	Cost of Service - \$	\$481,741	\$160,790	\$93,971	\$34,532	\$187,622	\$4,826
	Irrigation						
6	Units		10,391	189	145	438	185
7	Cost of Service - \$	\$95,209	\$18,786	\$53,975	\$13,119	\$9,010	\$319
	Industrial						
8	Units		434,162	1,795	1,990	3,326	72
9	Cost of Service - \$	\$1,817,739	\$968,007	\$601,385	\$179,770	\$68,454	\$124
10	Total Cost of Service	3,842,982	1,441,344	1,105,326	329,454	907,993	58,864

Comparison of Cost of Service With Revenues Under Existing Rates

Line No	Customer Class	2025 Cost of Service	Revenue at Existing Rates	Change - \$	Change - %
		COS	Rev		
1	Residential	\$1,448,292	\$1,405,545	\$42,747	3.0%
2	Commercial	481,741	523,700	(41,959)	-8.0%
3	Irrigation	95,209	42,824	52,385	122.3%
4	Industrial	\$1,817,739	1,340,846	476,893	35.6%
5	Total System	\$3,842,982	3,312,915	530,066	16.0%

City of Laurel
 Water Utility
 Adjusted Cost of Service

Table A-16

Line No	Customer Class	2025 Cost of Service	Revenue at Existing Rates	Change - \$	Adjustment	Adjusted COS	Change - %
1	Residential	\$1,448,292	\$1,405,545	\$0	\$0	\$1,448,292	3.0%
2	Commercial	481,741	523,700	41,959	\$0	523,700	0.0%
3	Irrigation	95,209	42,824	-	(2,088)	93,121	117.5%
4	Industrial	1,817,739	1,340,846	-	(39,871)	1,777,869	32.6%
5	Total	\$3,842,982	\$3,312,915	\$41,959	(\$41,959)	\$3,842,982	16.0%

Residential Cost of Service				\$1,448,292	Combined Commercial and Irrigation COS				\$616,821	Industrial				\$1,777,869			
Meter Size Inches	Bills	S.C.	Revenue		Meter Size Inches	Bills	S.C.	Revenue		Meter Size Inches	Bills	S.C.	Revenue				
3/4"	31,030	\$32.61	\$1,011,886		3/4"	1,324	\$32.61	\$43,186		3/4"	12	\$32.61	\$392				
1"	60	\$56.11	\$3,372		1"	931	\$56.11	\$52,234		1"	12	\$56.11	\$674				
1.25"	0	\$85.57	\$0		1.25"	12	\$85.57	\$1,028		1.25"	0	\$85.57	\$0				
1.5"	24	\$121.86	\$2,929		1.5"	322	\$121.86	\$39,278		1.5"	0	\$121.86	\$0				
2"	0	\$215.28	\$0		2"	274	\$215.28	\$59,046		2"	0	\$215.28	\$0				
3"	0	\$478.86	\$0		3"	87	\$478.86	\$41,702		3"	24	\$478.86	\$11,504				
4"	0	\$852.82	\$0		4"	12	\$852.82	\$10,244		4"	0	\$852.82	\$0				
6"	0	\$1,915.49	\$0		6"	24	\$1,915.49	\$46,018		6"	12	\$1,915.49	\$23,009				
10"	0	\$5,291.82	\$0		10"	0	\$5,291.82	\$0		10"	12	\$5,291.82	\$63,565				
Total Service Charge Revenue			\$1,018,187		Total Service Charge Revenue			\$292,737		Total Service Charge Revenue			\$35,579				
Volume Rate Revenue Required			\$430,104		Volume Rate Revenue Required			\$324,085		Volume Rate Revenue Required			\$1,742,290				
Threshold	% Vol	Ratio	Volume	Rate	Revenue	Threshold	% Vol	Ratio	Volume	Rate	Revenue	Threshold	% Vol	Ratio	Volume	Rate	Revenue
5000	57.3%	1.00	93,125	2.17	202,133	All Usage	100.0%	1.00	99,325	\$3.26	324,085	All Usage	100.0%	1.00	434,162	4.01	1,742,290
10000	17.6%	1.25	28,667	2.71	77,780		0.0%	1.00	0	3.26	-		0.0%	1.00	0	4.01	-
20000	15.0%	1.50	24,371	3.26	79,350		0.0%	1.00	0	3.26	-		0.0%	1.00	0	4.01	-
99999	10.0%	2.00	16,319	4.34	70,841		0.0%	1.00	0	3.26	-		0.0%	1.00	0	4.01	-
Total			162,482	2.65	430,104	Total	100.0%	1.00	99,325	3.26	324,085	Total	100.0%	1.00	434,162	4.01	1,742,290
			Rounded						Rounded						Rounded		
			93,125	2.17	202,081				99,325	3.27	324,794				434,162	4.02	1,745,329
			28,667	2.71	77,689				0	3.27	-				0	4.02	-
			24,371	3.26	79,451				0	3.27	-				0	4.02	-
			16,319	4.34	70,823				0	3.27	-				0	4.02	-
			162,482	2.65	430,043				99,325	3.27	324,794				434,162	4.02	1,745,329
			<i>Over/Under Recovery</i>		<i>(61)</i>				<i>Over/Under Recovery</i>		<i>710</i>				<i>Over/Under Recovery</i>		<i>3,039</i>

Residential

Meter Size <i>Inches</i>	Monthly Base Rate [1]
3/4"	\$32.61
1"	\$56.11
1.25"	\$85.57
1.5"	\$121.86
2"	\$215.28
3"	\$478.86
4"	\$852.82
6"	\$1,915.49
10"	\$5,291.82

Threshold	% Vol	Price Ratio	Rate, \$ per Kgal
5	57.3%	1.00	\$2.17
10	17.6%	1.25	\$2.71
20	15.0%	1.50	\$3.26
> 20	10.0%	2.00	\$4.34

Combined Commercial and Irrigation

Meter Size <i>Inches</i>	Monthly Base Rate [1]
3/4"	\$32.61
1"	\$56.11
1.25"	\$85.57
1.5"	\$121.86
2"	\$215.28
3"	\$478.86
4"	\$852.82
6"	\$1,915.49
10"	\$5,291.82

Threshold	% Vol	Price Ratio	Rate, \$ per Kgal
All Usage	100.0%	1.00	3.27

Industrial

Meter Size <i>Inches</i>	Monthly Base Rate [1]
3/4"	\$32.61
1"	\$56.11
1.25"	\$85.57
1.5"	\$121.86
2"	\$215.28
3"	\$478.86
4"	\$852.82
6"	\$1,915.49
10"	\$5,291.82

Threshold	% Vol	Price Ratio	Rate, \$ per Kgal
All Usage	100.0%	1.00	4.02

Table B-2
City of Laurel
Wastewater Utility
Operating Subfund Cash Flow Analysis

Table B-1

Line No.	Description	For the Fiscal Year Ending June 30				
		Budget	Projected			
		2025	2026	2027	2028	2029
		\$	\$	\$	\$	\$
Sources of Funds						
<i>Service Charge Revenue</i>						
1	Revenue at Existing Rates	1,948,093	1,948,512	1,948,512	1,948,512	1,948,512
2	Additional Sewer Service Revenue Required	243,512	706,335	945,272	1,205,712	1,363,423
3	Total Sewer Rate Revenue	2,191,605	2,654,847	2,893,783	3,154,224	3,311,935
<i>Other Operating Revenue</i>						
4	Interest Income	61,149	47,115	50,123	60,602	75,090
5	Non-Rate Revenue	51,000	51,000	51,000	51,000	51,000
6	Total Sources	2,303,754	2,752,962	2,994,906	3,265,826	3,438,025
Uses of Funds						
7	Operations and Maintenance Expense	1,676,539	1,747,235	1,812,221	1,879,642	1,949,588
<i>Debt Service</i>						
<i>Existing Debt</i>						
8	SRF-15360	121,096	167,951	212,459	211,949	212,329
9	SRF-14330	250,405	249,946	250,364	250,606	250,676
10	SRF-11265	51,425	50,215	50,991	51,713	51,393
11	SRF-06143	89,320	-	-	-	-
12	Proposed State Loans	0	0	0	0	0
13	Total Debt Service	512,246	468,113	513,814	514,267	514,398
<i>PAYGO Capital Projects</i>						
14	Total Uses	3,182,885	2,809,448	2,737,869	2,824,275	2,913,720
15	Annual Surplus (Deficiency)	(879,131)	(56,486)	257,037	441,550	524,305
16	Beginning Balance (Restricted)	2,503,370	1,624,238	1,567,752	1,824,789	2,266,340
17	Ending Balance	1,624,238	1,567,752	1,824,789	2,266,340	2,790,645
Target Reserves						
18	Operating (60 Days O&M)	275,595	287,217	297,899	308,982	320,480
19	Cash - System Development Fees	603,518	603,518	603,518	603,518	603,518
20	Cash - Revenue Bond Sinking	323,560	323,560	323,560	323,560	323,560
21	Cash - Bond Reserve DNRC	435,209	435,209	435,209	435,209	435,209
22	Cash - Bond Reserve DNRC II	55,399	55,399	55,399	55,399	55,399
23	Cash - Replacement	969,728	969,728	969,728	969,728	969,728
24	Total Target Reserves	2,663,009	2,674,630	2,685,313	2,696,396	2,707,894
25	<i>Unrestricted Funds</i>	<i>(1,038,771)</i>	<i>(1,106,878)</i>	<i>(860,524)</i>	<i>(430,056)</i>	<i>82,751</i>
<i>Months Rate Increase Effective</i>						
26	Annual Sewer Service Revenue Increase	6	12	12	12	12
27	Cumulative Revenue Increase	25.0%	9.0%	9.0%	9.0%	5.0%
		25.0%	36.3%	48.5%	61.9%	70.0%
28	Debt Service Coverage	1.22	2.15	2.30	2.70	2.89
29	Target Debt Service Coverage (1.2)	1.20	1.20	1.20	1.20	1.20
<hr/>						
Minimum Reserves						
30	Operating (60 Days O&M)	275,595	287,217	297,899	308,982	320,480
31	Cash - Revenue Bond Sinking	323,560	323,560	323,560	323,560	323,560
32	Cash - Bond Reserve DNRC	435,209	435,209	435,209	435,209	435,209
33	Cash - Bond Reserve DNRC II	55,399	55,399	55,399	55,399	55,399
34	Total Minimum Reserves	1,089,763	1,101,385	1,112,067	1,123,150	1,134,648
35	<i>Unrestricted Funds with Minimum Reserves</i>	<i>534,475</i>	<i>466,368</i>	<i>712,722</i>	<i>1,143,190</i>	<i>1,655,997</i>
36	Debt Service Coverage	1.22	2.15	2.30	2.70	2.89
		969,728	969,728	969,728	969,728	969,728

Line No.	Fund	Fund Description	Account Description	Inflation Coding	For the Fiscal Year Ending June 30						
					Budget	Projected					
					2025	2026	2027	2028	2029		
					\$	\$	\$	\$	\$		
	600	Sewer	5310-430600	0	<i>Sewer Utilities</i>						
1	600	Sewer	392	0	ADMINISTRATIVE SERVICES	1	76,494	79,936	83,134	86,459	89,917
	630	Sewer	5310-430630	0	<i>Collection and Transmission</i>						
2	630	Sewer	110	0	SALARIES AND WAGES	1	120,000	125,400	130,416	135,633	141,058
3	630	Sewer	111	0	OVERTIME	1	2,500	2,613	2,717	2,826	2,939
4	630	Sewer	138	0	VISION INSURANCE	1	120	125	130	136	141
5	630	Sewer	139	0	DENTAL INSURANCE	1	890	930	967	1,006	1,046
6	630	Sewer	141	0	UNEMPLOYMENT INSURANCE	1	435	455	473	492	511
7	630	Sewer	142	0	WORKERS' COMPENSATION	1	4,800	5,016	5,217	5,425	5,642
8	630	Sewer	143	0	HEALTH INSURANCE	1	20,000	20,900	21,736	22,605	23,510
9	630	Sewer	144	0	LIFE INSURANCE	1	200	209	217	226	235
10	630	Sewer	145	0	FICA	1	9,500	9,928	10,325	10,738	11,167
11	630	Sewer	146	0	PERS	1	11,020	11,516	11,977	12,456	12,954
12	630	Sewer	149	0	ST/LT DISABILITY	1	1,235	1,291	1,342	1,396	1,452
13	630	Sewer	194	0	FLEX MEDICAL	1	1,330	1,390	1,445	1,503	1,563
14	630	Sewer	220	0	OPERATING SUPPLIES	4	5,000	5,200	5,382	5,570	5,765
15	630	Sewer	221	0	CHEMICALS	4	-	-	-	-	-
16	630	Sewer	226	0	CLOTHING AND UNIFORMS	1	250	261	272	283	294
17	630	Sewer	230	0	REPAIR & MAINTENANCE SUPP.	3	-	-	-	-	-
18	630	Sewer	231	0	GAS, OIL, DIESEL FUEL, GR	4	7,000	7,280	7,535	7,799	8,071
19	630	Sewer	232	0	MOTOR VEHICLE PARTS	3	-	-	-	-	-
20	630	Sewer	233	0	MACHINERY & EQUIPMENT PAR	3	7,000	7,280	7,535	7,799	8,071
21	630	Sewer	239	0	TIRES/TUBES/CHAINS	3	-	-	-	-	-
22	630	Sewer	241	0	CONSUMABLE TOOLS	4	-	-	-	-	-
23	630	Sewer	263	0	SAFETY SUPPLIES	4	-	-	-	-	-
24	630	Sewer	311	0	POSTAGE	1	5,700	5,957	6,195	6,443	6,700
25	630	Sewer	337	0	ADVERTISING	5	1,000	1,040	1,076	1,114	1,153
26	630	Sewer	339	0	CERTIFICATION RENEWAL	5	1,200	1,248	1,292	1,337	1,384
27	630	Sewer	343	0	CELLULAR TELEPHONE	1	1,000	1,045	1,087	1,130	1,175
28	630	Sewer	350	0	PROFESSIONAL SERVICES	2	50,000	52,000	53,820	55,704	57,653
29	630	Sewer	351	0	MEDICAL, DENTAL, VETERINA	1	200	209	217	226	235
30	630	Sewer	355	0	DATA PROCESSING SERVICES	2	-	-	-	-	-
31	630	Sewer	364	0	WATER/SEWER STRUCT. & EQU	8	75,000	78,000	80,730	83,556	86,480
32	630	Sewer	367	0	WATER/SEWER LINES REPAIR	3	100,000	104,000	107,640	111,407	115,307
33	630	Sewer	370	0	TRAVEL	5	3,000	3,120	3,229	3,342	3,459
34	630	Sewer	380	0	TRAINING SERVICES	5	500	520	538	557	577
35	630	Sewer	397	0	CONTRACTED SERVICES	2	1,800	1,872	1,938	2,005	2,076
36	630	Sewer	511	0	INSURANCE ON BLDGS/IMPRVM	8	-	-	-	-	-
37	630	Sewer	513	0	LIABILITY	8	3,866	4,021	4,161	4,307	4,458
38	630	Sewer	514	0	VEHICLE/EQUIPMENT INSURAN	8	2,456	2,554	2,644	2,736	2,832
39	630	Sewer	530	0	RENT	8	180,000	187,200	193,752	200,533	207,552
40	630	Sewer	532	0	LAND RENTAL/EASEMENTS	8	700	728	753	780	807
41	630	Sewer	533	0	MACHINERY & EQUIPMENT RENT	4	500	520	538	557	577
42	630	Sewer	811	0	LIABILITY DEDUCTIBLES	8	-	-	-	-	-
43	630	Sewer	938	0	REPLACE WATER/SEWER LINE	3	350,000	-	-	-	-
	631	Sewer	5310-430631	0	<i>Elm Lift Station</i>						
44	631	Sewer	220	0	OPERATING SUPPLIES	4	100	104	108	111	115
45	631	Sewer	221	0	CHEMICALS	4	500	520	538	557	577
46	631	Sewer	231	0	GAS, OIL, DIESEL FUEL, FR	4	1,000	1,040	1,076	1,114	1,153
47	631	Sewer	233	0	MACHINERY & EQUIPMENT PAR	4	1,000	1,040	1,076	1,114	1,153
48	631	Sewer	341	0	ELECTRIC UTILITY SERVICES	8	5,500	5,720	5,920	6,127	6,342
49	631	Sewer	345	0	TELEPHONE	1	825	862	897	932	970
50	631	Sewer	350	0	PROFESSIONAL SERVICES	2	-	-	-	-	-
51	631	Sewer	360	0	REPAIR & MAINTENANCE SERV	3	1,500	1,560	1,615	1,671	1,730
52	631	Sewer	364	0	WATER/SEWER STRUCT. & EQU	3	5,000	5,200	5,382	5,570	5,765
	632	Sewer	5310-430632	0	<i>Village Lift Station</i>						
53	632	Sewer	220	0	OPERATING SUPPLIES	4	-	-	-	-	-
54	632	Sewer	221	0	CHEMICALS	4	-	-	-	-	-
55	632	Sewer	231	0	GAS, OIL, DIESEL FUEL, FR	4	700	728	753	780	807
56	632	Sewer	233	0	MACHINERY & EQUIPMENT PAR	4	2,500	2,600	2,691	2,785	2,883
57	632	Sewer	341	0	ELECTRIC UTILITY SERVICES	8	5,500	5,720	5,920	6,127	6,342
58	632	Sewer	344	0	GAS UTILITY SERVICE	8	-	-	-	-	-
59	632	Sewer	345	0	TELEPHONE	1	850	888	924	961	999
60	632	Sewer	360	0	REPAIR & MAINTENANCE SERV	3	1,000	1,040	1,076	1,114	1,153
61	632	Sewer	364	0	WATER/SEWER STRUCT. & EQU	4	-	-	-	-	-
62	632	Sewer	930	0	IMPROVEMENTS OTHER THAN B	3	15,000	-	-	-	-
	633	Sewer	5310-430633	0	<i>Walmart Lift Station</i>						
63	633	Sewer	220	0	OPERATING SUPPLIES	4	-	-	-	-	-
64	633	Sewer	221	0	CHEMICALS	4	-	-	-	-	-
65	633	Sewer	231	0	GAS, OIL, DIESEL FUEL, FR	4	-	-	-	-	-
66	633	Sewer	233	0	MACHINERY & EQUIPMENT PAR	4	1,000	1,040	1,076	1,114	1,153
67	633	Sewer	341	0	ELECTRIC UTILITY SERVICES	8	1,700	1,768	1,830	1,894	1,960

City of Laurel
Wastewater Utility
Historical & Projected Operation and Maintenance Expense

Tabls B-2

Line No.	Fund	Fund Description	Account Description	Inflation Coding	For the Fiscal Year Ending June 30						
					Budget	Projected					
					2025	2026	2027	2028	2029		
					\$	\$	\$	\$	\$		
68	633	Sewer	360	0	REPAIR & MAINTENANCE SERV	3	6,000	6,240	6,458	6,684	6,918
69	633	Sewer	364	0	WATER/SEWER STRUCT. & EQU	4	500	520	538	557	577
	640	Sewer	5310-430640	0	Treatment and Disposal						
70	640	Sewer Plant	110		SALARIES AND WAGES	1	350,000	365,750	380,380	395,595	411,419
71	640	Sewer Fund	111		OVERTIME	1	10,000	10,450	10,868	11,303	11,755
72	640	Sewer Fund	138		VISION INSURANCE	1	275	287	299	311	323
73	640	Sewer Fund	139		DENTAL INSURANCE	1	2,500	2,613	2,717	2,826	2,939
74	640	Sewer Fund	141		UNEMPLOYMENT INSURANCE	1	1,300	1,359	1,413	1,469	1,528
75	640	Sewer Fund	142		WORKERS' COMPENSATION	1	11,000	11,495	11,955	12,433	12,930
76	640	Sewer Fund	143		HEALTH INSURANCE	1	64,000	66,880	69,555	72,337	75,231
77	640	Sewer Fund	144		LIFE INSURANCE	1	650	679	706	735	764
78	640	Sewer Fund	145		FICA	1	28,000	29,260	30,430	31,648	32,914
79	640	Sewer Fund	146		PERS	1	31,000	32,395	33,691	35,038	36,440
80	640	Sewer Fund	149		ST/LT DISABILITY	1	2,800	2,926	3,043	3,165	3,291
81	640	Sewer Fund	194		FLEX MEDICAL	1	3,600	3,762	3,912	4,069	4,232
82	640	Sewer Fund	220		OPERATING SUPPLIES	4	15,000	15,600	16,146	16,711	17,296
83	640	Sewer Fund	221		CHEMICALS	4	47,000	48,880	50,591	52,361	54,194
84	640	Sewer Fund	222		LABORATORY & MEDICAL SUPP	4	15,000	15,600	16,146	16,711	17,296
85	640	Sewer Fund	226		CLOTHING AND UNIFORMS	1	200	209	217	226	235
86	640	Sewer Fund	231		GAS, OIL, DIESEL FUEL, GR	3	9,000	9,360	9,688	10,027	10,378
87	640	Sewer Fund	232		MOTOR VEHICLE PARTS	3	500	520	538	557	577
88	640	Sewer Fund	233		MACHINERY & EQUIPMENT PAR	3	45,000	46,800	48,438	50,133	51,888
89	640	Sewer Fund	241		CONSUMABLE TOOLS	4	-	-	-	-	-
90	640	Sewer Fund	263		SAFETY SUPPLIES	4	-	-	-	-	-
91	640	Sewer Fund	300		PURCHASED SERVICES	2	-	-	-	-	-
92	640	Sewer Fund	312		NETWORKING FEES	5	5,000	5,200	5,382	5,570	5,765
93	640	Sewer Fund	337		ADVERTISING	5	-	-	-	-	-
94	640	Sewer Fund	339		CERTIFICATION RENEWAL	5	1,500	1,560	1,615	1,671	1,730
95	640	Sewer Fund	341		ELECTRIC UTILITY SERVICES	8	100,000	104,000	107,640	111,407	115,307
96	640	Sewer Fund	343		CELLULAR TELEPHONE	1	300	314	326	339	353
97	640	Sewer Fund	344		GAS UTILITY SERVICE	8	30,000	31,200	32,292	33,422	34,592
98	640	Sewer Fund	345		TELEPHONE	1	3,500	3,658	3,804	3,956	4,114
99	640	Sewer Fund	349		QUALITY TESTING	4	20,000	20,800	21,528	22,281	23,061
100	640	Sewer Fund	350		PROFESSIONAL SERVICES	2	12,000	12,480	12,917	13,369	13,837
101	640	Sewer Fund	351		MEDICAL, DENTAL, VETERINARY	1	500	523	543	565	588
102	640	Sewer Fund	355		DATA PROCESSING SERVICES	8	-	-	-	-	-
103	640	Sewer Fund	360		REPAIR & MAINTENANCE SERVICES	3	5,000	5,200	5,382	5,570	5,765
104	640	Sewer Fund	364		WATER / SEWER STRUCTURE & EQUIP	4	-	-	-	-	-
105	640	Sewer Fund	366		BUILDING MAINTENANCE	3	40,000	41,600	43,056	44,563	46,123
106	640	Sewer Fund	370		TRAVEL	5	2,500	2,600	2,691	2,785	2,883
107	640	Sewer Fund	380		TRAINING SERVICES	5	2,500	2,600	2,691	2,785	2,883
108	640	Sewer Fund	391		DUMPING FEES	8	30,000	31,200	32,292	33,422	34,592
109	640	Sewer Fund	397		CONTRACTED SERVICES	2	5,000	5,200	5,382	5,570	5,765
110	640	Sewer Fund	511		INSURANCE ON BLDGS/IMPRVM	8	25,626	26,651	27,584	28,549	29,548
111	640	Sewer Fund	513		LIABILITY	8	13,417	13,954	14,442	14,948	15,471
112	640	Sewer Fund	514		VEHICLE / EQUIPMENT INSURANCE	8	-	-	-	-	-
113	640	Sewer Fund	544		DISCHARGE PERMIT FEE	8	8,000	8,320	8,611	8,913	9,225
114	640	Sewer Fund	901		MISC CAPITAL PROJECTS	1	250,000	261,250	271,700	282,568	293,871
115	640	Sewer Fund	946		COMPUTER EQ/SOFTWARE	4	350,000	364,000	376,740	389,926	403,573
	600	Sewer	5210-521000		INTERFUND OPERATING TRANSFERS OUT						
118	820	Sewer	820		Transfers to Other F Transfers to Other Funds	N	5,000	5,000	5,000	5,000	5,000
119	Total Operation and Maintenance Expense						2,641,539	2,372,485	2,460,661	2,552,135	2,647,033
120	Less: Budgeted Capital Projects						965,000	625,250	648,440	672,494	697,444
121	Net O&M Expense						1,676,539	1,747,235	1,812,221	1,879,642	1,949,588

Table B-5
 City of Laurel
 Wastewater Utility
 Sewer Capital Improvement Plan Excluding Inflation

Table B-3

Line No.	Title	For the Fiscal Year Ending June 30					2025 - 2029 Total
		Budget	Projected				
		2025	2026	2027	2028	2029	
		\$	\$	\$	\$	\$	\$
1	Primary Clarifier Recoating		200,000				200,000
2	Sewer Line Replacement b/n Main St/1st and 5th/7th - Partial Grant Funding						-
3	Wastewater Plant Boilers	600,000					600,000
4	Manhole Lining Project \$3,500/MH * 563 MH	394,100	394,100	394,100	394,100	394,100	1,970,500
5	Undesignated Collection System Repair and Replacement						-
6	Total Capital Improvement Program Excluding Inflation	994,100	594,100	394,100	394,100	394,100	2,770,500

Source: CIP for Eaton Review with Faith's edits.xlsx

City of Laurel
 Water Utility
 Sewer Capital Improvement Plan Including Inflation

Table B-4

<i>Annual Inflation</i>	0.0%	0.0%	4.5%	4.5%	4.5%
<i>Cumulative Inflation</i>	0.0%	0.0%	4.5%	9.2%	14.1%

Line No.	Title	For the Fiscal Year Ending June 30					2025 - 2029 Total
		Budget	Projected				
		2025	2026	2027	2028	2029	
		\$	\$	\$	\$	\$	
1	Primary Clarifier Recoating	-	200,000	-	-	-	200,000
2	Sewer Line Replacement b/n Main St/1st and 5th/7th - Partial Grant Funding	-	-	-	-	-	-
3	Wastewater Plant Boilers	600,000					600,000
4	Manhole Lining Project \$3,500/MH * 563 MH	394,100	394,100	411,835	430,367	449,734	2,080,135
5	Undesignated Collection System Repair and Replacement	-	-	-	-	-	-
6	Total Capital Improvement Program Including Inflation	994,100	594,100	411,835	430,367	449,734	2,880,135

Town of Laurel
Wastewater Utility
Development of Proposed Rates




Table B-5

Total Cost of Service			\$ 2,435,116	
<u>Meter Size</u>	<u>Residential</u>	<u>Commercial</u>		
3/4"	30,598	0	\$29.24	\$894,699
1"	84	854	52.34	49,094
1.25"	12	0	81.29	977
1.5"	24	286	116.96	36,296
2"	12	192	208.77	42,634
3"	0	108	467.84	50,577
4"	0	12	835.39	10,035
6"	0	12	1,879.84	22,581
Multi	0	1,141	29.24	33,367
Total	30,731	2,606		1,140,259
			Volume Rate I	\$ 1,294,857
			Usage	153,289
			\$ per 1,000 gal	\$ 8.45



Dear Customer,

We are reaching out to inform you about important updates to the City of Laurel's water and wastewater rates, based on a recent comprehensive rate study. Our rates need to be updated to address several key issues, including:

-  Increasing operational costs; the City has not increased rates since 2015, and since then, our costs have increased
-  Urgent maintenance and upgrades for our aging infrastructure
-  Ensuring every customer covers the cost of their water and sewer service

The City Council carefully considered these changes. A public hearing to share more information about these rates is scheduled for December 17, 2024, with a vote on the proposed rates within 30 days.

The results of the rate study recommended a change to how we charge for water. The water rates structure will change to prioritize affordable and equitable rates, and encourage water efficiency. We're moving to a tiered water rate structure. Under this model, the cost per gallon increases as usage rises, which encourages conservation and ensures that high water users contribute more to support the system's additional capacity needs. Many customers may find themselves in the higher tiers during the summer months and in the lower tier during the winter months.

These rate changes are a necessary step towards achieving a balanced and efficient rates structure and will ensure we can continue providing safe and reliable water and sewer services for generations to come.

We appreciate your support as we continue to work to be a stronger and more resilient water utility and community. The following page includes details of the new rates structure. Note that our billing system is not changing, only our rates are. If you have any questions about these new rates or would like assistance with understanding your bill, please contact our customer service team at (406) 628-4796.

Sincerely,

Dave Waggoner

OUR PRIORITIES



Minimized
Customer Impacts



Affordability



Revenue Stability



Fairness



Long-Term
Planning

EXAMPLES OF THREE RESIDENTIAL CUSTOMERS WITH 3/4" METERS WITH DIFFERENT WATER AND WASTEWATER USAGE AND ANTICIPATED IMPACTS ON THEIR BILLS

Indoor Use 4,000 Gallons of Water 3,000 Gallons of Wastewater	Average Use 6,000 Gallons of Water 3,000 Gallons of Wastewater	Summer Use 15,000 Gallons of Water 3,000 Gallons of Wastewater
Water: Monthly Increase of \$0.10 Sewer: Monthly Increase of \$9.54 Total Change: \$9.64	Water: Monthly Decrease of \$0.74 Sewer: Monthly Increase of \$9.54 Total Change: \$8.80	Water: Monthly Increase of \$0.94 Sewer: Monthly Increase of \$9.54 Total Change: \$10.20

Water Rates Structure

Water
Monthly Minimum Charge/Base Charge, \$ per Bill

Meter Size	Existing	Proposed
<i>Inches</i>		
3/4"	\$32.61	\$32.61
1"	\$56.11	\$56.11
1.25"	\$85.57	\$85.57
1.5"	\$121.86	\$121.86
2"	\$215.28	\$215.28
3"	\$478.86	\$478.86
4"	\$852.82	\$852.82
6"	\$1,915.49	\$1,915.49
10"	\$5,291.82	\$5,291.82

Includes capital charge of \$8 per EDU

Volume Rate
\$ per 1,000 gallons

Threshold	Existing	Proposed
Residential		
0 - 1,000	\$0.00	\$2.17
1,001 - 5,000	\$2.86	\$2.17
5,001 - 10,000	\$2.86	\$2.71
10,001 - 20,000	\$2.86	\$3.26
Over 20,000	\$2.86	\$4.34
Commercial		
0 - 1,000	\$0.00	\$3.27
Over 1,000	\$2.86	\$3.27
Industrial		
0 - 1,000	\$0.00	\$4.02
Over 1,000	\$2.86	\$4.02

Sewer Rates Structure

Meter Size	Existing	Proposed
<i>Inches</i>		
3/4"	\$29.24	\$29.24
1"	\$52.34	\$52.34
1.25"	\$81.29	\$81.29
1.5"	\$116.96	\$116.96
2"	\$208.77	\$208.77
3"	\$467.84	\$467.84
4"	\$835.39	\$835.39
6"	\$1,879.84	\$1,879.84
Multi	\$29.27	\$29.27

All Usage	Rate, \$ per Kgal	Rate, \$ per Kgal
	\$5.27	\$8.45

Includes capital charge of \$10.00 per EDU



For more information, call (406) 628-4796